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- P4 Release would disclose trade secrets or confidential commercial or financial information [(a)(4) of the PRA]
- P5 Release would disclose confidential advice between the President and his advisors, or between such advisors [(a)(5) of the PRA]
- P6 Release would constitute a clearly unwarranted invasion of personal privacy [(a)(6) of the PRA]

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- b(7) Release would disclose information compiled for law enforcement purposes [(b)(7) of the FOIA]
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- b(9) Release would disclose geological or geophysical information concerning wells [(b)(9) of the FOIA]

THE PRESIDENT HAS SEEN
2/26/96

96 FEB 13 AIO: 07

12 February 1996

MEMORANDUM TO THE PRESIDENT

CC: Leon Panetta (w/o enc.)
Evelyn Lieberman (w/o enc.)

From: Harold Ickes *HW*

Re: Hugh Cannon

Hugh Cannon, a longtime parliamentarian from South Carolina, who has been parliamentarian for a number of Democratic National Conventions, asked me to transmit to you his recent book "Cannon's Concise Guide To Rules of Order: A New Approach to Holding Successful Meetings" and his The Democratic Manual for the 1992 Democratic Convention.

*Do try to
use to sign
to show up -
to clear up -
Bc*

JIM DORSKIND:

Please coordinate
the reply.

THE DEMOCRATIC MANUAL
FOR
THE 1992 DEMOCRATIC CONVENTION

To President Clinton -

These Rules are unchanged
for 1996. They are totally restrictive.
no one can speak unless the Chair

HUGH CANNON
PARLIMENTARIAN
of the
Democratic National Committee

wants them to
speak. Thus,
no 1972 meetings
until 4am -
and no 1968 -
Chicago -

/ Jay

THE DEMOCRATIC MANUAL
FOR THE 1992 DEMOCRATIC NATIONAL CONVENTION

HUGH CANNON
PARLIAMENTARIAN

This Manual has the Procedural Rules of the 1992 Democratic National Convention from the 1992 Call, pp. 12-18, set out in double-spaced lines, with all other research and source materials single spaced and indented.

This Manual is similar to the Work Books and Manual I prepared for the 1976, 1980, 1984, and 1988 Conventions, as well as additional materials that experience has shown to be more critical.

My own annotations follow the rules and carry the citation "H.C." Other annotations from other documents and resources are included and have their distinctive citations, as follows:

- The Charter of the Democratic Party of the United States, adopted December 7, 1954, as amended ("Charter").
- The Bylaws of the Democratic Party of the United States ("Bylaws").
- Delegate Selection Rules for the 1992 Democratic National Convention ("Delegate Selection Rules").
- Call for the 1992 Democratic National Convention ("1992 Call").
- The Democratic Manual for the Democratic National Convention of 1968, Originally Prepared by Clarence Cannon ("Cannon's Manual").
- The New Democratic Manual Prepared for the 1972 Democratic National Convention by James G. O'Hara ("O'Hara").
- Proceedings of Democratic National Conventions (by year and page number, e.g., "(1972-144)").
- House Rules and Manual of the 94th Congress ("House Rules").
- Deschler's Procedure in the U.S. House of Representatives, 93d Congress ("Deschler").
- Robert's Rules of Order, Newly Revised (1990) ("Robert's").

NOTE: The Rules Committee of the 1992 Convention will review these rules and may propose amendments to be adopted when the permanent rules are adopted at the 1992 Convention. This Manual will be revised at that time to include those proposed amendments. Amendments proposed by the Committee will be marked in the right-hand margin with an asterisk (*), deletions will be in brackets ([]), and additions will be underlined (____). The total number of delegate votes is 4,288 as of June 15, 1992; thus, the constitutional majority is 2,145 votes.

ACKNOWLEDGMENTS

Grateful acknowledgment is given to former Congressman James G. O'Hara, Chairman of the DNC Commission on Rules, 1969-72, and Chairman of the 1972 Convention Rules Committee which remains as substantially the proposed 1992 Rules. His Manual correlated Cannon's Manual with the current rules, and this Manual relied heavily on the organization of the O'Hara Manual.

Mr. O'Hara, in the Foreword of his Manual, gave recognition and thanks to the late Clarence Cannon for his invaluable contributions to Democratic National Conventions from 1920 to 1960, and for his Manual. This acknowledgment to Clarence Cannon is hereby incorporated in full, as the following pages will readily show a substantial use of material from Cannon's Manual.

Hugh Cannon

Charleston, South Carolina

June 15, 1992

HUGH CANNON
Professional Registered Parliamentarian

Professional Registered Parliamentarian, National Association of Parliamentarians

Member, American Institute of Parliamentarians

Attorney, Member of S.C. Bar, N.C. Bar, D.C. Bar

Education: Davidson College, A. B., 1953 (Phi Beta Kappa). Oxford University, B. A., 1955; M. A., 1960 (Rhodes Scholar). Harvard Law School, J. D., 1958.

Work Experience: Secretary of Administration, State of North Carolina, 1961-64. Managing Partner, Law firm of Sanford, Cannon, Adams & McCullough, Raleigh, N.C., 1965-78. Private practice of law, Charleston, S.C., 1978-present. Of counsel to the firm of Everett, Gaskins, Hancock & Stevens, Raleigh, N.C., 1990-present. Vice President, Finance, Palmetto Ford, Inc., 1979-present.

Parliamentary Experience:

Democratic Party.

Democratic National Committee, 1974-present.
Sanford Charter Commission, 1973.
Hunt Rules Commission, 1982.
Fowler Fairness Commission, 1985.
Charter Convention, Kansas City, 1974.
Democratic National Convention, New York, 1976.
Mid-Term Conference, Memphis, 1978.
Democratic National Convention, New York, 1980.
Mid-Term Conference, Philadelphia, 1982.
Democratic National Convention, San Francisco, 1984.
Democratic National Convention, Atlanta, 1988.
Convention Rules Committee, 1976, 1980, 1984, 1992.
North Carolina State Democratic Convention.
Wake County (N.C.) Democratic Convention.
Charleston County (S.C.) Democratic Convention.
Erie County (N.Y.) Democratic Convention.

National Education Association.

NEA National Representative Assembly (8,000-delegate National Conventions), 1965-present.
Currently serving as Parliamentarian for NEA state affiliate conventions for:
Massachusetts Teachers Association.
North Carolina Association of Educators.
Pennsylvania State Education Association.
Texas State Teachers Association.
Virginia Education Association.
Wisconsin Education Association.

Total number of State Conventions (700 to 2,000 delegates) for NEA affiliates: 150.

California State Employees Association, 1988-present.

Publications: Cannon's Concise Guide to Rules of Order. Boston: Houghton Mifflin Company, 1992. 176 pp.

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IX. PROCEDURAL RULES
OF THE 1992 DEMOCRATIC
NATIONAL CONVENTION

BE IT RESOLVED by the Democratic National Committee that the following Procedural Rules shall serve as the Temporary Rules of Procedure for the 1992 Democratic National Convention and are recommended to the Rules Committee and to the Convention as the Permanent Rules of Procedure for the conduct of the 1992 Democratic National Convention.

The National Convention shall adopt permanent rules governing the conduct of its business at the beginning of each Convention, and until the adoption of such permanent rules, the Convention and the activities attendant thereto shall be governed by temporary rules set forth in the Call to the National Convention. Bylaws of the Democratic Party, ART. ONE, SEC. 2.

A. TEMPORARY CHAIR:

(1) The Chairman of the Democratic National Committee shall call the Convention to order and shall preside until the Permanent Chair of the Convention shall be chosen in accordance with these rules.

(2) The Chairman of the Democratic National Committee shall appoint a Temporary Secretary and such other temporary officers as may be required to assist in the conduct of the business of the Convention. These officers shall be composed equally of men and women.

B. TEMPORARY ROLL:

(1) The Secretary of the Democratic National Committee shall determine a Temporary Roll of delegates to the Convention which shall consist only of those persons certified as delegates pursuant to this Call, unless a credentials contest shall have arisen with respect to any such person(s), in which case the Secretary shall include on the Temporary Roll the name of the credentials contestant recommended for inclusion by the Credentials Committee in its report.

Only delegates and alternates selected under a delegate selection procedure approved by the DNC Rules and Bylaws Committee pursuant to the Delegate Selection Rules shall be placed on the Temporary Roll of the 1992 Democratic National Convention. 1992 Call, II.A., p. 3.

(2) Persons whose names are included on the Temporary Roll of delegates shall be permitted to vote on all matters before the Convention until after the adoption of the report of the Credentials Committee; provided that no person shall be permitted to vote on his or her credentials contest.

This rule is literally applied. In 1972, the 120 California delegates who were to be seated regardless of the outcome of the minority report challenging 151 other California delegates were allowed to vote; but the 151 California delegates who were challenged in the minority report were not allowed to vote on their own seating (1972-180, 181). Similarly with South Carolina in 1972, the unaffected women voted, but not the affected males (1972-160). (H.C.)

Notice is hereby given that delegates and alternates to the Democratic National Convention shall be elected in accordance with the Delegate Selection Rules for the 1992 Democratic National Convention adopted by Democratic National Committee on March 24, 1990. 1992 Call, II.A., p. 2.

It is understood that the delegates to the Democratic National Convention, when certified pursuant to this Call, are bona fide Democrats who have the interests, welfare, and success of the Democratic Party of the United States at heart, who subscribe to the substance, intent, and principles of the Charter and the Bylaws of the Democratic Party of the United States, and who will participate in the Convention in good faith. Therefore, no additional assurances shall be required of delegates to the Democratic National Convention in the absence of a credentials contest or challenge. 1992 Call, II.C., p. 3. See also, 1956-144, 145; 1960-77, 78; Cannon's Manual, p. 20.

C. ORDER OF BUSINESS:

The order of business for the Democratic National Convention shall be as provided in these rules and in any special order of business adopted under Section D of these rules. The Chair of the

Convention may, at appropriate times, interrupt the order of business provided for in these rules for introductions, announcements, addresses, presentations, resolutions of tribute and appreciation, or remarks appropriate to the business of the Convention.

VII. STANDING COMMITTEES ON
PLATFORM, RULES, AND CREDENTIALS
OF THE 1992 DEMOCRATIC NATIONAL CONVENTION

The Democratic National Committee, acting under its authority to issue the Call and establish the standing committees of the National Convention, hereby creates and organizes the Standing Committees on Platform, Rules, and Credentials of the 1992 Democratic National Convention. The jurisdiction and rules of procedure of each standing committee are set forth in this Call to the 1992 Democratic National Convention. Each standing committee may, by a majority vote of the members voting, adopt additional rules of procedure for the conduct of its business not inconsistent with this Call. 1992 Call, VII., p. 7.

The official organization of the Convention is brought about by the separate consideration and adoption of the reports of three committees . . . the Credentials Committee, the Committee on Standing Rules, and the Program Committee, in that order. Robert's, p. 603.

(1) Report of the Committee on Credentials: The Report of the Credentials Committee shall be acted upon before the consideration of other business.

K. CREDENTIALS COMMITTEE AND PROCEDURES FOR
CHALLENGING DELEGATES OR STATE DELEGATIONS:

(1) The Credentials Committee shall determine and resolve questions concerning the seating of delegates and alternates to the Convention. . . . The Committee shall report

to the Convention for final determination and resolution of all such questions.

(2) Challenges to the seating of any delegate or alternate shall be in accordance with procedures set forth in Rules of Procedure of the Credentials Committee. Any challenge to the seating of any delegate or alternate that is not made in conformity with these rules shall be deemed waived.

(3) Upon the request of twenty percent (20%) of the members of the Credentials Committee, a minority report shall be prepared for distribution to the Convention delegates as part of the committee's report; provided, however, that no member elected to the committee by a state delegation may join in such request as to a proposed minority report relating to a credentials challenge to any delegate or alternate from his or her state. 1992 Call, K.(1), p. 11.

(a) The Temporary Chair shall recognize the Chair of the Credentials Committee for thirty (30) minutes to present the committee's report unless a longer period of time shall be provided in a special order of business agreed upon by the Convention. The Chair of the committee may present committee amendments, yield part of his or her time to others and may yield for the presentation and disposition of minority reports without losing the right to the floor.

(b) The Temporary Chair shall arrange for the orderly presentation of amendments and of minority reports offered at the direction of the committee. Twenty (20) minutes shall be allowed for the presentation of each committee amendment or minority report unless a longer period for any committee amendment or minority

report is provided in special orders of business agreed to by the Convention. Time shall be allotted equally to proponents and opponents of each committee amendment or minority report. The question shall be put on each Committee amendment or minority report immediately following its presentation without intervening motion.

When committees are recognized to report, the chairman of the committee may read the report himself or have it read by the reading clerk of the Convention. At the conclusion of the reading of the report, the chairman . . . may (1) speak to the report, (2) yield time to others to speak. . . . When committee reports are submitted, the question on agreeing to the report is considered as pending (1928-210). Minority reports from committees are presented and read immediately following majority reports and both are open to debate (1916132) . . . and minority reports cannot be considered after the majority report has been adopted (1952-177). . . . question comes first on minority reports and then on majority report or majority report as amended (1912-76). Cannon's Manual, pp. 34-35.

When there is more than one minority report, Conventions have varied as to the procedure in voting upon the two. In 1968, the Temporary Chair took the first minority report and debated it, and then, without vote, took the second minority report and debated it (1968-153). The Chair then put the vote on the first minority report (1968-157, 158), and then, on the following day, put the vote on the second minority report (1968-180). In 1972, the Chair took the first of two minority reports, had debate, and then put the question on that minority report (1972-168, 173). The Chair then proceeded with the second minority report (1972-173). (H.C.)

The present rule specifies that the latter procedure is now to be followed, and it was so followed in 1976, 1980, and 1984 (1984-250). (H.C.)

(c) Upon conclusion of the consideration and disposition of committee amendments and minority reports, the Temporary Chair

shall put the question on the adoption of the report of the Credentials Committee with amendments previously adopted, if any, without intervening motion. A favorable majority vote of the Convention delegates eligible to vote shall constitute adoption of the report.

Since both rule (b) and (c) above require the votes to be put "without intervening motion", challenges to credentials must utilize the minority report process and not motions from the floor. (H.C.)

NOTE: A constitutional majority of the 1992 Convention is 2,145 delegate votes. (H.C.)

On an amendment proposing changes in the list of delegates, none of the delegates involved in the case can vote. On the question of adopting the Credentials Committee's report or on motions connected with its consideration, only those persons whose names are on the list of voting members reported by the committee (as this list stands after any amendment already approved by the Convention) are entitled to vote. Robert's, pp. 610-611.

(d) In the event that the committee's report shall not be adopted when the question is put, the committee shall immediately reconvene to reconsider its report and shall present a new report to the Convention as soon as possible.

(2) Report of Rules Committee: The Temporary Chair may then recognize the Chair of the Rules Committee to present the committee's report for the Rules of the Convention and minority reports, if any, in the same manner as that provided for the presentation of the Report of the Credentials Committee. However,

the Temporary Chair may, in the interest of conducting an orderly proceeding, opt to place before the Convention the election of the Permanent Chair, the four Co-Chairs and the Secretary, prior to the presentation of the Rules Committee report.

Rules:

Sec. 2 of Art. One of the Bylaws of the Democratic Party specifies that the temporary rules set forth in the Call to the National Convention shall govern until permanent rules are adopted. (See, p. 1). (H.C.)

Otherwise, a Convention is not bound by rules or resolutions of previous Conventions and may not so bind succeeding Conventions (1884-194; 1896-370). As a matter of practice, however, the National Conventions for many years have adopted the rules and procedure of preceding Conventions with little variation (1884-9). Accordingly, there has grown up a system of Convention procedure based on decisions rendered by chairmen and presiding officers in interpreting the rules. Cannon's Manual, p. 30.

The constitutional power [U.S. Const. Article I, § 51] of each House to make its own rules cannot be restricted to the rules or statutory enactments of a preceding House. Deschler, § 8.1, p. 7.

Order of Business:

The Order of Business for the 1988 Convention is set out in the Temporary Rules of the 1988 Call and remains the order to be followed until changed by the Convention itself. (H.C.)

Each National Convention is a law unto itself and adopts its own agenda and order of business. Even after adoption, such orders of business may be amended or discontinued at any time at the will of the Convention and necessarily vary from day to day with the progress made. Cannon's Manual, p. 26.

The order of business provided in the report having been agreed to may be dispensed with only by unanimous consent, on resolution from the Committee on Rules, or on motion to suspend the rules. Cannon's Manual, p. 28.

As soon as permanent organization is completed, the Convention adopts an order of business (1924-91), which,

once agreed to, fixes permanently the parliamentary program of the Convention and may be amended or dispensed with only (a) by unanimous consent (1944-64, 85), (b) by adoption of a report from the Committee on Rules, or (c) by agreeing to a motion to suspend the rules. Under such order of business, a resolution offered between ballots for President that the Convention remain in session until nomination be made was held not to be in order (1924-614). Cannon's Manual, p. 46.

(3) Convention Chair: The Convention shall proceed to elect the Permanent Convention Chair in the following manner:

(a) Per Article Seven, Section 3(A), of the Bylaws of the Democratic Party of the United States, the Permanent Chair of the 1992 Democratic National Convention shall be a female.

(b) The Chair of the Rules Committee shall be recognized to offer a nomination for Convention Chair as recommended by the Committee on Rules. Nominations from the floor shall then be received.

(c) When there are no further nominations or upon adoption of a motion to close nominations, the Temporary Chair of the Convention shall conduct a vote for Permanent Convention Chair.

(d) A majority vote of the delegates present and voting shall be required to elect the Convention Chair. Balloting shall continue until a Chair is elected. The Permanent Chair shall then take the gavel.

(4) Convention Co-Chairs: The Convention shall proceed to elect Co-Chairs and a Secretary in the same manner in which it elected the Chair. The Co-Chairs shall be divided equally between men and women.

In 1976, Chairman Strauss first put the vote for the slate of four Co-Chairs nominated by the Rules Committee and then the "slate" of one nominee from the floor, a page from the Mississippi delegation. There was no objection. The page lost on a voice vote (1976-220-221). (H.C.)

(5) Committee on Platform: The Permanent Chair shall recognize the Chair of the Platform Committee to present the committee's report and minority reports, if any, in the same manner as that provided for the presentations of the reports of the on Credentials and Rules Committees.

(6) Nomination of the Democratic Candidate for President: The Permanent Chair shall receive nominations from the floor for the Democratic candidate for the Office of President of the United States in the following manner:

(a) Requests to nominate a presidential candidate shall be in writing and shall have affixed thereto the written approval of the proposed nominee and the name of the individuals who shall be recognized to make the nominating and seconding speeches on behalf of a presidential candidate and shall be delivered to the Convention Secretary at a location as specified by the Secretary

no later than 6:00 p.m. of the day preceding the day designated for the commencement of presidential nominations.

By custom, all nominating speeches and seconding speeches have been by delegates, although this custom has not been followed in all cases (1972-433). This 1988 rule allows "individuals" to nominate, a change from the previous rule which specified a "delegate." (H.C.)

(b) Each such request must be accompanied by a petition indicating support for the proposed nominee signed by delegates representing not less than 300 nor more than 600 delegate votes, not more than 50 of which may come from one (1) delegation. No delegate may sign more than one (1) nominating petition.

(c) The order for nominating presidential candidates shall be determined by the Rules Committee by lot at a drawing, which shall be open to the public, on the morning of the day designated for the commencement of presidential nominations.

(d) Each presidential candidate shall be allowed a total of fifteen (15) minutes for the presentation of his or her name in nomination by a nominating speech and not more than two (2) seconding speeches, the time to run without interruption from the recognition of the nominator.

In nominating or seconding the nomination of a candidate, a delegate may address the Convention from the floor or from the platform, as preferred (1932-256; 1944-197). It is not in order in nominating a candidate to attack

another candidate (1876-118; 1884-124). Cannon's Manual, p. 45.

In 1976, delegate was interrupted in his nominating speech by the Parliamentarian and informed of the precedent against attacking another candidate (1976-366). The delegate complied with the precedent thereafter. (H.C.)

(e) Delegates and alternates shall maintain order during and following nominations for the Office of President and demonstrations shall not be permitted.

(f) The term "presidential candidate", as used in this subsection, shall mean any person who, as determined by the Permanent Chair, is a bona fide Democrat whose record of public service, accomplishments, public writings, and/or public statements affirmatively demonstrate that he or she has the interests, welfare, and success of the Democratic Party at heart and will participate in the Convention in good faith.

(7) Roll Call for Presidential Candidate:

(a) After nominations for presidential candidates have closed, the Convention shall immediately proceed to a roll call vote by states on the selection of a presidential candidate. The roll call voting shall follow the alphabetical order of the states with the District of Columbia and Puerto Rico treated as states for the purpose of the alphabetical roll call. The territories, called in alphabetical order, shall follow the alphabetical roll call of the states.

. . . candidates may withdraw nominations at any time before announcement of the vote (1940-195, 197, 223, 231). Cannon's Manual, p. 44.

(b) A majority vote of the Convention's delegates shall be required to nominate the presidential candidate.

NOTE: A constitutional majority in 1992 is 2,145 delegate votes. (H.C.)

Delegates may vote for the candidate of their choice whether or not the name of such candidate was placed in nomination. Balloting will continue until a nominee is selected.

Delegates may vote for any person whether placed in nomination or not (1920-384). Cannon's Manual, p. 44.

(8) Acceptance Speech by Presidential Candidate: Immediately after the selection of the Democratic nominee for President, the Permanent Chair shall appoint a committee to advise the nominee of his or her selection, to determine if he or she will accept the nomination and to invite the nominee to deliver an acceptance speech to the Convention.

(9) Nomination for the Democratic Candidate for Vice President: The selection of a nominee for the Office of Vice President of the United States shall be conducted in the same

manner as that heretofore provided for the selection of the nominee for President of the United States except that a request to nominate must be delivered to the Convention Secretary at a location as specified by the Secretary not later than 9:00 a.m. of the day designated for the commencement of Vice Presidential nominations.

(10) Roll Call Ballot for Vice Presidential Candidate:

(a) After nominations for Vice Presidential candidates have closed, the Convention shall immediately proceed to a roll call vote by states on the selection of the Vice Presidential candidate. The roll call voting procedure shall be conducted in the same manner as that heretofore provided for the selection of the nominee for President of the United States.

(b) A majority vote of the Convention's delegates shall be required to select the Vice Presidential candidate. Delegates may vote for the candidate of their choice whether or not the name of such candidate was placed in nomination. Balloting will continue until after a nominee is selected.

(11) Acceptance Speech by Vice Presidential Candidate:

Immediately after the selection of the Democratic nominee for Vice President, the Permanent Chair shall appoint a committee to advise the nominee of his or her selection, to determine if he or she will accept the nomination and to invite the nominee to deliver an acceptance speech to the Convention.

D. SPECIAL ORDERS OF BUSINESS:

It shall be in order at any time for the Rules Committee, at the request of the Chair of the Convention, or pursuant to its rules, to report a resolution providing a special order of business for debate of any resolution, motion, committee report, or minority report or for the consideration of any matter.

The original Rule D, adopted in the 1976 Call, read as follows:

It shall be in order at any time for the Committee on Rules and Order of Business to report to the Convention a resolution providing a special order of business for debate of any resolution, motion, committee report, or minority report or amendment to a committee report or for the consideration of any matter for which provision is not made under these Rules.

The 1984 Call added a restriction to the Committee's ability to report a special order by adding "at the request of the Chair of the Convention", thus giving a veto power to the Chair.

The 1988 Rules Committee nullified that restriction by adding a provision allowing the Committee to report a special order "pursuant to its Rules."

The present 1992 rule continues the substance of the 1988 rules. (H.C.)

It shall always be in order to call up for consideration a report from the Committee on Rules on a rule, joint rule, or the order of business. . . . House Rule XI, 4.(b).

Since 1883, the Committee on Rules has reported special orders providing times and methods for consideration of special bills and classes of bills. . . . A special order reported by the Committee on Rules must be agreed to by a majority vote of the House. House Rules, § 686(b). Special Orders.

In 1980, the Rules Committee reported, and the Convention adopted, special orders for a specific time and debate

limits and procedures for several major items of debate (1980-168 and 456). (H.C.)

FORM

OF SPECIAL ORDER FOR CONSIDERATION OF A BILL

Resolved, that immediately upon the adoption of this resolution, the House shall proceed to consider the bill (H.R. _____) entitled, etc., and at the end of _____ hours, a vote shall be taken on all pending amendments and on the bill to final passage. House Rules, § 978.

In 1976, a resolution extending time for the report of the Platform Committee to two hours was adopted by unanimous consent (1976-218). (H.C.)

Reports on special orders of business are admissible at any time and may not be recommitted (1920-87). Cannon's Manual, p. 34.

And the order of business may be varied by unanimous consent requests and special orders reported from the Committee on Rules and adopted by the House. Deschler, § 1.1, p. 199.

With unanimous consent, special orders were adopted setting times certain on the agenda for nominations and acceptance speeches for President and Vice President (1976-178, 179). This procedure is provided for under Robert's where "special orders" means setting a beginning time for certain actions, as opposed to the House Rules where the term "special orders" means the setting of a whole format for debate and voting. (H.C.)

E. POWERS AND DUTIES OF CHAIR:

(1) It shall be the responsibility of the Chair to conduct and expedite the business of the Convention and to preserve order and decorum in its proceedings.

The Speaker's usual role is that of the presiding officer, whose approach is essentially unbiased and nonpartisan. Deschler, § 3.1, p. 46.

(2) The Chair is authorized to appoint such Convention officers as may be required to assist in the conduct of the business of the Convention, such officers to be composed equally of men and women; to appoint any delegate temporarily to perform the duties of the Chair; and to take such lawful action as may be necessary and appropriate to preserve order throughout the Convention Hall; and to take any other actions consistent with the Charter and the Bylaws of the Democratic Party of the United States and this Call.

The Chairman may not appoint to preside temporarily in his stead anyone not a member of the Convention (June 24, 1924; July 4, 1924). Cannon's Manual, p. 32.

No appeal from decision of Chair is in order on recognition, or, when dilatory, in response to parliamentary inquiry, or during roll call (1924-237, 329). Cannon's Manual, p. 32.

Chair does not decide hypothetical questions or inquiries not directly raised by the proceedings (1876-25, 107; 1920-209; 1924-336; 1932-246) and does not pass on disagreements within a delegation (1944-264). Cannon's Manual, p. 33.

Chairman may direct Sergeant-at-Arms to remove disorderly spectators (1876-135). Cannon's Manual, p. 33.

Members, officials, and visitors should appreciate the fact that the platform of a national convention in session, like the bridge of a battleship in action, must be kept clear at all times and should not apply for admission until their presence is required and should leave promptly on conclusion of duties. Publicity seekers attempting to crash the gate, especially when pictures are being taken, are rendering a disservice to their Party. Cannon's Manual, p. 33.

Recognition for debate is within discretion of the Chair, but members of committees reporting the proposition under discussion, or entitled to the floor under prevailing orders of business, take precedent. Cannon's Manual, p. 37.

Recognition is a matter within the discretion of the Chair. Deschler, § 4.3, p. 423.

Delegates and guests are expected to be seated and to refrain from loud conversation during sessions of the Convention. Admission to the floor of Convention is limited to officers of the Convention, delegates, alternates, and representatives of press, radio, and television (1944-195). Aisles and platform must be kept clear, and smoking is forbidden on the floor or in the galleries (1884-226; 1920-170; 1940-18). . . . The Sergeant-at-Arms maintains decorum under direction from the Chairman of the Convention (1920-118). All persons on the platform are required to be seated during proceedings. Only the speaker entitled to recognition and the Chairman stand. All others who cannot be seated should retire promptly. Cannon's Manual, p. 38.

F. VOTING:

(1) Secret Ballot: No secret ballots shall be permitted at any stage of the Convention or its committee proceedings.

All meetings of the Democratic National Committee, the Executive Committee, and all other official Party committees, commissions, and bodies shall be open to the public, and votes shall not be taken by secret ballot. Charter, Article Eleven, Section 12.

(2) Proxy Voting: Neither delegate nor alternate delegate votes may be cast by proxy.

Voting by proxy shall not be permitted at the National Convention. Charter, Article Eleven, Section 11.

(3) Roll Call Votes:

(a) Voting shall be by voice vote or, when prescribed by these rules, by roll call vote. The roll call voting shall

follow the alphabetical order of the states, with the District of Columbia and Puerto Rico treated as states for the purpose of the roll call. The territories shall follow the alphabetical roll call of the states, and shall also be called in alphabetical order. A roll call vote shall also be had if the Chair is in doubt or upon demand of any delegate supported by twenty percent (20%) of the delegate body as evidenced by (a) a petition submitted to the Chair indicating support of the demand by delegations which comprise not less than twenty percent (20%) of the authorized delegate body, or (b) by the rising in support of the demand by not less than twenty percent (20%) of the delegates present. In the case of the petition in support of a demand for a roll call vote, a delegation shall be taken to support the demand if a majority of its delegates have signed a petition to do so.

The Chair's determination on the 20 percent standing vote cannot be appealed (1972-298). (H.C.)

(b) When a roll call vote is ordered, the roll call shall be called by states, and the Chair of each delegation or his or her designee shall report the vote of his or her delegation and shall send to the Convention Secretary a tally showing the vote of each member of his or her delegation indicating whether such vote was cast in person or by an alternate.

On a call of the states, the vote of the state is announced by the chairman of the delegation (1868-74). . . . Delegations not prepared to announce their vote may be passed and called at the end of the roll

(1912-220). Delegations have been permitted to withdraw from the Hall for consultation even when such withdrawal delayed the vote by states (1876-145) but have been denied that privilege when the Chairman submitted the question to the Convention (1868-102) and, when they retired without leave, the call of states was deferred until their return (1868-133). Cannon's Manual, p. 52.

Where the majority of the members of a delegation present concur, the entire vote of the delegation is cast, although members may be absent (1924-163; 1952-348, 359, 362). Personal agreements among delegates as to the fraction of vote to be cast will not be recognized by the Convention when not in accordance with the fractional vote accredited such delegates in the official certificate from the state convention (1924-726). In order to vote, a delegate must sit with his delegation and may not vote from another part of the Hall and may not deputize another to cast his vote for him (1912-217). A delegate may decline to vote (1896-302) and may change his vote at any time after a call of States has been concluded (1944-262) and prior to final announcement of the result of the ballot (1924-161, 329, 333; 1932-200; 1940-195, 245; 1952-347, 351). A delegate proposing to change his vote must rise in his place and personally request the change. It is not sufficient for the chairman of the delegation to submit the request (1924-319, 321, 337). A delegate may also change his vote on recapitulation, providing the final result of the vote has not previously been announced (1924-329, 332). Cannon's Manual, pp. 52 & 53.

With the current telephone system in place, the delegate should telephone in any request to change votes. (H.C.)

Chair ruled that delegates may change their votes at any time after the call of the states and prior to final announcement (1972-330). (H.C.)

Recapitulation is ordered at the option of the Chair and may not be demanded or moved (1924-326) but is usually ordered where the vote is close (1884-229; 1912-263). Cannon's Manual, p. 53.

Either before or after the announcement of the result of a roll call vote, the speaker may, in his discretion, order a recapitulation of the vote. Deschler, § 19.1, p. 467.

Such roll call votes may be conducted by having the Chair for each delegation report by telephone, or electronic voting mechanism, the vote of his or her delegation to the rostrum, provided that the telephone poll shall not be used in the balloting for the Presidential and Vice Presidential nominees. Business shall be permitted to proceed during the telephone roll call and votes may be conducted by electronic mechanism. The Delegation Chair shall record and tally votes of the delegation on official roll call tally sheets provided by the Convention Secretary after each official vote. All official roll call tally sheets shall be turned in to the Convention Secretary at a specified location not more than thirty (30) minutes after the close of each voting period.

The phrase "at the discretion of the Chair", which was in the first sentence of the 1988 rule, has been omitted; however, the practice has now been established that the use of the telephone and electronic voting mechanisms is an option of the Chair, and at the Chair's discretion, and there has been no objection. (H.C.)

While the telephone roll call was being taken, the Convention has proceeded to the next business (1980-404 and 444). (H.C.)

In 1984, an electronic voting system was used, and the Chair proceeded to the next item of business while the votes of delegations were being recorded (1984-255). (H.C.)

(c) All delegates to the National Convention pledged to a Presidential candidate shall in all good conscience reflect the sentiments of those who elected them.

Delegates elected to the National Convention pledged to a presidential candidate shall in all good conscience reflect the sentiments of those who elected them. Delegate Selection Rules, Rule 11.H.

All persons wishing to be elected to a district level or at-large delegate or alternate position must file a statement of candidacy designating the presidential or uncommitted preference of the delegate or alternate candidate and a signed pledge of support for the presidential candidate (including uncommitted status) the person favors, if any, with the state party by a time certain as specified in the State's Delegate Selection Plan. Delegate Selection Rules, Rule 11.B.

All such delegate and alternate candidates shall be considered bona fide supporters of the presidential candidate whom they have pledged to support. . . . Delegate Selection Rules, Rule 11.C.

No delegate at any level of the delegate selection process shall be mandated by law or Party rule to vote contrary to that person's presidential choice as expressed at the time the delegate is elected. Delegate Selection Rules, Rule 11.G.

The National Convention shall be composed of delegates . . . chosen through processes which . . . (ii) assure that delegations fairly reflect the division of preferences expressed by those who participate in the Presidential nominating process. . . . Charter, Article Two, Section 4.

The Democratic Party shall not require a delegate . . . to cast a vote contrary to his or her expressed preference. Charter, Article Eleven, Section 10.

(d) In the case where a pledged delegate is not on the floor of the Convention Hall at the time a vote is taken, an alternate may be designated according to the rules to cast the vote. In no case may an alternate cast a vote for a delegate allocated under I(A)(5), (6), or (7) of this Call.

1992 Call

- I.A. (5) Members of the Democratic National Committee.
- (6) Former Democratic Presidents, Vice Presidents, Speakers of the House, and Majority Leaders of the Senate.
- (7) Governors and Member of Congress.

1992 Call, p. 2. (H.C.)

(e) On a roll call by states, the vote of a delegation as announced may be challenged by any member of the delegation before the next state is called and the votes of that delegation shall then be recorded as polled without regard to any state law, party rule, resolution or instruction binding the delegation or any member thereof to vote for or against any proposition.

While this rule provides that a challenge must be made "before the next state is called", the practice has been to recognize the challenge if it is made within a reasonable time. As a practical matter, few members could actually communicate their challenge to the Chair within the time that one state's vote is announced and the next state is called. (See also Rule (f) below.) (H.C.)

Error in announcement of a vote is corrected by subsequent announcement (1944-109). Cannon's Manual, p. 54.

On a roll call by States, a delegation shall be polled on challenge by any member of the delegation. Demand for poll of delegation or challenge of accuracy of count must be made when vote is reported and comes too late after the next State is called (1924-337, 939; 1932-300; 1944-269) or after intervening business (1944-108). Such demand may not be made by anyone not a member of the delegation, and no delegate may request poll of any other delegation than his own (1924-326, 327). Only method by which poll of delegation may be had is by challenging accuracy of count or report (1924-315, 337). If poll is requested and accuracy is not challenged, delegation must

take its own poll and report at end of roll call (1944-251; 1948-205). Demand for poll of vote may not apply to single delegate only but must include entire delegation (1912-202). Demand for poll may be withdrawn at any time before poll starts (1924-598, 636, 658). Chairman of Convention may defer poll until conclusion of roll call (1924-158, 314, 315). Cannon's Manual, p. 33.

Even when the Chairperson of a delegation announces that he does not request a poll (1972-128), a single delegate has the right to have a poll taken (1972-134). (H.C.)

A delegate may secure a poll of his own delegation (1924-337; 1940-191, 193), but of no other delegation (1924-326; 1952-353), by challenging the accuracy of count or report (1924-315; 1952-419), but vote cannot be challenged until announced at desk (1952-411) and request for a poll (1932-300; 1944-269) or to change a vote (1952-359) comes too late after the next state has been called. Cannon's Manual, p. 53.

An alternate may challenge the accuracy of vote of delegation in the absence of his principal (1944-255). Cannon's Manual, p. 32.

Debate by members of a delegation on interpretation of its instruction . . . or other questions involving a demand for poll of the delegation is not in order unless invited by the Chair (1852-41; 1876-48), although, on such occasion, the Chairman has allotted each side five minutes in which to state its contention (1924-425). Cannon's Manual, pp. 37-38.

The Convention Chair may send a representative to the delegation to conduct the poll.

The Convention Chairman may send a representative to the delegation to conduct the poll and, in the discretion of the Convention Chairman, the roll call by States may continue instead of awaiting the result of the delegation poll. Cannon's Manual, p. 34.

Without objection, the Chair can announce the result of a roll call vote even though a delegation has not returned from its caucus to poll when it is clearly evident that the vote of such delegation would not affect the result of the roll call vote (1968-242). When such

delegation does return, its vote is announced and recorded as though done at the appropriate time (1968-251). (H.C.)

The determination of the Convention Chairman's representative of the result of the poll so challenged shall be spread upon the records of the Convention and shall be conclusive unless an open poll in the hearing of the entire Convention is demanded by one-third of the delegates of the State involved. Cannon's Manual, p. 34.

On such poll, delegates are restricted to bare announcement of their vote and explanation or comment is not admissible (1948-275; 1952-457, 492). Cannon's Manual, p. 53.

A delegate absent when his name was reached in roll call may vote on return before the result is declared regardless of whether his alternate has voted in his absence (1932-296, 297, 306). Cannon's Manual, p. 37.

At the discretion of the Convention Chair, the roll call may continue instead of waiting for the result of the polling.

(f) On a roll call conducted by telephone or other electronic voting mechanism, the vote of a delegation as shown on the video projection system may be challenged by any member of the delegation at any time during a period not to exceed five (5) minutes after the final delegation's vote is shown on the screen.

(g) A demand to poll a delegation may be withdrawn at any time before the actual polling has begun.

In the event a demand for poll is withdrawn, the vote announced by the Chairman of the delegation shall stand unchallenged, but the Convention Chairman's representative shall offer other members of the delegation opportunity to request continuance of the poll (1956-145; 1960-transcript-78). Cannon's Manual, p. 34.

(4) Interruption of Vote: When the question has been put, the vote thereon may not be interrupted for any purpose other than a demand for a roll call vote or a point of order directed to the conduct of the vote.

Roll call may not be interrupted by debate (1896-301; 1912-232; 1920-265) or to permit a delegate to explain his vote (1896-358; 1912-239); by a parliamentary inquiry (1912-263); by a motion for recess (1884-117; 1952-352); by motion to adjourn (1892-140, 156; 1932-300, 314, 319); or by motion to make vote unanimous (1912-235). A motion on which the vote is being taken may not be withdrawn after roll call begins (1924-939; 1932-315). Cannon's Manual, p. 54.

The Chair has discretion to deny a motion to interrupt the vote and nominate by acclamation (1968-592) or to accept a motion to suspend the rules and nominate by acclamation (1968-608, 609). (NOTE: Chair may have ruled on technicality that first motion did not use the term "suspend the rules", and it is noted that the Chair also stipulated that second motion was "without objection.") In 1988, both roll calls were interrupted, and the candidate nominated by acclamation (1988-428, 478). (H.C.)

Points of order arising during the roll call are decided peremptorily and are not subject to appeal (1924-327). Cannon's Manual, p. 46.

To expedite the business of the Convention, the Chair can request unanimous consent to interrupt the roll call (1968-292), accept other business such as a second minority report, and then return to the continuation of the roll call on the first minority report (1968-303) and then take a roll call on the second minority report (1968-309, 310). (H.C.)

But also see 1972-195 when Chairman O'Brien allowed appeal to interrupt roll call. (Appeal, 1972-188; result of Appeal, 1972-195; result of interrupted roll call, 1972-195). Now such an appeal is specifically prohibited by Rule I. (H.C.)

(5) Determination of Question: Except as otherwise provided in these rules, all questions, including the question of nominations of candidates for President and Vice President of the United States, shall be determined by a majority vote of the delegates to the Convention.

NOTE: A constitutional majority in 1992 is 2,145 delegate votes.

In 1972, Chairman O'Brien ruled, but then was challenged, on setting a vote required for adoption of a minority credentials report to be a majority of the unchallenged delegates (as opposed to a majority of the authorized delegates) to the Convention (1972-181). He deferred the question (1972-188) until after the vote, which happened to be more than a majority of the authorized delegates (and thus more than a majority of the smaller number) (1972-195). Therefore, his ruling, if in error, was harmless error. Submitted: that the rule requires a majority of the authorized delegates. (H.C.)

Acclamation is a unanimous viva voce vote, and any objector may raise a point of order, but, by long custom, the Chairman puts the question "to suspend the rules and declare _____ nominated for President of the United States by acclamation." The motion to nominate by acclamation is sometimes made before roll call starts (1888-85, 1916-106) and sometimes after roll call in which a candidate has secured a nominating majority (1892-158; 1920-419; 1940-196, 198, 247). Cannon's Manual, pp. 45 & 46.

G. FILLING A VACANCY ON THE NATIONAL TICKET:

In the event of death, resignation or disability of a nominee of the Party for President or Vice President, after the adjournment of the National Convention, the Chairman of the Democratic National Committee shall confer with the Democratic leadership of the United States Congress and the Democratic Governors Association and shall

report to the Democratic National Committee, which is authorized to fill the vacancy or vacancies.

The Democratic National Committee, in its Rules of Procedure for Filling a Vacancy on the National Ticket (scheduled for adoption on March 22-23, 1991), provides the fully detailed plan that was previously set out in less detail in the 1988 Rule G. On August 18, 1972, the DNC nominated Sergeant Shriver to fill the vacancy of Senator Thomas F. Eagleton, following basically this procedure. (H.C.)

H. INTERPRETATION OF THE RULES:

In interpreting the rules, the Chair may have recourse to the rulings of Chairs of previous Democratic Conventions, to the precedents of the United States House of Representatives and to general parliamentary law.

Each official body of the Democratic Party created under the authority of this Charter shall adopt and conduct its affairs in accordance with written rules, which rules shall be consistent with this Charter, the Bylaws, and other provisions adopted pursuant to authority of the Charter, including resolutions or other actions of the National Convention. Charter, Article Twelve, Sec. 3.

In the absence of other provisions, Robert's Rules of Order (as most recently revised) shall govern the conduct of all Democratic Party meetings. Charter, Article Eleven, Sec. 14.

Points of order against a proceeding come too late after debate has begun or other business has intervened (1876-25; 1912-96). Debate on questions of order is within discretion of the Chair (1912-295). Points of order arising during a roll call are decided peremptorily and are not subject to appeal (1924-327). Cannon's Manual, p. 46.

Debate on a point of order is within the discretion of the Chair. Deschler, § 6.1, p. 477.

Chair does not decide hypothetical questions or inquiries not directly raised by the proceedings (1876-25, 107; 1920-209; 1924-336; 1932-246) and does not pass on disagreements within a delegation (1944-264). Cannon's Manual, p. 33.

". . . AND TO GENERAL PARLIAMENTARY LAW."

General Parliamentary Law Governs in Parliamentary Questions Not Covered By A Specific Rule, Bylaw, or Statute.

A review of some of the parliamentary authorities in this country demonstrates that there is a body of general parliamentary law, or common parliamentary law, which has developed in the United States over the years and governs all situations not otherwise covered by a specific rule, bylaw, or statute. Specific writers or authorities become popular and then others take their place, but the general parliamentary law develops and evolves with a life of its own.

Thomas Jefferson, while serving as Vice President of the United States (1797-1801), wrote the first widely accepted parliamentary procedure manual, based almost entirely on the rules, precedents, and customs of the British Parliament. Jefferson's Manual of Parliamentary Practice was published in 1801 and is still included in the official publication of the Rules of the United States House of Representatives.

The next widely accepted parliamentary manual was provided by Judge Luther S. Cushing, Clerk of the Massachusetts House of Representatives. His volume, entitled Manual of Parliamentary Practice, was published in 1845.

Henry M. Robert (1837-1923), easily the most popular authority today, published his first manual in 1876 as the Pocket Manual of Rules of Order for Deliberative Assemblies. That volume has been extensively revised by both General Robert and his successor editors, and the present eighth edition is entitled Robert's Rules of Order Newly Revised (1981).

Alice Sturgis has written a volume which is heavily documented with court decisions and legal precedents. Sturgis Standard Code of Parliamentary Procedure (1950 ed.) (hereinafter "Sturgis"). Her volume is considered as one of the best authorities from the legal viewpoint, or for attorneys and courts of law. As Erwin N. Griswold, former Dean of Harvard Law School and former

Solicitor General of the United States, set out in his Foreword to Sturgis,

Whether the group is a club, a labor union, a college faculty, or a legislative body, the problem is the same. . . . Of course, the rules find their origin in the Parliament of Westminster, but, with proper adoptions, they can be made applicable to the process of reaching decisions in any group (at p. 27).

Concerning general parliamentary law, Sturgis states,

The common law of parliamentary procedure is the body of principles, rules, and usages that has developed from court decisions on parliamentary questions and is based on reason and long observance. The common law of parliamentary procedure applies in all parliamentary situations except where a statutory law governs (at p. 3).

Many organizations adopt a particular standard manual or parliamentary authority so that a specific book can be easily and quickly referred to for answers to parliamentary questions. Robert's is the most widely used, or specified, authority today. However, many other authorities such as Sturgis, Demeter's Manual of Parliamentary Law and Procedure (1969), and Modern Parliamentary Procedure by Ray E. Keeseey (1974) are all recognized as authoritative. They all reflect generally accepted and established parliamentary law, or common parliamentary law. Excerpt from a Memorandum prepared by Hugh Cannon in Holmes v. Univ. of D.C., Sup. Ct. D.C., C.A. 9126 (1981), and cited by Judge Murphy as authority for the existence of "the traditional parliamentary rules of procedure."

I. APPEALS:

(1) The Chair shall decide all questions of order subject to an appeal by any delegate which may be debated for not more than ten (10) minutes, the time to be equally divided between the delegate appealing the ruling and a delegate in favor of sustaining the ruling of the Chair; provided that an appeal shall not be in order while another appeal is pending or from decisions on

recognition or from decisions on dilatoriness of motions or during a roll call vote or on a question on which an appeal has just been decided or, when in the opinion of the Chair, such appeal is clearly dilatory.

No appeal from decision of Chair is in order on recognition, or when dilatory, in response to parliamentary inquiry or during roll call (1924-237, 329). Cannon's Manual, p. 32.

A point of order comes too late if it comes after debate has begun on other business or other business has intervened (1972-298). (H.C.)

. . . the appeal must be made at the time of the ruling. If any debate or business has intervened, it is too late to appeal. Robert's, p. 256.

A point of order may be deemed waived when it is not made in timely fashion. Deschler, § 7.1, p. 478.

(2) Before the question is put on any appeal, the Chair shall be entitled to state briefly the reasons for the ruling being appealed.

J. MOTION TO SUSPEND THE RULES:

The Chair shall entertain a motion to suspend the rules, which shall be decided without debate and which shall require a vote of two-thirds (2/3) of the delegates voting, a quorum being present.

Motion to suspend the rules interrupts the regular order of business and is in order at any time except during roll call (1884-129), but recognition to move suspension is within discretion of the Chair (1876-104) and requires a two-thirds majority (1920-168; 1924-680, 747). Motion to suspend the rules may not be amended (1924-678, 687, 747), may not be reconsidered (1924-700), and may not be

laid on the table (1912-131; 1924-679, 759, 923). . . . Motion to drop lowest candidate was not admitted (1920-377), but motion to suspend rules and drop candidate receiving lowest vote was admitted between roll calls on nominations (1924-741, 756). However, adoption of such motion has no binding effect as delegates may vote for any person whether placed in nomination or not (1920-384). Cannon's Manual, p. 48.

Any action may be taken and any proceeding had by unanimous consent regardless of the rules or pending order of business (1944-64, 85). But recognition to move unanimous consent is within discretion of the Chair and may not be granted except for routine matters or under exceptional circumstances. Cannon's Manual, p. 50.

In 1972, the Chair clearly stated, "It is within the discretion of the Chair whether or not those motions [to suspend the rules] are recognized." (1972-410). (See also 1972-308.) (H.C.)

Recognition is a matter within the discretion of the Chair. Deschler, p. 423. Thus, a delegate seeking to suspend the rules -- or to make any other motion -- may not be recognized by the Chair at the Chair's discretion. See also Rule K., Motion, below. (H.C.)

K. MOTION:

(1) No question of privilege or any motion other than those provided under these rules shall be entertained, except the motion to recess (to a time certain or at the call of the Chair), which shall be privileged, and the motion to adjourn, which shall be the highest privilege.

Unanimous consent, while not a procedure provided for in these rules, is a procedure customarily used by the Chair. After adoption of this same Rule K in 1972, Chairman O'Brien used unanimous consent (1972-262), as did Chairperson Braithwaite-Burke (1972-332). Later Conventions have customarily used unanimous consent (e.g., 1976-178, 179, special orders adopted; 1980-166; 1984-269, amendments to Committee Report adopted). (H.C.)

Delegates must secure recognition from the Chair in order to offer a motion, and Chair may inquire for what purpose the delegate rises and, after hearing the motion, may decline recognition. After an order of business is adopted, no motions are admissible unless in order under the pending item of business or at that particular stage of proceedings. Cannon's Manual, p. 43.

Under the rules of the House of Representatives adopted by the Convention, a second is not required (1884-35; 1932-223), and motions decided adversely may not be renewed before other business has intervened (1884-132). Motions or resolutions may be withdrawn at any time before action by the Convention (1924-793), even after order for yeas and nays provided roll call has not [sic] begun (1932-315). Cannon's Manual, p. 43.

There being no provision in the rules for the motion to reconsider, such motion shall not be recognized (1972-308). (H.C.)

The motion as stated by the Chair in putting the question and not as stated by the member in offering the motion is the proposition voted on. Deschler, § 1.1, p. 227.

(2) Motions to adjourn or to recess shall be in order at any time except when the question has been put or a vote is in progress and shall be decided without debate.

The Chair has refused to entertain a motion to adjourn when, in his opinion, such motion would have ended the Convention before it succeeded in concluding its business (1968-transcript-341). But motion to adjourn to meet at designated time is in order (1912-40, 78; 1924-645; 1968-transcript-341). O'Hara, p. 13.

The Speaker may, by unanimous consent, declare the House in recess subject to his call. Deschler, § 1.2, p. 535.

The Chair shall not entertain a motion to adjourn or recess when such motion closely follows another such motion if in the opinion of the Chair such motion is dilatory.

Simple motion to adjourn is not debatable (1912-278). Cannon's Manual, p. 30.

L. AMENDMENTS:

No amendments to resolutions or motions before the Convention shall be permitted, except amendments to standing committee reports or resolutions offered at the direction of the standing committee or in a minority report of that standing committee; provided that no motion or proposition on a subject different from that under consideration shall be admitted under color of the amendment.

Amendments are required to be submitted in writing (1924-223) and must be germane to the proposition to which offered (1880-12). Cannon's Manual, p. 32.

AMENDMENTS TO CHARTER:

This Charter may be amended by a vote of a majority of all of the delegates to the National Convention, provided that no such amendment shall be effective unless and until it is subsequently ratified by a vote of the majority of the entire membership of the Democratic National Committee. Charter, Article Twelve, Sec. 1.

AMENDMENTS TO BYLAWS OF DEMOCRATIC PARTY:

Bylaws may be adopted or amended by majority vote of (i) the National Convention. . . . Unless adopted in the form of an amendment to this Charter or otherwise designated, any resolution adopted by the National Convention relating to the governance of the Party shall be considered a Bylaw. Charter, Article Twelve, Sec. 2.

M. MINORITY REPORTS:

Minority reports of committees shall not be considered unless adopted in writing by at least twenty percent (20%) of the members of a committee. A minority report may be withdrawn at any time prior to or during the Convention. A minority report shall be deemed to be withdrawn if a majority of the persons signing the

report withdraw their support. A Committee member may withdraw his or her support for a minority report by written notice to the Secretary of the Democratic National Convention.

A minority report cannot utilize the signatures of members of the majority in order to qualify as a minority report (1972-155). This ruling is in conformity with general parliamentary law which characterizes the minority as those not agreeing with the majority. Robert's, pp. 519-521.

N. RESPONSIBILITY:

By participation in the Democratic National Convention, each delegate assumes the responsibility for doing all within his or her power to assure that voters of his or her state will have the opportunity to cast their election ballots for the Presidential and Vice Presidential nominees selected by the Convention or, should a vacancy arise, pursuant to IX.G., and expressly agrees that he or she will not publicly support or campaign for any candidate for President or Vice President other than the nominees of the Democratic National Convention, or should a vacancy arise, the nominee(s) selected pursuant to IX.G.

It is understood that a State Democratic Party, in selecting and certifying delegates to the Democratic National Convention, thereby undertakes to assure that voters in the State will have the opportunity to cast their election ballots for the Presidential and Vice Presidential nominees selected by said Convention and, for electors pledged formally or in good conscience to the election of these Presidential and Vice Presidential nominees, under the Democratic Party label and designation. Cannon's Manual, p. 20.

O. DEBATE:

Unless otherwise provided in these rules or in a resolution providing for a special order of business, debate on any question shall be limited to a total of twenty (20) minutes and shall be equally divided between proponents and opponents unless they and the Chair agree upon an additional or lesser amount of time.

Ordinarily, time consumed in applause is not taken into account, but the Chairman, within his discretion, may allow for interruptions by hecklers (1932-76, 160, 245, 255). Cannon's Manual, p. 37.

When reports of committees or other warmly contested issues are before the Convention, it has been customary to enter into a unanimous consent agreement or to secure an order through suspension of the rules limiting debate and fixing control of time without reference to usual rules of debate (1920-208; 1924-249; 1932-58). Cannon's Manual, p. 38.

Without objection in 1968, only one part of the report was debated, and the time apportioned between proponents and opponents (in this case, one hour each) (1968-327); and the floor leaders then called on their respective speakers in alternating order (1968-354). (H.C.)

But the new rules suggest that a special order of business under Rule D. is the preferred mode of dealing with such issues. O'Hara, p. 14.

P. DIVISION OF A QUESTION:

When a question contains two (2) or more separate propositions so distinct in substance that should one (1) be taken away a substantive proposition shall remain, the question shall, upon the demand of any delegate, supported by twenty percent (20%) of the delegate body, as endorsed by the rising in support of the demand

of not less than twenty percent (20%) of the delegates present, before the question is put, be divided for voting.

In 1980, the Chair gave a detailed ruling to the Convention on the division of a question. While this ruling concerned the Report of the Platform Committee, the principles in this ruling apply generally:

"The Chair now advises that the majority report of the Platform Committee of the Convention is only subject to division:

- (1) in connection with an amendment offered at the direction of the Committee, or
- (2) in a minority report of the Committee in accordance with Rule M of the procedural rules of this Convention, or
- (3) if unanimous consent is obtained or a motion to suspend the rules is approved in accordance with Rule J, or
- (4) if a special order is obtained from the Rules Committee but is otherwise not subject to a division.

This is in keeping with the Rules of the United States House of Representatives as well as this Convention and is designed to avoid violating (sic, actually "vitiating") the newly established system of using committee amendments and minority reports as a basis for making changes in reports of the Platform Committees of the Convention." (1980-280).

This ruling, now a precedent, nullifies Rule P. as an initiative from the floor. A division of a question originates from a committee or from the Chair.

Q. QUORUM:

A majority of the delegates to the Convention shall constitute a quorum thereof for the purpose of transacting business.

A quorum is necessary to the transaction of any business either in the Convention or its Committees and is always presumed to be present unless otherwise determined.
. . . any delegate may raise the question of a quorum and

a point of no quorum is in order at any time. Cannon's Manual, p. 47.

Upon a point of order of no quorum being made, the Chair shall ascertain the presence or absence of a quorum by visual estimation and shall not proceed until a quorum is present; provided that a motion to adjourn may be offered and voted upon without a quorum present.

The House cannot conduct business after the absence of a quorum has been announced. Deschler, § 2.1, p. 185.

The Chair refuses to recognize Members after the absence of a quorum has been announced by the Chair, and no business is in order until a quorum has been established. Deschler, § 2.7, p. 186.

In the absence of a quorum, any business transacted . . . is null and void. Robert's, p. 341.

An action having been completed, it is too late to make the point of order that a quorum was not present when it was taken. Deschler, § 12.1, p. 194.

Because of the difficulty likely to be encountered in determining exactly how long the meeting has been without a quorum in such cases, a point of order relating to the absence of a quorum is generally not permitted to affect prior action; but upon clear and convincing proof, such a point of order can be given effect retrospectively by a ruling of the presiding officer, subject to appeal. Robert's, pp. 343-344.

The Speaker, if satisfied that a quorum is present and that a point of no quorum is being made for dilatory purposes, may decline to entertain it. Deschler, § 13.5, p. 195.

A point of no quorum may not be withdrawn after the absence of a quorum has been announced by the Chair. Deschler, § 14.1, p. 196.

There is no provision in these rules for a "Call of the House" (as provided for in Rule XV, House Rules, pp. 484-

496). Therefore, the visual estimation is the only means by which a quorum is to be determined. (H.C.)

R. REFERENCES TO THE "CHAIR":

All references to the authority and responsibilities of the "Chair" shall pertain to the Temporary Chair, the Permanent Chair, the Co-Chairs, and any other person assuming the Chair as appropriate during the Convention.

S. EQUAL DIVISION:

The Charter of the Democratic Party of the United States provides that the National Convention shall be composed of delegates and alternates equally divided between men and women. This Call, in compliance with the Charter, mandates that delegates and alternates from each state and jurisdiction shall be equally divided between men and women with a variance of no more than one (1).

T. NON-DISCRIMINATION:

Discrimination on the basis of race, sex, age, color, creed, national origin, religion, ethnic identity, sexual orientation, economic status, philosophical persuasion, or physical disability in the conduct of Democratic Party affairs is prohibited.

U. TERRITORIES:

The term "territories" shall refer to American Samoa, Democrats Abroad, Guam, and the Virgin Islands in this Call.

V. JOURNAL OF PROCEEDINGS:

(1) A record of all actions taken each day by the Convention shall be printed and made available to all delegates and alternates the following day by the Convention Secretary.

(2) The Secretary of the Democratic National Committee will provide a journal of the full proceedings of the Convention, which shall be printed within the year following the Convention.

MISCELLANEOUS

1. Alternates.

RULE 17. ALTERNATES AND VACANCIES

A. Alternate delegates shall be selected by primary, convention, or committee processes subject to the same National Party Rules applicable to the selection of delegates, except that the provisions of Rule 8A [procedures for selecting unpledged party leaders and elected official delegates] shall not apply to the election of alternates. Each State Democratic Chair shall certify all alternates in writing to the Secretary of the DNC.

D. A delegate who is to be absent or resigns will select from among the alternates of his or her political subdivision (if possible) or state, the particular alternate of the same presidential preference (or unpledged status) who shall take his or her place.

E. (National Committee Members, Governors, and Members of Congress) shall not be entitled to name a replacement under Rule 17D nor shall the State be entitled to a replacement except in the case of death.

F. If, because of death or disability, a delegate is unable to select the alternate to take his or her place under the provisions of Rule 17D, that selection shall be made by the delegation in a manner which assures that the alternate will be of the same presidential preference (or unpledged status) and, if possible, from the same

political subdivision and of the same sex as the delegate replaced.

F. A vacant alternate position shall be filled by the delegation. The replacement shall be of the same presidential preference (or uncommitted status), from the same political subdivision and of the same sex as the alternate being replaced. Each replacement of a vacant alternate position shall be certified in writing to the Secretary of the DNC by the State Democratic Chair. Delegate Selection Rules, Rule 17.

In the absence of his delegate, an alternate has all the privileges of voting and debate to which his principal is entitled, but, unless specifically authorized by instructions, an alternate for one principal may not vote in the absence of another principal (1912-217; 1920-390; 1924-324, 635, 894). Cannon's Manual, p. 31.

Where both delegate and his alternate are absent, the alternate for another delegate from that state may cast the ballot unless otherwise instructed (1952-463) . . . but an alternate may not vote the second time on the same ballot after all alternates have voted and a further vacancy develops (1932-213). Cannon's Manual, p. 31.

Where an alternate votes in the absence of his principal, the vote is automatically canceled on the appearance of the delegate prior to announcement of result and the vote of the delegate is registered instead (1932-296). . . . a delegate or alternate absent when their names are called may vote on arrival if prior to announcement of result of the ballot (1932-297, 306). An alternate may challenge accuracy of vote of delegation in absence of his principal (1944-255). Cannon's Manual, p. 32.

2. Delegations.

Those delegates present and voting constitute the delegation, although a majority of the delegation may be absent (1912-249). Cannon's Manual, p. 39.

By STEPHANIE SIMON
TIMES STAFF WRITER

Childbirth in Russia: A Misera

With Lack of Funds and Outmoded Equipment, Ma

MOSCOW—It's one of those sodden, snow-crusted days when the sky looks like dishwater, the office temperature won't budge above chilly and Dr. Vladimir N. Serov dreams of Santa Barbara.

Not the town. The soap opera. The television melodrama has set Russians swooning for years, and it has inspired Serov to dream as well. He marvels aloud at the medical care on the show. He wishes he could lift it from the TV and graft it onto Russian society. Starting with his own obstetrics practice.

For as Serov sadly acknowledges, Russia's maternity wards are scruffy, ill equipped, harried. They follow rules from Soviet days. Husbands cannot help their wives through contractions or cuddle their newborns. Women in labor cannot see family or friends, or even the obstetricians who handled their pregnancies. The Health Ministry regulations are so detailed that they control nursing posture as well: Mothers must lie on their sides to breast-feed their babies.

Compared with "Santa Barbara"—or even real-life America—Russia's "birth houses" are stern, stifling, scary. And dangerous.

Hundreds of mothers die each year from uncontrolled bleeding or raging infections after giving birth in the specialized state hospitals that handle all abortions and deliveries here. Hundreds more die from the lingering effects of bungled abortions, which wreck their reproductive organs and complicate future pregnancies.

True, Russia's maternal mortality rate is nowhere close to the abysmal tolls in China, India or impoverished Africa. But Russians do not like to compare themselves to Third World countries. They look at nations they consider equals—and cringe.

Russians are six times more likely than Americans to die in childbirth. For every 100,000 live births, 53 Russians die. The United States and Britain each report eight deaths; Japan records 11.

"Our system is bad," Serov said. "It's not in the least bit modern."

Indeed, little about Russian obstetrics is modern, at least by American standards.

In the birth houses, babies are treated almost as a commodity, to be churned out assembly-line style. Decrees from the Communist era regulate every aspect, from mandatory enemas during labor to postpartum attire.

In the United States, "we've made efforts to humanize the birthing process and make it more of a family experience," said Dr. Brian Koos, chief of obstetrics at the UCLA Medical Center.

In Russia, however, personal choice and individual relationships remain a low priority.

As Serov put it: "They're like factories."

He serves as deputy director of one such factory—the Center for

Obstetrics and Gynecology, a cinder-block clinic with chipped floors. The cheeriest poster is an ad for Tampax.

This is supposed to be a showcase birth house, reserved for women with high-risk pregnancies or a lot of clout.

But it has communal delivery rooms, built when privacy was considered a bourgeois decadence. Each floor has just two pay phones, so proud mothers must wait in line to announce their deliveries. The grimy windows are marked with numbers so that husbands—banned from the clinic—can find their wives' rooms and shout greetings from the sidewalk below.

"Our maternity homes," Serov said, "look a little like jails."

Ironically, the few reforms that have swept through the birth homes may end up increasing the maternal mortality rate.

The new capitalist spirit, for example, has spawned a dangerous medical market. All women are entitled to free medical care—from ultrasounds to abortions—at their local maternity hospitals. But nowadays, many birth houses have opened "commercial departments" that offer better treatment to the rich. Bribes can secure top-notch service as well.

"The women who can't afford payments really get the minimum in care, which is not sufficient," said Rudolf Hoffmann, a UNICEF project director who oversaw a recent study of Russian obstetrics.

In some maternity hospitals, wealthy women can snag more than private rooms and attentive nurses. They can pay the equivalent of \$800 to order a caesarean section. The operation is free when medically necessary. But some doctors now are willing to perform it at a woman's request and in exchange for cash—a practice that would "absolutely not" be accepted in the United States, Koos said.

Caesareans have been relatively rare in Russia, used in 10% of births, compared to about 25% in America. The percentage may well rise, however, as rich women try to avoid the pain of labor. And more operations mean more risks of infection.

Russia's heavy reliance on abortions—more than two-thirds of pregnancies are terminated—also drives up the maternal death rate.

Although sidewalk kiosks now carry condoms and pills, Russians still consider abortion a convenient, and free, form of birth control.

The average woman will terminate nine pregnancies. When she finally decides to carry a baby to term, she runs a much higher risk of premature labor, weak contractions and hemorrhaging, says the Russian Family Planning Assn.

"Abortion accounts for a quarter of all cases of maternal mortality,"

the association said, "and it shows no signs of decreasing."

Cutting the abortion rate will take major public education. Some physicians believe that an even broader propaganda campaign is called for as well.

They would like to teach a new—and, they hope, safer—attitude toward pregnancy. And they would start by introducing the Western view that pregnancy should be a joyful partnership for couples, rather than a scary medical emergency for women to endure alone.

Few doctors allow husbands in the delivery rooms—and then only after they've undergone medical tests to prove themselves healthy. Those men who do manage to attend births are booted immediately after, without getting a chance to greet their infants.

Fearful that germs might creep in even if visitors stay out, the Health Ministry also demands that obstetricians scrutinize each woman's belongings.

In decades past, women complained that gatekeepers took even their eyeglasses as possible infectious agents. The list of taboos has been modified, but women still

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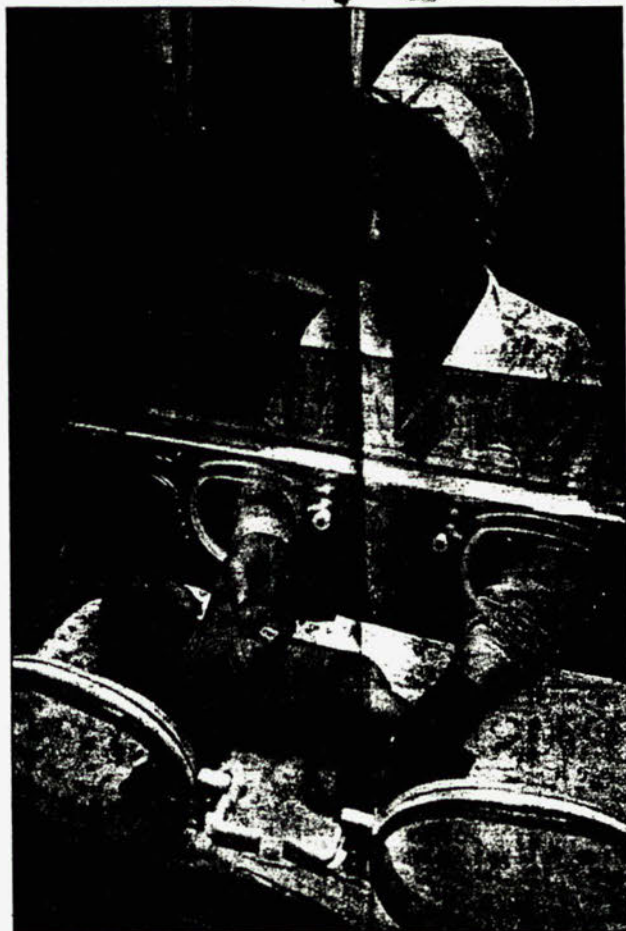
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WORLD

WASHINGTON EDITION / LOS ANGELES TIMES

in Russia: A Miserable Experience

Is and Outmoded Equipment, Maternal Death Rate Is High



Associated Press
Russian nurse tends infant in the Mother and Child Hospital.

cannot wear fuzzy slippers or read old books in maternity wards, lest they scatter contaminated dust. Flowers are forbidden in recovery rooms, where up to half a dozen women wait out the mandatory five-day convalescence.

Russia's quarantine of new mothers is certainly a nuisance for patients such as Natasha Kozlovskaya, who had to keep in touch with her husband through notes ferried by a kind nurse.

But worse than the inconvenience, segregating pregnant women chips away at patient health, Dr. Olga G. Frolova said.

A woman's isolation starts way before the first contractions. She generally attends childbirth and parenting classes on her own. Uneducated about pregnancy's physical and psychological demands, men often expect their wives to continue cooking, cleaning and working through their due dates.

"We need to change the attitude of society, especially men," said Frolova, who heads the obstetrics division of the Russian Academy of Medical Sciences. "Pregnant

women should be treated with special care and respect."

At first glance, the Soviet-style welfare system would seem to coddle women.

Pregnant Russians are entitled to free checkups every two weeks. They are expected to take paid maternity leave starting eight weeks before their due dates and can remain home with their babies, collecting regular benefit checks, for 18 months. Employers must hold jobs for three years.

And while American mothers complain of being rousted from the hospital too early, Russians stay under observation for at least five days.

Once discharged, a mother and infant can expect a follow-up from a nurse.

Yet while the benefits look comforting on paper, they actually may contribute to the mortality rate.

Russia's medical system works on a tag-team basis. Women get their regular checkups at local outpatient clinics that handle only gynecology. When contractions start, they must rush to a birth house, where an unfamiliar obstetrician takes over.

Many of the clinic gynecologists are trained to focus on reproductive health and the fetus' well-being. Thus, Serov said, they may overlook other medical problems that can affect pregnancy.

"Women are dying during childbirth from illnesses that we fail to catch in the women's clinics," he said.

Russia's chronic shortages of medical equipment and drugs also plague the clinics.

"The defense line for really safe motherhood is at the [larger, regional] hospitals," UNICEF's Hoffmann said.

But instead of referring their patients to specialists, he added, poorly trained clinicians either fail to see—or simply ignore—potential complications.

Once a patient in labor arrives, the on-duty physician has little chance to probe her medical history. At best, he can glance at a note card from the clinic doctor as he dashes from bed to bed in the communal delivery room.

During a single shift, a doctor may deliver a dozen or more babies—as many as an American obstetrician might in a month. One recent newspaper article claimed that a physician at Birth House No. 4 set a record by delivering 37 babies in 24 hours.

As for the monthly benefit payments, the money doesn't go far. New mothers receive about \$27 a month—which buys enough disposable diapers to last maybe 10 days. A one-time bonus for the birth of a child, equal to about \$170, covers the cost of a good stroller or, perhaps, a secondhand crib.

Sky-high prices, piled atop

political uncertainty and social unrest, have driven Russia's birth-rate to record lows in recent years. In fact, the country's population is actually shrinking. For births to keep pace with deaths, the average woman would have to bear 2.2 children in her lifetime. Instead, the birthrate fell to a record low of 1.4 babies per woman in 1994.

"They're surprised that no one's giving birth these days, but what are we supposed to live on?" asked Oksana Kunayeva, who is expecting her first baby in March.

Young women's cash woes start well before their babies are born and may contribute to the mortality rate. With prices for fresh produce and quality meats soaring, women increasingly have trouble nourishing a healthy pregnancy. Anemia cases have nearly tripled in six years, and vitamin deficiencies are common.

Plagued by poor nutrition, stress and a high rate of circulatory disorders and heart trouble, women enter childbirth with a distressing risk of complications. A government study conducted two years ago concluded that only 40% of pregnancies ended with "normal" labor and childbirth.

The same study urged a nationwide push to cut the maternal mortality rate in half by the turn of the century. But so far, rates have remained stagnant.

Hoping to spur progress by introducing Western medical techniques, the Magee-Womens Hospital of Pittsburgh has set up health clinics and childbirth classes throughout Russia.

Irina Stepanova, 26, makes a three-hour round-trip subway trek to learn more about her pregnancy in a Magee class. "It was all like a dark forest to me before," she said.

Her teacher, Olga Ojarenkova, signed up for Magee's training program after years of helping obstetricians in a traditional birth house. Women in labor would be terrified, unsure what to expect. With no education except rumor, they would scream extra loudly, hoping that their babies would hear their voices and come easily into the world.

Ojarenkova now teaches more modern methods of dealing with labor, like Lamaze. Although she pushes Western ideas, she still must heed Russian rules. Thus, she kept interjecting caveats as she showed an American video on childbirth.

When a videotaped woman was walking down a hill in early labor, Ojarenkova broke in with a sigh: "We only allow that here if your partner's with you." The video showed the woman in bed, cooling herself with ice. "Unfortunately, they don't allow that here," she said apologetically.

Listening to the video's triumphant soundtrack, a student asked if she could bring a tape player to help her through early contractions. Ojarenkova had to repeat her mantra once more: "They don't allow that here."

She added ruefully: "You know our system."

Southern
California's
Newspaper

CIRCULATION:
1,058,498 DAILY / 1,457,583 SUNDAY

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Chip Thefts a Silicon Gold Rush

■ From inside pilferage to brazen heists, crime is costing high-tech companies billions of dollars. Lax security has helped fuel a black market for computer components that are hard to trace and easy to sell.

By RICHARD C. PADDOCK
and JULIE PITTA
TIMES STAFF WRITERS

SAN JOSE—It looked like any small computer store. Facing a busy commercial street, it had a big sign out front and its own delivery vans. Yet, somehow, it never seemed to attract many customers.

As it turned out, authorities say, it didn't need them.

In reality, Prestige Computers was the center of one of the biggest computer chip theft rings in the Silicon Valley, law enforcement officials say. From there, they allege, its operators planned armed robberies and laundered stolen computer components.

The thieves' undoing came in May when they tried to rob what they thought was an Intel Corp. warehouse, officials said. In fact, it was part of an elaborate FBI sting. The building was empty and its workers were federal agents in bulletproof vests. Ultimately, 17 people connected with Prestige Computers were arrested.

"It sends a message: Hey, the next warehouse you hit, the police and the FBI may be waiting for you," said FBI supervisor Richard J. Bernes, who oversaw the nine-month operation.

But the San Jose sting was a rare success story in law enforcement's running war with thieves who operate in one of the world's most lucrative black markets: stolen computer chips.

Over the last five years, as the high-tech industry has boomed, thefts around the globe have soared more than 100-fold by some estimates.

In the Silicon Valley alone, computer companies lose \$1 million a week. Industry analysts estimate that thefts last year cost U.S. companies \$8 billion worth of components, based on retail value.

"Technology is the lifeblood of the United States and we are seeing theft steal the competitive edge of this industry," said MaryLu Korukuch, marketing manager for New Jersey-based Chubb & Sons, one of the biggest insurers of high-tech companies.

Once for ounce, top-of-the-line computer chips are more valuable than gold and safer to sell than cocaine. The tiny pieces of silicon—such as central processing units that power personal computers and memory chips that store information—are lightweight and easy to transport.

These facts plus the industry's often lax security and the growing demand for components have helped fuel a rise in thefts ranging

Please see CHIPS, A8



Sharon McKibben comforts Grace Vega as school employees leave building where

Stray Bullet Hits Teacher Seated in School Library

■ Violence: Popular instructor at Figueroa Street School is in critical condition. No students are hurt.

By PATRICK J. McDONNELL
and PETER Y. HONG
TIMES STAFF WRITERS

In the worst campus assault on a teacher in the history of the Los Angeles School District, an errant bullet struck a fifth-grade teacher in the head Thursday as he and his students studied in the school library.

Another bullet flew into a second-floor classroom full of students at Figueroa Street Elementary School in South-Central Los Angeles but landed harmlessly in a wall.

Authorities said the shots were fired from across the street during an apparent gang-related dispute.

Teacher Alfredo Perez, 30, was taken to Martin Luther King Jr./Drew Medical Center where he remained in critical condition after surgery, a bullet still lodged in his brain. His wife, Virginia, a second-grade teacher in Huntington Park, rushed there after hearing the news.

The shooting was yet another spillover of urban violence onto the city's school campuses.

A popular teacher respected by both his pupils and their parents, Perez was in the ground-floor library with his fifth-grade class when the bullet tore into his forehead at 8:50 a.m., shortly after school began.

Speaking to reporters later in the day, Maria Ochoa, 10, one of his Perez's 23 students, said her teacher was sitting in a chair when she "heard a very loud noise like someone was hitting something very hard."

"I was very scared and I couldn't move from my desk," recounted Ochoa, who had been reading a book about rocks. "Everybody was running around and shouting."

She looked up to see Perez still in

the chair, a bullet hole in his forehead and blood trickling from the wound.

She and her classmates ran out of the room and huddled on the floor of the hallway while administrators ran to the library.

"I just don't understand why someone would try to kill him when he was such a good teacher," Ochoa said as she fought back tears. "I hope he gets better. He has to get better," she implored.

"I loved him like a father," said another of Perez's students, Nancy Tejeda, 11, as she walked away from the school at Figueroa and

Please see BULLET, A8

Navy Grounds F-14s; 3 Crashes in Month Cited

By NORMAN KEMPSTER
TIMES STAFF WRITER

WASHINGTON—The Navy grounded its entire fleet of F-14 warplanes Thursday after one of the twin-engine Tomcat fighters crashed into the Persian Gulf, the controversial plane's third crash in less than a month.

A Navy spokesman, Lt. Greg Geisen, said that both crewmen survived the crash during air operations off the aircraft carrier Nimitz. Although the Nimitz is heading to enforce the "no fly" zone over Iraq, the F-14 involved in the incident was engaged in routine training not directly related to the aftermath of the Persian Gulf War.

The accident followed the crash off the California coast on Sunday

Please see NAVY, A7

Anti-I Rheto Trem

By DAVE LI
and SAM FU
TIMES STAFF WR

TEMPE, Ariz.—A Republican grew ever more determined to win the GOP's treasury in Congress.

As all the here for a d clashed over competing for tougher on ill. Republican vibrating so the party to its

With the growing more wildfire cand Buchanan, D candidate Sen said Buchanan risk the Rep control of Cong "I'll tell you candidacy, we and keep our n and the Senate lators and cou place else," Dol

Buchanan, c zonia, answered was tired of the the attacks, Buc his voters, no lo cannot be take warned.

"I've always Republican nom the name-calling difficult for m movement to who's called me Buchanan said.

Conservative while, expres worries—that es over Buchanan gerously close to on the bedrock ri "Quit attackin

Please see RI

CHIPS: Thefts Soar With Lax Security, Growing Demand for Components

Continued from A1

from small-scale employee pilferage to huge armed robberies—including a record \$9.9-million heist in Irvine in May.

One study estimated that 57% of all thefts, big and small, are committed by company insiders—up to 70% when contractors and suppliers are included.

"Employees may be making a little more than minimum wage," said San Jose Police Officer Bruce Toney, who specializes in high-tech crime. "A central processing unit is about the size of two matchbooks. Put that in your pocket and you can double your income for the week."

Crime has become increasingly violent in what used to be considered a safe industry: In the last year, computer company employees here and abroad have been shot, knifed, pistol-whipped, bludgeoned and Maced in chip robberies.

So great is the hunger for computer parts that purloined chips are easily laundered through a sophisticated network of distributors, changing hands as many as 18 times in 72 hours as they make their way back onto the legitimate market, officials say. Because most chips have no serial numbers, they cannot be traced.

Asian gangs in the United States are heavily involved in the illicit trade, the FBI says. Many components stolen here are shipped to Asia, where they are installed in personal computers and sent back to the U.S. market, undercutting legitimate companies. Other hot components remain in the United States where they end up in the hands of small-scale computer assemblers. Still others are sold in Russia's growing black market.

Traditional law enforcement has been largely unsuccessful in halting thefts and most high-tech thieves are never apprehended.

Frustrated by the surge in armed holdups in the Silicon Valley, the FBI last year staged the kind of sting usually reserved for corrupt politicians and mobsters.

An earlier investigation had led agents to suspect that the store was the center of a crime ring. A young Vietnamese American police officer from the city of Santa Clara posed as an Intel Corp. worker. He was planted at a health club, where

members of the suspected ring were known to work out. In the locker room, another operative and the agent talked about the agent's "work" for Intel.

Soon, officials said, he was approached by ring members and began selling them "stolen" Pentium and memory chips, receiving \$60,000 in cash for hundreds of chips over a four-month period, court records show.

When the group indicated it wanted more, the officer mentioned a loosely guarded warehouse in nearby Milpitas. He gave them sketches of the floor plan and told them when a big shipment of Pentium chips would arrive, the court records show. At their request, he left a warehouse door unlocked on the appointed day.

When two carloads of armed men drove up, right on schedule, the FBI and local police arrested them. Prestige owner Lawrence Wong and 16 others are scheduled to go on trial next month on theft, mail fraud, gambling and weapons charges. All have pleaded not guilty. Prestige, meanwhile, has quietly closed its doors.

Until recently, most computer companies have been easy targets, with protective measures so lax that they all but invited thieves to walk in. Even with a surge of well-publicized thefts, some smaller companies still are unwilling to spend the money to protect themselves.

"Some of these companies are in denial," said Korkuch of Chubb. "It's a very competitive industry. Some are willing to take the risk to keep pushing the product out the door."

Bigger companies, however, are tightening security, prompting thieves to become more daring. In the past two months in the Silicon Valley, three executives have been kidnapped by robbers seeking entry to businesses.

One executive and her two small children were in her car outside their house when gunmen seized them and drove them across town. After leaving them tied up in the car, they used the woman's keys and alarm access code to enter her office. They were interrupted by another employee and later were arrested.

Last week in Torrance, Los Angeles County sheriff's deputies

High-Tech Robberies

Fueled by growing demand for computer components, high-tech robberies have soared dramatically in recent years. Shown below are some of the largest computer component heists.

May 1995: Centon Electronics, Irvine.

A dozen well-dressed armed men stole computer chips in the biggest high-tech heist ever. Estimated loss: \$9.9 million.

March 1994: Haven Products,

Greenock, Scotland. Three masked men brandishing knives took chips from a computer assembly plant. A guard was kidnapped and released by a roadside. Estimated loss: \$3.7 million.

January 1996: Federal Express, Costa

Mesa. Two delivery trucks full of laptop computers were hijacked from a warehouse. Three men, including a Federal Express driver, were later arrested. Estimated loss: \$2.7 million.

November 1993: Oki Semiconductor, Tualatin, Ore. Armed bandits

in Halloween costumes shattered the windows of a manufacturing plant, handcuffed and gagged 13 employees and stole memory chips. Estimated loss: \$2 million.

March 1995: Touche Ross accounting firm, San Francisco. Robbers posing

as air-conditioning repairmen stripped the firm's computers of memory chips. Estimated loss: \$1.9 million.

January 1994: Synnex Information Technology, Fremont, Calif.

Burglars silenced a security system and stole chips and other equipment from a warehouse. Estimated loss: \$1.5 million.

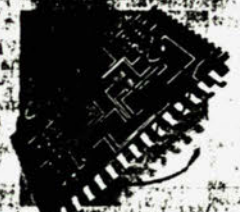
November 1995: Modulink, Irvine. Several armed robbers forced

the owner into the building and stole a cache of memory chips. Estimated loss: \$1.4 million.

May 1995: New Technologies, Santa Fe Springs, Calif. Armed

robbers tied up three employees and made off with chips and disk drives from a warehouse. Estimated loss: \$1 million.

Sources: Insurance and electronics industry reports; Times Staff Writers



arrested 11 people suspected of plotting to kidnap the owners of a computer chip company and steal up to \$7 million in inventory. Taken into custody at a motel, the suspects had guns and hand-drawn maps of the offices and homes of the intended victims. The arrests occurred after a seven-month statewide investigation of Asian gang members.

Weeks earlier, the owner of a small Fremont company refused to surrender to would-be kidnappers. The executive was nearing his house when a car blocked his path. Two gunmen jumped out and began pounding on his windows, cracking one. He drove off as the men opened fire, hitting the car's radiator with a .45-caliber bullet.

"They follow you home and they try to kill you," said the terrified

man, asking not to be identified. "The next step is they are going to kidnap you from your own home. I don't know where this is going to stop. We feel very vulnerable. They know who we are and we don't know them."

He said he fears that law enforcement is ill-equipped to cope with the surge in computer crime—a complaint echoed by industry leaders.

The FBI has its San Jose-based high-tech unit, which conducted the Prestige sting. But most police departments assign computer crimes to detectives who are burdened with countless other duties. With a sergeant and four deputies, San Jose's high-tech squad is the nation's largest police computer crimes unit. It is overwhelmed.

"Because [the unit] is not large

enough to maintain tracking on all of the high-tech crimes, a lot of them go uninvestigated," said San Jose's Toney. "It is not unusual for a company to report a half a million dollar loss, and not receive the manpower [needed to investigate]."

Elsewhere, most officers receive no training in handling high-tech thefts and would probably be unable to identify stolen components.

Many police officers don't know the difference between a computer chip and a potato chip," said Korkuch, who spends much of her time attempting to educate law enforcement—and industry executives—about computer crimes.

The lack of training among police has been equaled by the naivete of many chip manufacturers who operated for years without even minimal security precautions such as locking warehouse doors and screening employees.

The American Electronic Assn. has urged members to adopt stricter precautions but with limited success, said association Vice President Michael McQuade.

"They don't think of obvious things like cutting the bushes outside the building so thieves can't hide in them," he said, "or storing chips in high-security vaults so the stuff just doesn't sit out in the open."

Only chip giant Intel has begun putting serial numbers on its products—and then only on its Pentium chips, which, priced at up to \$600, are the most costly and coveted computer component. Even so, the serial numbers have little value because a database to track the chips as they are sold and resold has yet to be developed.

"When you tell a manufacturing guy that he has to serialize and track, you're talking a lot of money being added to the cost of production," said John O'Loughlin, corporate security director for Sun Microsystems, maker of computer workstations. "He just sees it as a competitive disadvantage."

Nearly \$155 billion in chips were sold worldwide last year—about half destined for computers and the rest for everything from microwaves to cars.

The demand has become so great

that most factories are operating at or near capacity and still have trouble filling their orders. With the popularity of multimedia personal computers, memory chips are the most coveted—by legitimate and black market dealers alike.

For a small company, replacing stolen chips can take precious weeks or months and it may never fully recover from the loss.

"I've heard there are companies that have knowingly or unknowingly bought back their own products because they are so desperate for the ability to produce," Korkuch said.

With hot chips so marketable, thieves have become not only more brazen but also more creative.

Some have set up fictitious businesses, paid for components with bad checks, then moved out before they could be traced. Others have taken defective chips from the trash and sold them, leaving the manufacturers liable for bad products that reach the market.

Still others have followed trucks from manufacturing plants. When a driver stops for a break, thieves rip open the tailgate.

Last month in Irvine, a Federal Express truckload of laptops worth \$2.7 million were stolen from a storage facility. Most were recovered, and four men were arrested, including a Federal Express driver.

In another twist, some burglars have begun breaking into all kinds of businesses and stealing memory chips from computers. One ad agency recently suffered \$800,000 in losses from such a theft.

"These people came in one morning and 96 workstations had been dismantled or taken away," Korkuch said. "Universities are getting hit, law firms, architectural firms, even Chubb has been hit."

The theft of chips from its own computers may be the least of Chubb's worries. The electronics industry once was an insurer's dream, but the company's payout in claims has soared with the rise in chip thefts. In 1993, Chubb paid less than \$3 million in claims to electronics firms. Last year, it paid \$20 million.

"This is an ugly crime," Korkuch said, "and it is getting uglier."

THE WHITE HOUSE
WASHINGTON

THE PRESIDENT HAS SEEN

2/24/96

February 24, 1996

MEMORANDUM FOR THE PRESIDENT:

FROM: TODD STERN *TS*
HELEN HOWELL

SUBJECT: Recent Information Items

We are forwarding the following recent information items:

- Answer to my question*
- (A) **Rubin note on community development lending.** Upbeat note attaching Feb. 13 WSJ article on success of community development lending under the Community Reinvestment Act. Rubin says that the CDFI Fund is thriving in its new home at Treasury, and response to the Fund's first call for applications has been outstanding, with requests outstripping available resources by 10 to 1: "We have some exciting new initiatives coming on, including...Presidential Awards for microlending. I think we have a real opportunity to take your community development initiatives to scale over the next five years." Note the WSJ article The article states that regulators whose approval is needed for mergers are taking a harder line on banks' and S&Ls' performance under the CRA, which requires them to lend in every community where they take deposits. A weak lending record can slow or even derail a deal.
- Good*
- (B) **Lake response on river blindness.** A December NYT article said the U.S. "refused to contribute" to efforts to eradicate river blindness in Western Africa. In fact, USAID has funded a global eradication effort since 1974 and hopes disease can be destroyed by 2002. U.S. decision not to fund the West Africa program mirrors that of other major donors to the global effort. AID will lend technical support to the West Africa program, but cannot fund it because of AID's austere budget.
- Leon*
new to go
Markey
- (C) **Congressional notes.** *Markey* -- thanks you for the "magnificent" telecom signing ceremony, for the electronic pen, and for highlighting children's tv and V-chip. Asks to meet with you before you see entertainment leaders and such a meeting *has* been scheduled for Wednesday, February 28; *Nunn* -- thanks you for your recent note and the enclosed cross-word puzzle. "Mother has now moved from Perry to Atlanta in an assisted care home, so she will love this puzzle completed by our nation's leader;" *Leahy note and family photo* -- thanks you for your holiday greeting. "We want to send you our very best for 1996 as well as a photo of all the family celebrating our son Mark and Kristine's wedding at our tree farm in Vermont last summer."



THE PRESIDENT HAS SEEN

2/20/96

HOUSE OF REPRESENTATIVES
WASHINGTON, D. C. 20515

EDWARD J. MARKEY
7TH DISTRICT
MASSACHUSETTS

Feb 8, 1996

Dear Mr. President,

It was a magnificent signing ceremony today, worthy of an excellent bill. I am particularly appreciative of your personal gesture to me in giving me the electronic pen. I will treasure it and the memory of your kindness.

I also appreciate the prominence you and Hillary have both given to the issue of children's television and the V-Chip, in the State of the Union message and in calling for the upcoming summit with entertainment leaders. As the author of the V-Chip language in the telecom bill as well as the Children's Television Act, I would very much appreciate an opportunity to meet with you personally as soon as you can to discuss the focus and agenda of the summit. The FCC is on the verge of gutting the Children's T.V. Act. The message of the summit must be unambiguous and urgent regarding the Children's T.V. Act or it will be misinterpreted down at the FCC and could harm everything we are trying to achieve.

Let me know when you think we could meet.

Great work.

Ed

January 29, 1996

MEMORANDUM

To: The President

From: Nancy Hernreich
Andrea Whitney

Re: Edwin Yoder Column

THE PRESIDENT HAS SEEN
2/26/96

Edwin Yoder says your proclamation that "the era of big government is over" is thematic larceny. The bigness of government was not thrust upon the people; it came for historical reasons.

Senator Moynihan claims the fundamental forces of big government are understood through productivity. Productivity in most sectors has improved, but expensive heavy input services, such as health care, remain static. These essential low profit industries migrate to the public sector and the government is blamed for spending more than it takes in.

When the impending demise of big government is spoke about by our leaders, what part of the government are they talking about?

TOVH
I think it would be
worth having Elaine talk to
Ed about how gov't productivity
can increase — That lets
bureaucratic, smaller gov't
can be stronger in promoting
and motivating public interest
But not DC, he this last
made
BC

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^bc-yoder-column advIMMEDIATE<

^EDWIN YODER COLUMN<

^(FOR IMMEDIATE RELEASE--Normally Advance for Monday, January 29, 1996)<

^(For Yoder Clients Only)<

^By EDWIN M. YODER, JR.=

WASHINGTON--It was said of Benjamin Disraeli, the wizard who reinvented the Tory party in Victorian England, that he caught the Whigs swimming and stole their clothes.

Is Bill Clinton a candidate for American Disraeli of 1996? His State of the Union address--really, a state of the campaign address--involved flagrant thematic larceny. The most brazen theft of opposition slogans of all was his proclamation that "the era of big government is over"--the equivalent of a fat man's proclamation that he's fat because the ice cream industry made him be. But, watch his new diet.

This pronouncement, like other fashionable political fantasies (the Republican talk about a flat tax, for instance), is belied by a century of experience. The modern omnicompetent state, which we all affect to despise while enjoying its comforts and benefits, did not spring from a conspiracy against the public. It was for the most part a rational response to the pains and emergencies of modernity--three very expensive world wars (counting the Cold War as one of them), a crippling Depression with desperate levels of unemployment and financial insecurity, and the continuing movement of people from independent farms to service-dependent cities.

It is popular politics to identify "big government" as an imposture thrust upon the people against their will--a temporary nuisance that can be disinvented by thinning a padded bureaucratic payroll here or eliminating a wasteful defense contract there, or disciplining the self-indulgent travel habits of the secretary of

(more)

energy. Or, pare ``fraud, waste and abuse`` and, presto, you have thin-man government.

It won't happen. The bigness of big government came for historical reasons and stays with us by popular demand.

Had the president wished to speak bold and prophetic words about the modern state, he could have reviewed the historical forces that, willy-nilly, compelled the expansion and centralization of government: Woodrow Wilson's mobilization for war in 1917 and after; Franklin D. Roosevelt's conversion from penny pincher belaboring Herbert Hoover for spending too much to father of the early social safety net; frugal presidents such as Harry Truman and Dwight D. Eisenhower (and yes, even Ronald Reagan) decrying bigness and overreach in government while presiding over its expansion into ever new sectors.

The only really original idea about the bloat of government I have encountered lately comes from Sen. Daniel Patrick Moynihan--as usual, one is tempted to say. The senator is one of the few public figures we may look to if we want to get beyond cliches and sound bites to fundamental forces.

Moynihan has seized upon something called ``Baumol's Disease,`` named for William J. Baumol of New York University. Here is the way the senator defined it in a recent fiscal report:

``Productivity in most sectors has improved dramatically in the past 200 years, but not in jobs such as the arts, teaching, law and health care, which require a high level of personal input. For those working in such jobs to have anything like a contemporary standard of living, the relative cost of their services must be much higher than it was in the past. As the price goes up, supply shrinks. Essential but low-profit industries migrate to the public sector, and government is blamed for spending more than it takes in.``

It is the most expensive services, many of them essential--health care for the poor and elderly are prime examples--that tend to become charges upon the taxpayers because productivity tends to be static. They are unappealing, because unprofitable, enterprises for the

(more)

private market.

When the president, the speaker of the House and other great orators of our time speak of the impending demise of big government as we know it, they strangely ignore Social Security, Medicare, Medicaid and other big-ticket items where most of the bloat is. Understandably. These are, after all, the sacred cows the president has recently boosted his poll ratings defending.

So when they speak of the end of the era of big government, what exactly are they talking about? The extravagance of the Coast Guard? An excess of highway bridge repair?

One thinks, again, of the fat man, blaming his girth on diet foods while defending rich desserts to the last puffy breath.

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THE PRESIDENT HAS SEEN

2/26/96

To VP / ^{cc} / Chen / Baker / GS
Am. Letter

January 31, 1996

MEMORANDUM

To: THE PRESIDENT

From: Nancy Hernreich
Andrea Whitney

Re: "How Clinton and Congressional Democrats Can Win in 1996" by
Lanny J. Davis

worth reading
Mr. & Mrs. Speaker -
Platform ideas
interesting - BAC
What do you
think? - BAC

To win reelection and establish a Democratic majority in Congress you must articulate a coordinated national Democratic Party campaign. With legislative and executive officers running side by side, you can create a New Democratic theme which is not entirely liberal or conservative, but where the majority of people stand today.

The New Democratic message is divided into five categories:

The Role of Government: Show that Democrats are more committed to a leaner more efficient government than Republicans. Better publicize REGO.

The Goal of Government: Americans will not follow the Republican's top-down orientation. The public trusts Democratic ideals, but it is time to put some type of entitlement program to test. The Democrats must stay true to their values, but have the willingness to accomplish liberal goals.

Fiscal Conservatism: The differences in the Democratic and Republican budget priorities, mainly Medicare, should be central to the 1996 campaign. Democrats should not swear off any form of tax increase, and they should stand together to fight for public investments.

Political Reforms: The President and Congress are better positioned to commit to sweeping political reform. These reform components are strict limits on campaign contributions, PAC's and "soft money", franking privileges, and lobbyists.

Social Issues: Certain issues now favor the Democrats and they must not be bashful about taking extremist positions in 1996. The Democrats must approach the issues of Welfare, Affirmative Action, Public Education and Crime.

POLITICAL

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Bill El

I have enclosed a draft article for possible publication about your 1996 campaign and a possible strategy not only for winning reelection decisively but also Democratic recapture of the Congress.

I would obviously appreciate getting your reaction to some of these ideas. And as always, I am looking forward to helping you in any way I can.

Best regards,

Lanny J. Davis

159635

How Clinton -- and Congressional Democrats -- Can Win in 1996

By Lanny J. Davis¹

President Clinton has an historic opportunity in 1996. He can win decisive reelection, establish a new Democratic majority in the Congress, and forge an enduring new Democratic Party governing coalition for the 21st century.

To do so, however, the President must resist two appealing, but ultimately short-sighted, temptations. First, if he relies excessively on a personality-based campaign, independent of his party and congressional Democratic candidates, he implicitly signals to the American people that the Democratic Party is too weak to sustain a national message, and that Democratic candidates must make it, if at all, on their own. Even if he wins with such a fractured portrait of the party, he may well face veto-proof Republican majorities, and cripple the Democratic Party for generations to come. Second, if he relies excessively on a negative campaign, focusing on apparent weaknesses of the Republican opponent or the "radicalism" of new congressional Republicans, he signals to the American people that the President and his party have nothing constructive to contribute to the debate over our nation's future.

Instead the President must articulate a coherent, positive vision for America. And he must articulate that vision in a coordinated *national* Democratic Party campaign, shoulder-to-shoulder with Democratic congressional candidates--perhaps through the issuance of a national party platform far different from those of the past. Democratic leaders of the executive and legislative branches would thus be running together on a clear blue print for governance in the next four years--and asking the American people to hold them accountable if they fail to live up to their commitments.

* * * * *

¹ Mr. Davis is a regular political commentator on WAMU-FM, an affiliate of National Public Radio in the Washington D.C. metropolitan area and a former three-term member of the Democratic National Committee from Maryland. He has authored *The Emerging Democratic Majority: Lessons and Legacies from the New Politics* (Stein & Day, 1973) and has written on politics for a variety of publications.

I.

The President need not invent an entirely new message. His "New Covenant"/New Democrat speeches, developed when he headed the Democratic Leadership Council in the early days of his 1992 presidential campaign, form the core of a viable political vision for the country. Unfortunately, this vision was dimmed for much of the first term, as various controversies forced the President on the defensive, and the dominance and complexity of the health insurance battle monopolized media coverage for over a year and obscured many Administration achievements.

But the recent budget battle concretely demonstrated a critical theme for 1996: the President joined Republicans in defense of a balanced budget, yet stood *with congressional Democrats* and fought steadfastly for certain core values of the Democratic Party. The stature of the President and his party rose because the President and his party stood together for identifiable beliefs. The lesson is simple. Democrats ought not rush to look like Republicans because that is a ticket for the demise of the Democratic Party. There is a difference between the parties, and the difference matters. But neither ought Democrats reflexively reject a good idea merely because it may originate with Republicans, especially when it can be used to serve Democratic Party values. That is a ticket for the marginalization of the Democratic Party.

Now, even more than in 1992, the President can effectively articulate New Democrat themes. Certain *conservative* principles, such as greater reliance on markets and local decisionmaking, are *good ideas*. So are certain *liberal* principles, such as the government's essential role as a check on the excesses of unregulated private markets and as protector of the middle class and the needy. A new synthesis representing a truly third way -- neither entirely liberal nor entirely conservative -- is the result.

The media is confused by such a third way. It is a mixed ideological message and it frustrates them because it resists the simple labeling that they are used to. They are prone to complain that it represents a "splitting the difference," an attempt to be all things to all people. It is not. Many of its elements will offend large segments of both political parties--the purist, statist left of the Democratic Party and the laissez faire economic conservatives and religious right of the Republican party. It also happens to coincide with where a majority, and perhaps a substantial majority, of the American people are today.

The New Democratic message on which the President and Congressional Democrats can run in 1996 divides into five broad categories: the role of government, the goal of government, fiscal policy, political reform, and social issues.

1. The role of government

The Republicans relentlessly demonize the federal government. The President must squarely, and without apology, challenge that characterization. While slamming government has unfortunately become a staple of American humor in some circles, anti-government zealotry is not a laughing matter. Americans know the achievements of government in the quality of our air and water, the safety of our workplaces, the expansion of opportunities for education and prosperity, and the protection of the poor and the powerless. The President must be the voice for the common sense of good American government.

But the President is equally well-positioned to show Americans that New Democrats are committed to a leaner, more efficient government -- indeed, far more concretely and constructively than Republicans. New Democrats examine Washington bureaucracies critically, not with mindless assaults on "big government," but with pragmatic attention to best serving the people. They recognize that often state and local governments, community institutions, and public-private partnerships *do* better serve *essential Democratic* social and economic goals.

Vice President Gore's Reinventing Government (REGO) initiative is a far more realistic promotion of good, lean government than anything the Republicans have achieved or articulated. Unfortunately, too few Americans know of this Democratic achievement. In 1996, the President and the Vice President should better publicize the ideas and achievements of the REGO team. For example, the federal employee workforce is down almost one million people since the President took office, the lowest level since John Kennedy. And the President should back the REGO proposals more boldly against the fierce resistance of some entrenched federal bureaucracies and the lobbyists, economic interests and members of Congress with vested interests in protecting them.

The debate over the role of government illuminates a critical (and traditional) difference between Democrats and Republicans, a difference that ought to be sharpened and magnified in the 1996 campaign. Democrats are not "defenders of Big Government," but defenders of the many millions of Americans who are fairly and efficiently served by government. In contrast to

this critical pragmatism of the Democratic Party, the Republicans articulate broad ideological hostility to government.

And significantly, that ideological hostility is conspicuously *selective*. The same Republicans who hammer the federal government's student-loan program see no conflict in federalizing hundreds of crimes that should be matters of state law, in preventing local governments from controlling the management of their own waste stream, and in supporting billions of dollars of subsidies and the federal bureaucracies controlling them for the benefit of agribusiness and other corporate special interests.

2. The goal of government

Hubert Humphrey once said, "The moral test of government is how that government treats those who are in the dawn of life, the children, those who are in the twilight of life, the elderly, and those who are in the shadows of life--the sick, the needy, and the handicapped." That aphorism of the patron saint of Democratic Party liberalism remains the soul of the Democratic Party: the conviction that the government must help those in greatest need *and* that Americans who enjoy the blessings of wealth should pay a proportionate share for this help. Again, Democrats in 1996 must not retreat from this essential difference between the two parties.

The flip side -- which also bears repeating -- is that the Republican Party's economic philosophy has been and remains essentially "trickle-down" -- the idea that substantially reducing the taxes of wealthy people and corporations, and offering them special subsidies and protection from government regulation, would increase productivity and "trickle down" into creation of more jobs and wealth for the rest of America. There may be some merit to their argument that it is wealthier people whose business and capital investments have historically been the engine of job creation in this country. But the Republican Party is still essentially the party of the top looking down, and their collective and historic sympathies are to preserve the comforts of the comfortable. They may try to deny it-- or use social issues to obscure it. But polls consistently show that the American people know better.

However, reminding the American people about the top-down orientation of the Republican Party does not mean that Democrats are anti-business, though Republicans attempt to label them as such. New Democrats believe that business and economic growth create jobs, and

the Democratic Party must be more sensitive to the burdens of costly government regulation and paperwork on the private sector, especially small businesses and entrepreneurs.

Most importantly, while remaining faithful to their concerns about the needy, Democrats cannot ignore the concerns of the middle class. While New Deal liberalism is often contrasted with "New Democrat" liberalism, many people forget that Franklin Roosevelt's political base was the middle class -- because he did more for them than any American President in history. His political genius was his ability to build an enduring majority coalition composed of the poor *and* the middle class. Social Security and other New Deal programs applied to everyone. The invention of middle class entitlements began here. And so President Clinton and his New Democratic Party must always test their initiatives by assessing whether the broad middle class in America will consider them fair.

That said, ultimately the President and New Democrats must address the issue of entitlement programs -- including such political "third-rails" as Medicare, Social Security and veterans benefits. The American people were frightened by apparent Republican overeagerness to cut Medicare and Medicaid budgets while preserving benefits for corporate interests. But make no mistake: the Republicans still have a compelling "fairness" issue--*generational fairness*, the sensible idea that our children and grandchildren ought not be saddled with increasingly massive federal debt, and that middle-class working Americans will become increasingly unwilling to subsidize the elderly who have substantial wealth. The time has probably come for the Democratic Party to put some form of entitlement program means testing on the table, *i.e.*, basing the level of benefits and financial contributions, at least in some measure, on income and ability to pay. A national bipartisan commission may well be the only politically feasible way to achieve a viable consensus on this issue.

Any sign of willingness to restructure entitlements such as Social Security or Medicare may be politically risky for the Democrats, but the American people have shown that they trust Democrats more than Republicans to make *equitable* changes in entitlements and *fair* cuts in social programs. And that critical American trust, in turn, derives from a clearly-articulated Democratic challenge to the top-down orientation of the Republican Party.

It is equally important that New Democrats emphasize their willingness to explore non-traditional means to accomplish liberal goals. For example, the crisis in the nation's inner

cities -- with unemployment among African American males exceeding 50 or 60 percent -- is a blight upon the soul of this nation. No Democratic Party can be true to itself or its heritage without leading the country to address this crisis of the underclass -- in the schools, in housing, in health care, and most importantly, in educational development and expanding job opportunities. It will take powerful political leadership by Mr. Clinton to convince middle America, *white* middle America, that it is in their individual interest -- as well as the country's moral interest -- to attack these social problems successfully.

However, to accomplish this goal, President Clinton's New Democratic approach has allowed him to adapt an essentially conservative idea to address some of these concerns -- the establishment of "Private Enterprise Zones," which eschew Washington bureaucracies and instead rely heavily on block grants, increased local power and decision-making, and tax breaks and other private enterprise investment incentives to help the inner city. Interestingly, this program is almost identical to the Bedford-Stuyvesant program proposed by Senator Robert Kennedy in 1965 and the one proposed by conservative Republican Jack Kemp in the 1980's. (When Senator Kennedy was asked what the difference between his private-sector-based approach to the Bedford-Stuyvesant project and the one that Barry Goldwater might have pursued to help the poor, he reportedly thought for a moment and replied, "I guess the real difference is that I mean it.") In sum, New Democrats must stay true to core Democratic Party values, but explore creative public-private partnerships and greater use of market forces to vindicate these values.

3. Fiscal conservatism

With due credit to Mr. Gingrich and his Republican House colleagues for forcing the issue, Mr. Clinton and Congressional Democrats now stand committed -- and together -- in support of a balanced budget within seven years. And by definition they are also committed to no new spending programs without finding existing or new sources of revenue to fund them.

But the philosophical differences between a fiscally conservative New Democratic Party committed to balanced budgets and Gingrich-led Congressional Republicans remain significant. First and foremost, Democratic *budget priorities* are significantly different; indeed, these differences should be the central media message of the 1996 presidential campaign. The most dramatic example is the House Republicans' proposal to reduce Medicare budgets by \$270

billion, financed by \$270 billion tax cuts that primarily benefit wealthier taxpayers. More damning evidence of Republican top-down orientation could hardly be imagined. These Republican reverse-Robin Hood symmetries are choice game in 1996--*if* the Democrats articulate a coherent philosophy of fairness and social and individual responsibility.

Second, the President and congressional Democrats need not forswear any form of tax increase as do Republicans, whose ideologues actually enforce anti-tax oaths. The American people still believe that the wealthy and corporate interests can pay more taxes without any material adversity to economic growth. And there is still a willingness among the broad middle class to accept tax increases *if* it is clear that the money will be dedicated for specific purposes--for example, an income tax surcharge that goes into an off-budget trust fund which can only be used fund more police, for better paid and qualified public school teachers, or for middle class assistance to pay for higher education. The nation's interstate highway system -- funded by billions of dollars of increased taxes -- was constructed under Republican President Eisenhower four decades ago using this very same concept, with higher gasoline taxes funding a trust fund dedicated for this purpose and protected by law from invasion for other purposes.

Third, New Democrats should emphasize that our most precious national resource is our people, and that government investment in the American people can be the best and most effective form of fiscal conservatism. The average American understands the difference between spending money on a vacation and investing money in a home. An ideology at odds with the vast and varied potential of the American people as a worthy investment is a recipe for American decline in the 21st century. Government *should* invest in the American people because that investment is *essential* to American prosperity in an increasingly competitive global marketplace.

One off-cited example of investment in the people and future of America is the historic GI Bill, passed in the wake of World War II over conservative objections that it was "socialistic" and "cost too much." Under the leadership of President Truman and the Democratic Party, our government took the long view of investment in the American people, and the nation profited enormously. By assisting the masses of returning veterans to obtain a college education and purchase a home, the GI Bill produced a tremendous surge of educated, productive Americans with a major stake in their communities. Ultimately, for every dollar the federal government

invested, the treasury got back at least four. That common-sense vision for America can be tapped again by President Clinton and congressional Democrats as an effective counter to the zealous Republican dismantling of the federal government. They can stand together to fight for public investments in college and post-graduate student loans and research grants in education and training, in public infrastructure, and in development of new technologies and industries.

4. Political Reforms

Impeded in his first two years by some Democratic incumbents as well as most Republicans, President Clinton could do very little to attack a system thoroughly corrupted by campaign money and the influence of special interests. But in 1996 the President and congressional Democrats are better positioned to commit to sweeping political reform. They can focus the nation's attention on the likely opposition of the new Republican congressional leadership to many of these changes -- leadership which has at times shamelessly publicized its solicitations of substantial campaign contributions in return for granting extensive access to the innerworkings of the legislative process.

In 1996 a centerpiece of the Clinton and Democratic congressional campaign should therefore include the following components:

- strict limits on individual contributions and campaign spending budgets;
- abolition of PAC's and "soft money" contributions to political parties;
- mandatory free access to media by congressional candidates;
- restriction on franking privileges and other perks of incumbents;
- stricter, ongoing disclosure requirements for all lobbyists -- including detailed disclosure of all contributions to drafting of legislation by private interests and lobbyists and the labeling of all legislative proposals introduced by members on behalf of special interests who stand to benefit economically from passage.

What is politically noteworthy about the political reform issue is that it offends the established economic and political interests of both political parties. Thus it has great appeal to the independent voters who supported Perot in 1992. Democratic-supporting labor unions have been among the most important defenders of PAC's through the years because they saw them, with some justification, as their only means of countering the economic power of the large corporate contributors to the Republican Party. Incumbents of both parties have been loathe to accept tight restrictions on use of the frank or other perks offering them advantages over political

challengers. And neither party is pure when it comes to granting special access to large contributors who are lobbying for particular issues.

5. Social issues

In his recent book, *Values Matter Most*, Ben Wattenberg was essentially right in describing how Democrats allowed Republicans to use social and cultural issues relating to race, crime and middle American family values as a wedge to break up the old Democratic coalition. This was an important reason for Republican success in controlling the presidency for five out of six elections prior to 1992. In 1972, Richard Nixon's wedge code words to win George Wallace Democratic voters were "forced busing" and "law and order"; in 1980, Ronald Reagan's were welfare queens and "giveaway" social programs; in 1988, George Bush's were Willie Horton, the ACLU, and the Pledge of Allegiance.

But now in the aftermath of the Republican takeover of the Congress, certain wedge social and cultural issues substantially favor the Democrats. To name three: religious tolerance, the right to privacy, and gun control. The agendas of the extremist forces of the Religious Right and the National Rifle Association that now dominate the Republican Party risk alienating large chunks of the Republican coalition, including many Reagan Democrats and Republican-leaning moderate suburbanites and independents in all regions of the country. Many of these economically conservative voters do not want Pat Robertson or Jerry Falwell dictating their private decisions or choices -- whether in movie theaters, public libraries, physician's offices or their own bedrooms. Many moderate Republicans have already been angered by the moral sanctimony of a Ralph Reed -- who has never run for anything so far as anyone knows other than anointment by Pat Robertson -- who presumes to define the litmus tests for acceptable Republican Party orthodoxy.

President Clinton and the Democrats cannot be bashful about tying the extremist positions of the religious right and the NRA to the mainstream of the Republican Party and its nominee in 1996. Jailing doctors who perform abortions after incest or rape would, in fact, be the consequence of a constitutional amendment banning all abortions except to save the life of the mother -- the position adopted by the Republican National Convention in 1992 and likely to be adopted again in 1996. The sale of a Saturday night special or assault weapon to a convicted violent criminal without the requirement of a waiting period is also supported by an

overwhelming majority of the Republican Congress. Absent a Democratic President, or if Republicans achieve veto proof majorities in the next Congress, these extreme positions may become the law of the land.

While Republicans are now more vulnerable on these wedge social and cultural issues, President Clinton and the Democratic Party are now less vulnerable on the wedge issues that hurt Democrats in the seventies and eighties. There is now a broad consensus among Democrats -- and among traditional liberals -- that there is no inconsistency between liberal, civil libertarian values and public criticism of films and TV programs that glorify violence and sexual exploitation, or support for religious values and practices in American life, or permitting public school students a moment of meditation and, if they wish, silent prayer.

There is, in fact, a New Democrat approach to the critical social issues facing America taken by President Clinton that truly constitutes a third way. To cite the four critical social issues referenced in Wattenberg's book:

- ♦ *Welfare:* Congressional Republicans want to end welfare entitlements by a time certain, even if this ends up abandoning the children of welfare parents, and even if the welfare recipient wants to work but can't find a job or needs day care to keep one. Mr. Clinton and New Democrats would require welfare recipients to enter job training programs and to seek employment -- a "workfare" imperative that prior liberal orthodoxy seemed to find offensive. But at the same time, they support provisions for day care and public service jobs alternatives, knowing full well that such programs will cost money -- perhaps more money, in the short run, than making welfare payments.
- ♦ *Affirmative Action:* Gingrich and his conservative colleagues broadly condemn "affirmative action" and would end it entirely. President Clinton and his task force had the New Democrat approach exactly right: "Mend it, but don't end it." Affirmative action is a necessary means of *reaching out* to unrepresented minorities who historically suffered from discrimination. It should be used to implement more effective recruitment and hiring practices, ones that seek to eliminate the vestiges of prior discrimination, the ultimate result of which will be a more diversified and representative workforce. But most Democrats, including those from minority groups, reject the notion of hiring decisions that are not based on merit. Most Democrats-- New and otherwise -- are not bashful about opposition to quotas.
- ♦ *Public Education:* The Republican Congress focuses almost entirely on cutting back on federal financial support for public education. President Clinton and Democrats recognize that local public school systems, dependent on a stagnant or dwindling property tax base, need federal help. Mr. Clinton and Democrats have also become more outspoken about

the need for increased discipline and order -- with greater support for the authority of teachers and principals to enforce a secure and orderly environment within the classroom.

- ♦ *Crime:* Republicans want more federal crimes, stiffer sentences, and more prisons. Liberal orthodoxy became identified in the sixties and seventies with concern for due process rights and rehabilitation of hardened criminals. Without diminishing the legitimacy of those concerns, Mr. Clinton and Attorney General Reno's anti-crime program emphasizes *protection* of communities from crime, by special federal grants to local governments to fund an additional 100,000 police officers on the streets, and *prevention* of crime, through focus on community policing, anti-drug youth programs, and greater resources for the overburdened local court systems.

For most of the last two decades, Democrats lost the definition wars on these and other social and cultural issues. Now the Democrats, thanks to the dominance of extremist forces in the religious right and the NRA, have an opportunity to turn the tables -- to identify Republicans as extremists on many of the social issues and locate themselves firmly in the mainstream. They must do so early -- and often, throughout the campaign.

In sum: These five themes of a New Democrat philosophy can be supported by a broad consensus of the Democratic Party and the American people. Taken together, they enable the President and the Democratic Party to articulate a new philosophical synthesis for governance in the twenty-first century:

- ♦ The reaffirmation of government as an indispensable friend of the average person and protector of the neediest among us--but a government that stays within its financial resources and relies much more on creative partnerships, market forces and private sector economic activity to accomplish its social goals; and
- ♦ The reaffirmation of basic social and cultural values -- individual responsibility, work, personal security, and moral standards -- while preserving the right of choice and privacy for all Americans.

II.

The President cannot rely only on customary methods such as speeches and paid media to communicate these New Democratic themes during his 1996 campaign. Voter cynicism about campaign rhetoric is too pervasive, as are perceptions about the President's broken promises in the aftermath of his 1992 campaign.

The only answer is a fundamentally different type of presidential campaign -- one that has never been attempted before. The President and congressional candidates must develop together, run on, and publicly commit to clear principles and a blueprint for a legislative program based on those principles that will bind their governance if elected.

X { One possible vehicle for developing this Presidential-Congressional Democratic agenda is the adoption of a party platform in the incomparable spotlight of national media coverage of the Democratic National Convention. Alternatively, the President and congressional candidates might distill from the platform (drafted in the traditional way) an essential manifesto summarizing their commitments.

If Mr. Clinton and Democratic leaders use the party platform process for this purpose, it should truly be a platform -- and a process for drafting and adopting it -- unlike any other. If the goal is to create a credible Presidential-Congressional legislative program for the next four years, then the drafting process must be the result of a true partnership between the President and Democratic members of Congress. The platform committee should be kept relatively small. It should be comprised primarily of members of Congress (the leadership plus additional designees from both chambers), Governors and key local government elected officials from representative regions of the country. Representing the President should be people with substantive and political expertise, including past DNC Chairs, Commerce Secretary and former DNC Chair Ron Brown, Labor Secretary Robert Reich, Interior Secretary and former Arizona Governor Bruce Babbitt, USIA Director and former ADA Chairman Joseph Duffey, U.S. Trade Representative and former 1992 Clinton campaign chairman Mickey Kantor, and leaders of private industry with experience in public service and the political arena.

{ The Vice President should chair the Committee, with co-chairs representing each chamber of Congress. President Clinton should be honorary chair--and participate personally in the final process of drafting and approving the platform.

There may be similarities between such a party platform and the Republican Contract used in the 1994 congressional elections. But there are two very important differences. First, unlike the Contract, which was essentially drafted behind closed doors by Mr. Gingrich and a handful of Republican members and staff, this document would be the product of public debate:

First in regional hearings throughout the U.S.; and then at the assembled national convention in Chicago viewed by tens of millions of Americans on national television.

Second, and more importantly, this will be a document -- if it succeeds in helping to elect a majority Democratic Congress in 1997 -- that will represent a publicly announced and committed legislative agenda *by the two branches of government from the same political party*. It will not be a hodgepodge of provisions designed to satisfy Democratic Party interest groups and constituencies. It will be short and thematic, stating the essential principles of the New Democratic Party for the 21st century. And it will generally itemize the legislative and executive program of the President and a majority Democratic Congress -- if elected -- for the next four years (not 100 days!).

In effect, America will have its first national election akin to an election in a parliamentary system. A political party's national elected officials, representing *both* the executive and legislative branches, will have run for election in a coordinated campaign committed to a legislative program. And this time, perhaps unlike any election in previous American history, if that party is successful in electing its presidential candidate and a majority of its congressional candidates, it will have a clear-cut voter mandate to enact that program or be held accountable in the next elections.

* * * * *

Such an outcome of the 1996 elections may not mean the end of the cynicism by so many of the American people regarding the gridlock and non-responsiveness of the American political process. But it could be an important beginning.

The time is right. A confluence of political circumstances, substantive trends, and just plain luck makes it possible. A unified national campaign and message by a major political party, a coherent vision for political leadership and the role of government for the next century representing a new philosophical synthesis consistent with the broad consensus of the American people, and the reinforcement of the American party system as an instrument of change and political accountability--these all seem to more compelling at this moment in history than ever before.

With his immense skills as a political leader and candidate, President Clinton can pull this off. If he can't or won't in 1996, it's hard to imagine who can or will.

THE WHITE HOUSE
WASHINGTON, D.C. 20500

DATE: 7-26

TO:

Rhonda Emanuel

FROM: Staff Secretary

What do you think
of this letter?

Todd

THE WHITE HOUSE

WASHINGTON

February 22, 1996

ACTION

MEMORANDUM FOR THE PRESIDENT

FROM:

ANTHONY LAKE
JOHN HILLEY

SUBJECT:

Letter from Senator Feinstein Requesting the
Administration Decertify Mexico and Colombia

Purpose

To respond to Senator Feinstein's letter arguing that Mexico and Colombia be decertified under Section 490 of the Foreign Assistance Act for their failure to combat narcotraffickers.

Background

Senator Feinstein argues that neither Colombia nor Mexico has acted decisively to halt the traffic of illicit narcotics to the United States. On Colombia, she notes allegations of President Samper's connections to narcotics traffickers, falling interdiction rates and the government's failure to reform key legislation. On Mexico, she claims the government has failed to act decisively to counter cartel operations, to end narco-corruption in law enforcement agencies or to enact effective laws against money-laundering. Senator Feinstein has also co-sponsored with Senator D'Amato legislation restricting U.S. government financial support to Mexico in the absence of improved counternarcotics performance.

The Department of State is currently undertaking a comprehensive review of all major drug producing/transit countries' performance over the last year and will forward to you next week recommendations for certification under Section 490 of the Foreign Assistance Act.

RECOMMENDATION

That you sign the proposed reply to Senator Feinstein.

Attachments

Tab A Proposed Reply

Tab B Incoming Correspondence

cc: Vice President
Chief of Staff

THE WHITE HOUSE

WASHINGTON

Dear Dianne:

Thank you for your letter expressing your views about the drug certification process for Mexico and Colombia. I share your concern over the increase in narcotics trafficking, illicit drug use and related crime. I believe Congress and the Administration must work together to confront and reverse these trends.

We agree on the importance of the certification process as a means to monitor changing patterns of narcotics trafficking and as a powerful tool to encourage effective counternarcotics cooperation with other countries. I think it is important that we also look ahead and invigorate our programs both at home and abroad to quell the increase in narcotics trafficking and eventually eliminate the use of illicit drugs in the United States. Because of the high priority I attach to our counter-drug efforts, I nominated General Barry McCaffrey, a proven leader with first-hand knowledge of the techniques and schemes used by narcotics traffickers, to lead the Office on National Drug Control Policy. I am working hard to ensure he has the resources necessary to do the job effectively. I know I can count on your support in that important effort.

Sincerely,

The Honorable Dianne Feinstein
United States Senate
Washington, D.C. 20510-0504

I realize that you must also weigh other concerns, such as future diplomatic relations. Decertification also requires the cut off of American assistance, withdrawal of trade preferences and United States representatives voting against loans through multilateral institutions. However, if all the benefits flowing from certification were withdrawn it would affect less than 1% of the Colombian economy. When this is weighed against the people killed and the lives endangered by drug kingpins every day, I believe the need to take decisive action is greater than this price.

Mexico is one of the most significant drug producing and drug transit countries in the world, and the bulk of the drugs moving through Mexico end up in the United States, particularly in the State of California. The Drug Enforcement Agency estimates that at least 75 percent of all cocaine available in the United States transits through Mexico. Further estimates are that 70 to 80 percent of all foreign-grown marijuana in the United States originates in Mexico. It is well known that Colombian drug cartels are using Mexico as a base from which to transport narcotics into the United States. We have been told that Colombian cartels may store as much as 70 to 100 tons of cocaine in Mexico at any one time to await smuggling into the United States.

These problems are bad enough, but they are made worse by the Mexican government's failure to take serious actions to address them. There has not been enough serious effort to break up the drug cartels that operate with virtual impunity in Mexico, or to arrest and extradite the drug lords who run them. The recent arrest and deportation of Juan Garcia Abrego is a positive development, but it contrasts sharply with the actions of the Mexican authorities in many other cases. The Arellano-Felix brothers, leaders of the Tijuana Cartel, have outstanding extradition requests from our government. Also the power of the Chihuahua Cartel, headed by Amado Carillo-Fuentes, continues to grow according to published reports.

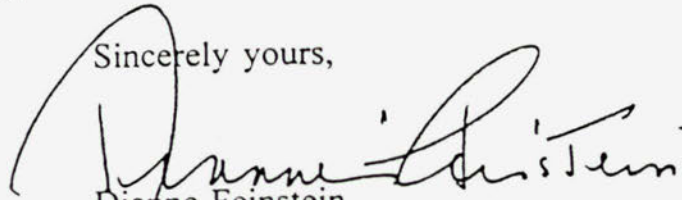
In addition, Mexico has become a haven for laundering drug money, which is one of the most important aspects of the cartels' operations. Mexican laws regarding money laundering are inadequate, and banks and money exchange houses in Mexico do not have the same reporting requirements for large transactions as they do in the United States. Exchange houses are openly flouting what little oversight the Mexican government conducts, and millions of dollars are flowing to Colombia via money orders and wire transfers according to Jose Antonio Ramirez, director of Mexico's Association of Exchange Houses.

Finally, drug-influenced corruption continues unabated within Mexican law enforcement agencies and the government itself. One former cartel leader told U.S. prosecutors that up to \$50 million a month is used to bribe corrupt Mexican officials to ignore, or even facilitate, drug-trafficking activities. Drug money has clearly corrupted officials at every level of Mexico's government and law enforcement community, and -- the investigations of the brother of former President Carlos Salinas de Gortari notwithstanding -- President Zedillo's government is not taking sufficient action to root out this corruption.

We cannot allow the drugs from these countries to continue to infest our cities. Denying certification of Mexico and Colombia will communicate to them, in the most concrete way, the seriousness with which I know you view the drug crisis.

With warmest regards.

Sincerely yours,

A handwritten signature in black ink, appearing to read "Dianne Feinstein". The signature is fluid and cursive, with a large loop at the beginning and a long, sweeping tail that extends downwards and to the left.

Dianne Feinstein
United States Senator

DF:rf



United States Senate

WASHINGTON, DC 20510-0504

(202) 224-3841

February 6, 1996

96 FEB 9 ALL: 21

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

Dear Mr. President:

I urge you to deny certification that Mexico and Colombia have taken sufficient actions to combat international narcotics trafficking, pursuant to section 490A of the Foreign Assistance Act. On March 1, 1996, the President must report to Congress on the effort of major drug producing and drug-transit countries in assisting the United States in combatting illegal narcotics trafficking. I believe that Mexico and Colombia do not qualify for certification.

In 1995 your administration granted a vital national interest certification to Colombia. Recent events in Colombia, and the failure on the part of the Colombian Government to improve its efforts in the past year, demand that you not certify Colombia, or grant them a vital national interest waiver. The most dramatic evidence of how closely the drug traffickers in Colombia are connected to the government is the revelation that President Ernesto Samper received direct campaign contributions from the leadership of the Cali Cartel. Though this is the most sensational event, it is not the only reason that Colombia not be granted certification.

There are also other indicators of Colombia's lack of necessary effort in this area. Colombia's seizure of cocaine has fallen off dramatically from 62 metric tons in 1994, to 41 metric tons in 1995. Further, the Government has failed to take any legislative action to tighten laws affecting money-laundering. In fact it appears the Colombian Government wants to move away from progress it has made by proposing reduction in the use of anonymous judges, a key tool used in previous years to protect the Colombian judicial system from terrorism.

One positive step the Colombian Government took was to arrest several leaders of the Cali Cartel. However, this is overshadowed by the subsequent easy escape from jail by the third in command of the cartel, Jose Santacruz.

NEC

United States Senate

WASHINGTON, DC 20510

February 22, 1996

To: NSC
Copy given
to Leg. Att/IRS
for
1-

The Honorable William Jefferson Clinton
The White House
1600 Pennsylvania Avenue, NW
Washington, DC 20500

Dear Mr. President:

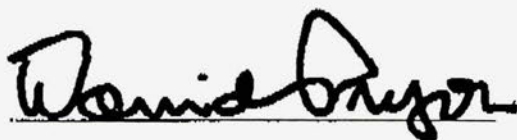
We want to call your immediate attention to actions taken by Russian officials to close their markets to U.S. poultry exports. As you know, we have recently experienced a trade deficit with Russia and current actions by them threaten to exacerbate this problem.

Russia's Chief Veterinarian, Dr. V.M. Avilov, has stated that as of Monday, February 19, he will no longer sign import permits. The result of such action is to effectively suspend all U.S. poultry exports to Russia. Dr. Avilov cites certain scientific and technical differences between the U.S. poultry inspection system/live poultry disease monitoring program and Russian requirements for the basis of his arbitrary action. It is our understanding, U.S. poultry industry scientists and U.S. government officials are working diligently and in good faith to successfully address the issues raised by Dr. Avilov.

U.S. poultry exports to Russia, our largest poultry export customer, are valued at \$700 million and represent over 20 percent of all U.S. exports to Russia. Russian customers in recent years have developed a great preference for the quality, wholesomeness, and value of U.S. poultry products. The disruption in trade will cause Russian consumers to lose a highly preferred food product in their market and they will experience unnecessary food cost inflation because there is no substitute for U.S. chicken leg quarters.

While Administration Officials have begun the effort to resolve this trade dispute, we urgently seek further assistance in pressing our case at the highest levels of the Russian government. We know you will appreciate the economic importance of this matter to American agriculture.

Sincerely,





The Honorable William Jefferson Clinton

February 22, 1996

Page Two

Richard Shelby

Donnell Hyatt

Dale Bumpers

Frank Lautenberg

Chuck Robb

John Warner

Al McConnell

Joe Biden

Strom Thurmond

Paul Sarbanes

Alvin D. Karpis

John Breaux

Barbara A. Mikulski

Buc Rife

Steve Daines

Herb Kohl

Sam Brownback

Jesse Helms

Key Bailey Hutchison

Fritz Hollings

The Honorable William Jefferson Clinton

February 22, 1996

Page Three

Paul WellstoneMax BaucusDon NicklesSam NunnRobert C. ByrdBill ConradAl GoreMike DeWineBill FristTom HarkinJay RockefellerFrank LautenbergPaul A.Henry LaundersonJeff BondTom Vascile

2/23/96

From the Oval - original sent to
J. A. Dorland

Send to Dorland

Yes ☒

No ☐

Send to Exec Clerk

Yes ☒

No ☐

NSC?

2/23/96

Per Nancy -

Amb Makes met w/
POTUS yesterday and
the Amb gave the POTUS
his resignation at that
time.

C.

96 FEB 23 11:40

Riyadh, Saudi Arabia
February 22, 1996

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

Dear Mr. President:

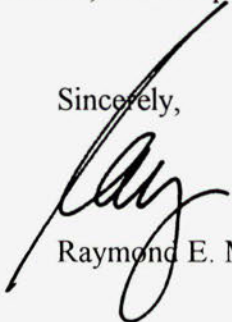
I am writing to inform you of my decision to resign as the United States Ambassador to the Kingdom of Saudi Arabia effective May 1, 1996.

This position has been challenging, rewarding and exciting. I am deeply grateful to you for your faith in me in appointing me to this crucial position and would very much like to remain in it for a longer time. However, family considerations, which you and I have discussed, now necessitate my return home.

The relationship between the United States and Saudi Arabia is now strong. I hope, and I believe, that my tenure in Saudi Arabia has been a positive one.

I wish you the best for the future, and I hope that we may have the opportunity to work together again.

Sincerely,



Raymond E. Mabus, Jr.

R

96 FEB 26 19:23

David M. Miller

Mayor

Town of West, Mo

PO Box 35

West, Mo 65492

Please need one Police
and Car -
COPS refused only
Small population
Thanks
David

2/26/96

From the Oval

Send to Dorland

for reply?

Yes ☒

No ☐

original
sent to

J. D. Daskind

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city

Withdrawal/Redaction Sheet

Clinton Library

DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION
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001. note	From Capricia [Marshall] to Nancy [partial] (1 page)	02/00/1996	b(6)
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Staff Secretary
Todd Stern
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2019-0774-S

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

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

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PRM. Personal record misfile defined in accordance with 44 U.S.C. 2201(3).

RR. Document will be reviewed upon request.

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

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

-> Nancy -

This woman was at
the empowerment event on
Wednesday for POWs. She

(b)(6)

forced this note into
the hands of one of the social
Aids who passed it on to me.
We think she is a Mayor +
wants a policeperson + car for her
city? Africa

[Faint, illegible handwriting]

Capricia Marshall

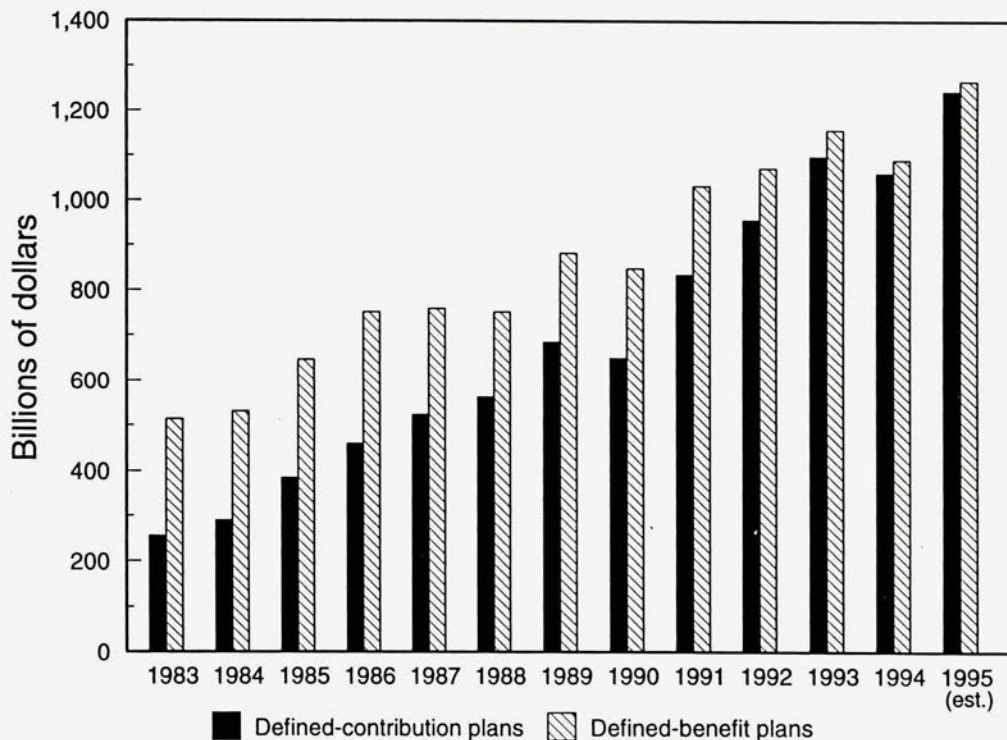
WEEKLY ECONOMIC BRIEFING OF THE PRESIDENT OF THE UNITED STATES

Prepared by the Council of Economic Advisers
with the assistance of the Office of the Vice President

February 23, 1996

CHART OF THE WEEK

Assets Held By Retirement Plans



Over the past 10 years, assets invested in defined-contribution (401(k)-type) retirement plans have grown rapidly and now are about equal to assets invested in defined-benefit (traditional pension) plans. As a whole, retirement assets are heavily invested in the stock market: the share of such assets held in equities was about 45 percent in 1995 compared with roughly 25 percent in bonds and nearly 9 percent in cash-equivalent assets. Some observers have credited the investment of retirement assets in equities as helping power the stock market's rise in recent years.

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CURRENT DEVELOPMENT

GDP Scorecard: Fourth Quarter 1995

Real GDP in 1992 chained dollars increased at a 0.9 percent annual rate in the fourth quarter of 1995, according to advance estimates of the Commerce Department. Although growth was lower than expected, most of the weakness was anticipated. The increase reflected gains in computer investment and net exports. These gains were offset by weak consumption expenditures and a marked decline in Federal purchases. Inventory investment also fell.

Component	Growth [*]	Comments
Total consumer expenditures	0.8%	All categories were weak. Spending on used cars fell sharply and spending on utilities decelerated from its strong third quarter pace.
Producers' durable equipment	6.8%	Investment in equipment -- particularly high-tech equipment -- continues to be the backbone of the expansion.
Housing	4.5%	A modest increase, buoyed by the fall in interest rates throughout 1995, although below the spectacular 9.2 percent growth in the third quarter.
Nonresidential structures	4.6%	A relatively strong figure, consistent with falling vacancy rates for commercial buildings.
Inventories (change, billions of chained (1992) dollars)	\$20.4	Considerably smaller than the average change of \$40 billion (annual rate) during the first 3 quarters of 1995, and a sign that most of the inventory correction is behind us.
Government consumption and investment expenditures	-3.7%	The government shutdown accounted for part of this decline, although much of the drop likely was due to policy-induced changes. State and local purchases grew steadily.
Exports	10.9%	A welcome surge, partly due to a pickup in exports to both Europe and China.
Imports	0.1%	Imports were virtually flat, reflecting the slowdown in consumption expenditures.
[*] Percent real growth in the third quarter at annual rates (except inventories). The advance estimate is subject to substantial revision.		

SPECIAL ANALYSIS

The Costs of Job Displacement

According to recent surveys, Americans are increasingly concerned about the security of their jobs and, in particular, the costs they may face if they were to lose their jobs. These concerns depend on three factors: the probability of job loss, the probability of obtaining a new job, and the earnings loss (if any) incurred in moving to the new job.

Job displacement rates. The wave of corporate downsizing that accompanied the recession of the early 1990s is popularly thought to have caused significantly more job displacement than previous downturns. Popular perceptions, however, are at odds with evidence that the percent of long-tenure workers (those with 3 or more years on the job) displaced during the 1990-91 recession was roughly the same as during the 1981-82 recession (see table).

Displacement Rates (percent of workers with tenure of three years or more)		
	<u>1981-2</u>	<u>1991-2</u>
Total	3.9	3.8
White-collar occupations	2.6	3.6
Blue-collar occupations	7.3	5.2
25-34 years of age	5.0	3.8
45-54 years of age	3.0	3.8

Displacement may seem more prevalent in recent years because job loss has been relatively more common among white-collar workers. The image of workers losing their jobs in industries where job stability was the norm may have exaggerated perceptions of the extent of displacement. Furthermore, white-collar workers may be relatively more vocal and politically active than manufacturing and blue-collar workers, whose displacement rates have fallen.

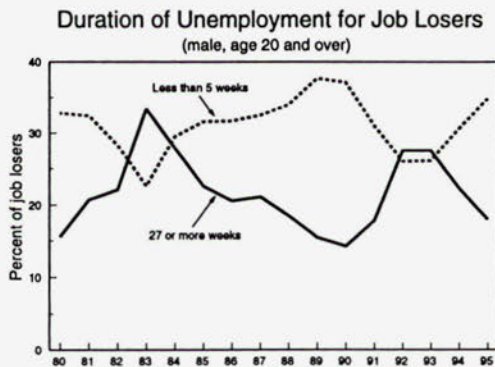


Obtaining a new job. Only about 75 percent of full-time workers who were displaced from their jobs in 1991 and 1992 were reemployed as of February 1994. And even those who found jobs did not necessarily find full-time jobs: about one-fifth of the reemployed workers were not in full-time wage and salary jobs. But the overall reemployment rate is slightly better than it was following the 1981-2 recession.

Job loss associated with recent corporate downsizing is sometimes perceived as having led to longer periods of unemployment than job loss in the past. Again,

the evidence argues otherwise. Surveys of displaced workers show that the median worker spent about 8 weeks between jobs in 1988, 1990, and 1992. In addition, the duration of unemployment spells has not shown any trend over the past 15 years (see chart). This long-term constancy of unemployment spells is at

least suggestive that the time spent between jobs has not increased.



What are the effects on earnings?

Among those displaced workers who find new full-time jobs, the average worker suffers a decline in real earnings of roughly 10 percent. This decline in earnings does not account for income lost while unemployed. Nor does it account for the loss of benefits such as health insurance: only about 80 percent

of reemployed workers who had health insurance at their old jobs were included in a group health insurance plan at their new jobs.

Summary. Job displacement is both traumatic and financially costly for the average person. Currently available evidence, however, does not show a significant increase in the rate of job displacement or in the time spent between jobs, although the type of workers at risk has changed somewhat over time. Indeed, the greater political influence of white collar and older workers who are now more likely than in the past to be displaced from a job may focus attention on the Labor Department's initiatives to smooth the transition from unemployment to work.

SPECIAL ANALYSIS

Explaining How Estimates of Potential Growth Add Up

According to conventional wisdom, the sustainable rate of growth of real GDP is between 1.9 and 2.5 percent a year, on a chain-weighted basis. Almost all mainstream forecasts of long-term growth fall in this range, including those by the Blue Chip forecasters, the Federal Reserve, and the Congressional Budget Office. The Administration's projection that real GDP will grow by 2.3 percent on average each year from now through 2002 is slightly above the middle of this range. With the growth debate likely to continue through much of this year, it is useful to step back and assess the determinants of growth.

The conventional wisdom adds up. Simple accounting requires that the growth of GDP equal the growth of hours worked plus the growth of productivity (ignoring minor factors). Actual GDP, however, equals potential GDP only when the economy is operating at full capacity. Thus, we measure growth of potential GDP by calculating growth between years when the economy was at full capacity. This method is presented in the table below.

Accounting for Potential GDP Growth (average annual percent change)					
	60:Q2 73:Q4	73:Q4 81:Q3	81:Q3 90:Q3	90:Q3 95:Q3	95:Q3 2002
GDP	4.2	2.5	2.9	1.9	2.3
Hours Worked	1.5	1.2	1.7	1.1	1.1
Working-age Population	1.8	1.8	1.1	1.1	1.0
Participation Rate	0.2	0.5	0.4	0.0	0.1
Employment Rate	0.0	-0.4	0.2	0.0	0.0
Average Weekly Hours	-0.5	-0.7	0.0	0.0	0.0
Labor Productivity	2.9	1.1	1.1	1.1	1.2
Other Factors	-0.2	0.2	0.1	-0.3	0.0

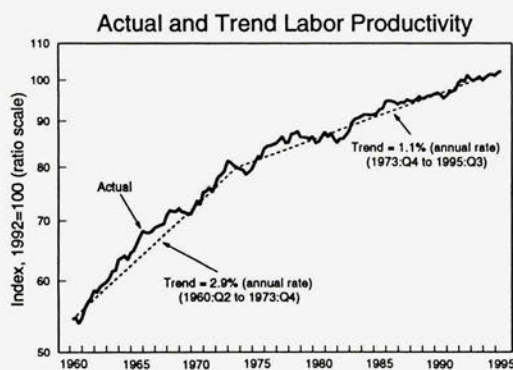
In the past, the relative importance of the determinants of potential GDP growth have varied substantially across time periods:

- During the 1960s and early 1970s, the rate of potential growth exceeded 4 percent, reflecting productivity growth of close to 3 percent and hours growth of 1.5 percent.

- Between the mid-1970s and early 1980s, the rate of potential growth slowed sharply, falling to 2.5 percent. The slowdown resulted primarily from a dropoff in productivity growth to just over 1 percent.
- During the 1980s, a pickup in the growth rate of hours due to a stabilization in the length of the workweek boosted the rate of potential growth to nearly 3 percent even though productivity growth remained unchanged.

So far during the 1990s, the rate of potential growth has slipped to 1.9 percent, owing to a decline in the growth rate of hours. A slowing of the rise in labor force participation among women is the main reason for the decline in the growth rate of hours.

The Administration's forecast of 2.3 percent average growth over the next 7 years assumes that hours will continue to grow at 1.1 percent and that productivity will grow at 1.2 percent. Productivity is projected to grow marginally faster than in the recent past as further deficit reduction boosts investment and as planned adjustments to the consumer price index, which affect productivity measures, are implemented.



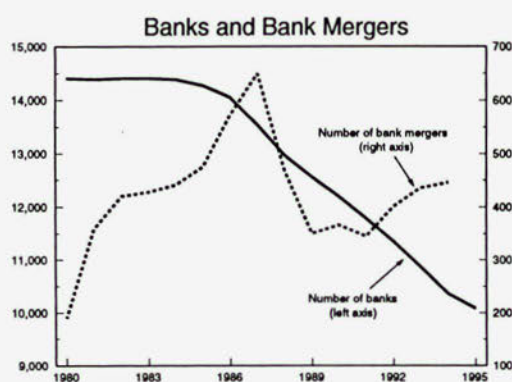
Projected growth in hours reflects underlying demographic trends, while projected productivity growth is largely based on the remarkably stable trend in productivity since 1973 (see chart). The stability of the trend in productivity is remarkable in the face of dramatic changes in the demographics of the labor force, changes in tax code, sharp swings in oil prices, and many other factors that have buffeted the American economy over the past 2 decades.

What can be done to raise potential growth? Because the growth rate of hours is largely determined by overall demographic trends, little can be done to raise the rate of potential GDP growth through this channel. Thus, only through more rapid gains in productivity will it be possible to promote faster sustained growth in the future (see Weekly Briefing, October 6 and October 27, 1995). Policies that increase investments in education, training, and research and development can help raise productivity. And, balancing the budget should increase national saving and help spur investment in productivity-enhancing capital goods.

ARTICLE

Deregulation, Competition, and Mergers in Banking

Mergers have increased recently in several industries, including banking, broadcasting and entertainment, and electric utilities. In all these industries, regulatory barriers to competition are being relaxed. It is natural to expect the industry structure to change as a result, and mergers are one way in which firms respond to the new competitive environment. The likely impact on consumers and the economy depends on whether mergers create better competitors, or serve to stifle competition. Because mergers in the other industries are too recent for their impact to be determined, this Article focuses on banking.



Bank mergers. The past 15 years have witnessed numerous bank mergers (see chart), leading to increased concentration. For example, the share of all industry assets held by small banks (under \$100 million in assets) fell from 14 percent in 1979 to 7 percent in 1994, while the share held by mega-banks (over \$100 billion in assets) rose from 9 percent to 19 percent.

These mergers may be occurring for reasons that are good (1 and 2 below), ambiguous (3), or bad (4):

- 1. Economies of scale or scope.** Mergers can help firms attain cost advantages from larger scale and can help firms provide better service over a wider geographic region.
- 2. Better management.** Competitive pressures can prompt mergers in order to cut costs by allowing well-managed entities to take over inferior performers.
- 3. Differing expectations.** Regulatory or technological changes that create upheaval will increase the differences in perceptions of industry prospects and the value of assets. Managers of one bank may believe the assets of another bank are undervalued, and may seek to purchase the relevant assets through a merger.
- 4. Reducing competition.** Certain mergers may be aimed at limiting competition. The danger is greatest when mergers involve the largest competitors in a concentrated market.

Given that the industry was highly fragmented due to regulatory restrictions on intrastate and interstate banking, we would expect mergers to increase efficiency by allowing banks to cut costs and improve service. Somewhat surprisingly, empirical studies do not find strong evidence of such gains. As discussed below,

there is also no strong evidence that mergers have reduced competition, with the possible exception of loans to small businesses.

Effects on large customers. Large bank customers—sophisticated corporations with wide geographic reach—enjoy strong competition for deposits and loans. The relevant market for such customers is often international, and vigorous competition comes from U.S. banks, foreign banks, and other financial institutions. Bank mergers are unlikely to have any adverse effects on such customers.

Effects on small customers. Households and small businesses typically have fewer options, since their relevant banking market is often not national but local. Nevertheless, bank mergers do not seem to have adversely affected small customers on the deposit side of the business.

- Concentration in local markets has not increased. Most mergers involved banks initially operating in different local markets, whose merger therefore did not reduce the number of players in a given local market.
- Despite the growth of automatic teller machines, the number of bank branches has risen (from about 52,000 in 1980 to about 65,000 in 1994).
- Finally, even small customers have access to alternatives for their deposits, such as mutual funds and brokerage accounts.

The picture is less clear regarding bank lending to small businesses. A recent study finds that such lending fell greatly from 1989 to 1992 and has not fully recovered. It suggests that this decrease may be partly due to mergers: small banks lend mainly to small businesses while large banks lend mainly to large customers, and mergers have created larger banks out of smaller ones. These findings should be interpreted with caution.

To the extent that regulations artificially constrain a bank's geographic scope and ability to lend to large customers, some shifting of loans from small to large customers may be efficient. Large banks also may have lent mainly to large customers in the past, when small banks were artificially protected and served small customers, but will not necessarily ignore small borrowers in the future. On the other hand, even efficient lending to small businesses may decline in the short run, while smaller banks are assimilated by larger ones and the lending relationship is temporarily disrupted. Such lending also may suffer even in the longer run if mergers reduce competition in local markets for small loans.

Looking ahead. Analysts see mergers continuing at a rapid clip in the next few years but still see thousands of banks remaining. To put even the mega-mergers in perspective, the combined Chase Manhattan and Chemical Bank will still rank as only the world's 21st largest bank! But the Justice Department and the Federal Reserve Board must be vigilant to ferret out anticompetitive mergers. Enforcement in the 1980s may have been lax against some bank mergers, and some such mergers may have reduced local competition, especially for small business loans.

BUSINESS, CONSUMER, AND REGIONAL ROUNDUP

Fed Sees Steady Growth and Low Inflation for 1996. In his semi-annual testimony before Congress, Fed Chairman Alan Greenspan said that he and fellow members of the Federal Open Market Committee expect the economic expansion to continue this year. The Fed projects unemployment to remain steady at its recent low levels and inflation to remain at or below 3 percent. Commenting on the debate over whether the economy can grow faster than the recent trend indicates, Greenspan argued that technological progress, while rapid in recent years, may be only slowly translated into gains in productivity. It is possible, Greenspan said, that it will take quite a few years before the advantages of technological advances in information and communication equipment are fully realized. Greenspan emphasized that an important factor affecting the pace of these productivity gains is the education and training of workers and their ability to utilize the new technologies in the workplace.

More Schools Join the Information Superhighway. A recent survey by the Department of Education finds that half of the nation's public schools have at least one computer with Internet access, compared to 35 percent in 1994. Of those schools which currently do not have access to the Internet, three-fourths plan to connect in the future. The survey also documents the large disparity between schools serving rich and poor students. More affluent schools are twice as likely to be linked to the Internet as their poorer counterparts. A lack of adequate funding was cited by most schools as the top barrier to using computers and the Internet as teaching tools.

Tourism Rebounds in Florida. After declining in 1994, tourism in Florida reached a new high in 1995, edging past the previous record. During the year, 41.3 million people visited the state, a 3.5 percent increase over 1994. The recovery provides a glimmer of hope after tourism slowed during the 1990-91 recession, and then declined following the murders of several tourists in 1992 and 1993. Although statewide estimates of international tourism are not yet available for 1995, local estimates for tourism in Miami indicate that international tourism has rebounded, with a 21 percent increase in visitors from Europe and a 23 percent increase in visitors from Canada. Altogether, Miami experienced a 7 percent increase in tourism over 1994, with 9.4 million overnight visitors—the highest ever. While the recent pick-up is a positive sign, it remains to be seen whether tourism will reestablish its strong growth performance of the 1980s.

INTERNATIONAL ROUNDUP

Russia and IMF Reach Agreement On 3-year Extended Fund Facility. On Thursday IMF Director Camdessus and the Russian government agreed on a 3-year, \$10 billion extended fund facility (EFF). According to news reports, Camdessus expressed support for Russia's comprehensive structural agenda, including broadening the tax base, strengthening the banking system, and continuing privatization. It was also reported that the Russian government announced the planned abolition of all remaining export duties, including those on gas and oil. Disbursements from the IMF will take place on a monthly basis, as will monitoring progress of the government's economic program. Roughly \$4 billion of the EFF funds are scheduled for disbursement in 1996. Disbursement of the first tranche, which is conditional on final approval of the EFF by the IMF Board, is expected by April.

Changes Underway in the International Arms Market. According to news reports, Russian arms exports increased nearly 50 percent last year, returning to their 1993 level of \$2.5 billion. However, Russia's position in the world arms market has diminished significantly since the end of the Cold War. In 1986, arms exported by the Soviet Union accounted for 42 percent of global arms exports. This share has plummeted following the collapse of the Soviet Union, to just 12 percent in 1993. The counterpart of this decline has been the rise in the share of U.S. arms exports, from only 18 percent in 1986 to 47 percent in 1993. Worldwide, arms exports fell by 70 percent between 1987 and 1993. Concern in France over the erosion of its competitive position in the international arms market (falling from third largest arms exporter in 1983 to the sixth largest 10 years later) has led to defense-sector reform proposals. On Thursday, French President Chirac is reported to have announced restructuring of the defense sector. These include selling off the state-run electronics giant Thomson SA to the private sector, and a merger of aircraft manufacturers Dassault (fighter aircraft and business jets) and Aerospatiale (primarily civil aviation).

Italian Economic Expansion Continues Despite a Variety of Challenges. Italy's political turmoil persists as—and perhaps because—the country faces significant economic challenges. In 1995, the budget deficit amounted to more than 7 percent of GDP, and the inflation rate was 5.8 percent. The unemployment rate remains above 12 percent. But these indicators should improve if Italy continues to rebound from its 1993 recession: real GDP rose by 2.2 percent in 1994, and an estimated 3.1 percent in 1995. Strong exports and investment are projected to produce growth of 2.5 percent in 1996. And according to data released on Tuesday, industrial production rose 5.3 percent in 1995, likely the best performance among the big European Union economies. This recovery has been led by a strong increase in industrial machinery and equipment (18 percent), office machinery and computers (14 percent), and vehicles (9 percent).

RELEASES THIS WEEK

Gross Domestic Product

****Embargoed until 8:30 a.m., Friday, February 23, 1996****

According to advance estimates, real gross domestic product grew at an annual rate of 0.9 percent in the fourth quarter of 1995.

Housing Starts

****Embargoed until 10:00 a.m., Friday, February 23, 1996****

Housing starts rose 4 percent in January to 1.45 million units at an annual rate. For the year 1995 over 1994, housing starts were down 7 percent.

MAJOR RELEASES NEXT WEEK

Producer Prices (Tuesday)

Retail Sales (Tuesday)

Consumer Confidence—Conference Board (Tuesday)

U.S. International Trade in Goods and Services (Wednesday)

Consumer Prices (Wednesday)

U.S. ECONOMIC STATISTICS

	1970- 1993	1995	1995:2	1995:3	1995:4
Percent growth (annual rate)					
Real GDP (chain-type)	2.7	1.4	0.5	3.6	0.9
GDP chain-type price index	5.3	2.6	2.5	2.2	2.2
<u>Nonfarm business (NFB) sector:</u>					
Productivity (chain-type)	1.5	N.A.	3.0	1.4	N.A.
Real compensation per hour:					
Using CPI	0.6	N.A.	2.0	1.8	N.A.
Using NFB deflator	1.3	N.A.	3.2	1.6	N.A.
Shares of Nominal GDP (percent)					
Business fixed investment	10.9	10.2	10.2	10.2	10.3
Residential investment	4.5	4.0	3.9	4.0	4.0
Exports	8.2	11.1	11.1	11.1	11.3
Imports	9.2	12.5	12.8	12.5	12.3
Personal saving	5.1	3.3	2.9	3.2	3.6
Federal surplus	-2.7	N.A.	-2.2	-2.2	N.A.
	1970- 1993	1995	Nov. 1995	Dec. 1995	Jan. 1996
Unemployment Rate	6.7**	5.6**	5.6	5.6	5.8
Payroll employment (thousands)					
increase per month			212	161	-201
increase since Jan. 1993					7695
Inflation (percent per period)					
CPI	5.8	2.5	0.0	0.2	N.A.
PPI-Finished goods	5.0	2.2	0.5	0.5	N.A.

**Figures beginning 1994 are not comparable with earlier data.

New or revised data in **boldface**.

GDP and related data **embargoed until 8:30 a.m., Friday, February 23, 1996.**

FINANCIAL STATISTICS

	1994	1995	Dec. 1995	Jan. 1996	Feb. 22, 1996
Dow-Jones Industrial Average	3794	4494	5136	5179	5608
Interest Rates					
3-month T-bill	4.25	5.49	5.14	5.00	4.81
10-year T-bond	7.09	6.57	5.71	5.65	5.92
Mortgage rate, 30-year fixed	8.35	7.95	7.20	7.03	7.32
Prime rate	7.15	8.83	8.65	8.50	8.25

INTERNATIONAL STATISTICS

Exchange Rates	Current level February 22, 1996	Percent Change from Week ago	Year ago
Deutschemark-Dollar	1.451	-1.3	-1.4
Yen-Dollar	105.0	-1.2	+8.2
Multilateral \$ (Mar. 1973=100)	85.74	-1.1	-0.5

International Comparisons	Real GDP growth (last 4 quarters)	Unemployment rate	CPI inflation (last 12 months)
United States	1.4 (Q4)	5.8 (Jan)	2.5 (Dec)
Canada	1.9 (Q3)	9.4 (Dec)	1.7 (Dec)
Japan	-0.2 (Q3)	3.4 (Nov)	-0.3 (Dec)
France	2.0 (Q3)	12.2 (Sept)	2.1 (Dec)
Germany	1.5 (Q3)	6.7 (Nov)	1.5 (Dec)
Italy	3.4 (Q3)	12.0 (Oct)	5.8 (Dec)
United Kingdom	1.8 (Q4)	8.6 (Dec)	3.3 (Dec)

U.S. GDP data embargoed until 8:30 a.m., Friday, February 23, 1996.



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

THE PRESIDENT HAS SEEN
2126196

February 23, 1998 86 FEB 23 P 9:05

MEMORANDUM TO THE PRESIDENT

FROM: KATHLEEN A. McGINTY

CC: LEON PANETTA

RE: CEQ WEEKLY REPORT

TONGASS NATIONAL FOREST

Today, we filed a proposed settlement in federal court in Alaska in the lawsuit that resulted in considerable timber being enjoined from harvest on the Tongass National Forest and has been the subject of part of the Tongass rider on the Department of the Interior appropriations bill. Our proposed settlement will release from the injunction an estimated 105 million board feet (mmbf) of timber. If approved by the court, approximately 92 mmbf would be available to small, independent timber operators and about 13 mmbf would go to the Ketchikan Pulp Co.

We have worked closely with Governor Tony Knowles' (D-AK) office to achieve a result that will unlock needed timber supply for independent operators. The plaintiffs, a coalition of environmental groups, commercial fishermen and tourist operators, were keenly aware of the importance of this proposed settlement to us and to the Governor and worked hard to achieve success, as did our Department of Justice and U.S. Department of Agriculture officials. While we expect the Alaska delegation to criticize the proposed settlement as inadequate, we believe others will view our efforts as a good faith sign of our commitment to fulfilling our timber obligations to independent contractors in Southeast Alaska in a manner that is compatible with the needs of other users of the forest and protection of wildlife.

EVERGLADES MEDIA REACTION

Editorial comment on the Everglades restoration announcement has been very favorable. The New York Times, Washington Post, USA Today and Atlanta Constitution all ran highly positive editorials. The Miami Herald -- probably the most important opinion -- called the plan "as farsighted as it is breathtaking." We are not aware of any negative editorials.

Press coverage of the Everglades restoration announcement was thorough and largely favorable. ABC News ran a thorough and very positive story on the restoration -- the perfect

interruption to Monday night's pre-primary GOP infighting. The New York Times scooped the others with an early, positive story that focused on the restoration plan rather than sugar. The Miami Herald had a longer story, similar in tone. Some of the wire service and local coverage portrayed a only shouting match between the environmentalists and sugar; it was predictable, but still disappointing.

Attached is the main Miami Herald story and editorial.

NORTHWEST

The Oregonian reported on Sunday, February 18, that forest product companies reported another profitable year in 1995. Thirteen publicly traded companies with significant operations in region fared well overall in 1995. The forest-products industry has done well for several years in a row in the region, as a result of the increasing lumber prices and then because of the soaring paper market. The article is attached for your review.

THE PRESIDENT HAS SEEN

2/26/96

DEPARTMENT OF HEALTH AND HUMAN SERVICES

- **Growth in Managed Care:** On February 26, HCFA Administrator Bruce Vladeck will address the Group Health Association of America's national policy conference at which HHS will issue a new fact sheet on managed care in the Medicare and Medicaid programs. Since 1993, there has been an unprecedented increase in managed care enrollment among Medicare and Medicaid beneficiaries. As of February 1, almost 4 million Medicare beneficiaries were enrolled in managed care plans, now accounting for more than 10% of the Medicare population. The growth in Medicare managed care since the beginning of the Clinton Administration is 67%. The growth in Medicaid managed care is even more dramatic, with a 140% increase since 1993.
- **CR Delays Participation of New Medicare Providers:** HCFA's Survey and Certification program received \$145.8 million under the current continuing resolution, which is \$16.3 million less than the FY 1996 request. Due to funding lower than requested and an increase in applications from new providers, substantial delays have developed for new providers seeking to participate in the Medicare program. Currently, about 22 states are experiencing backlogs in conducting initial certification surveys of new providers.
- **ABC Home Health Update:** ABC Home Health Agency was recently convicted of fraud and other charges. Since the conviction, HCFA has suspended payment to ABC. The company filed for bankruptcy on February 21. Since this company has agencies nationwide, HCFA is working closely with the states to ensure that no services to beneficiaries will be affected.
- **BC/BS of Massachusetts' HMO Enrollment Suspended for False Documentation:** HCFA has ordered Blue Cross/Blue Shield of Massachusetts to suspend all marketing to, and new enrollment of, Medicare beneficiaries while the agency investigates the circumstances surrounding the submission of deliberately altered documents to HCFA.
- **Medicaid and Welfare Reform Testimony:** On February 28, Secretary Shalala will testify before the Senate Finance Committee on the proposals of the National Governors' Association regarding welfare reform and changes in Medicaid.
- **Medicare Trust Fund Testimony:** On February 29, Secretary Shalala will testify before the House Ways and Means Committee on the status of Medicare's Hospital Insurance Trust Fund.
- **Children's Mental Health Campaign:** On March 5, the Substance Abuse and Mental Health Services Administration (SAMSHA) and Center for Mental Health Services (CMHS) will launch a four-year national campaign entitled "Caring for Every Child's Mental Health: Communities Together."

2/26/96

THE WHITE HOUSE

WASHINGTON

February 23, 1996

96 FEB 23 P10 : 09

MEMORANDUM FOR THE PRESIDENT

FROM: KITTY HIGGINS *Kitty*

SUBJECT: Summary of Cabinet Weekly Reports
February 16 - February 23

DEPARTMENT OF TREASURY

- **Savings Association Insurance Fund (SAIF):** The American Bankers Association (ABA) continues to assert that Congress need not act on SAIF of Financing Corporation (FICO) this year. In response to Treasury's February 13 interagency letter about the importance of prompt legislative action, the ABA has stressed the growth of SAIF reserves and the health of the thrift industry, and argued that there is little risk of a FICO default. Treasury disagrees and is preparing a written response to the ABA's arguments.
- **Sallie Mae Privatization:** Treasury opposes enactment of the CAREERS bill (House version only) that provides for Sallie Mae privatization, unless it is amended to make certain changes. A bipartisan Members meeting has been set up for February 29 by Senator Kennedy to discuss Sallie Mae privatization.
- **Dateline NBC:** NBC is expected to do a story on Customs at the Southwest Border. Senator Feinstein will be featured. This story will probably be aired by NBC next week.
- **ATF Director Magaw to brief CBC:** Director Magaw will continue to brief members of the Congressional Black Caucus on the series of church fires that have recently occurred in the south. ATF continues to work with the FBI in its investigation of the church fires in Alabama and Tennessee. DOJ is reviewing the matter for possible civil rights violations.
- **FY97 Appropriations:** The Secretary will testify on March 28 before the House Appropriations Treasury/Postal Subcommittee to discuss the Treasury budget. Additional testimony will come on April 17 before the Treasury/Postal Subcommittee.
- **Bosnia Troops Tax Relief:** The House Ways and Means Committee is expected to mark up legislation next week that provides tax relief for armed forces personnel in Bosnia. The Administration supports legislation that would grant the President authority to provide tax benefits for service in combat zones.

- **Bosnia:** The Bosnia supplemental authorizing/appropriations legislation has been forwarded to the Hill. Treasury, along with the State Department, the World Bank, and the IMF is continuing to conduct briefings for key Congressional members on Bosnian economic and technical assistance.
- **International Organized Crime:** On February 28, the House Banking Committee will conduct a hearing on international organized crime and its impact on the financial system. The hearing will focus on the financial system, counterfeiting, money laundering, and fraud schemes originating in the Middle East, Russia, and East Africa. It is Chairman Leach's intention to introduce an anti-counterfeiting bill at this hearing. This bill is very similar to the D'Amato bill that was included in the regulatory reform legislation in the Senate.
- **Waco:** It is expected that the draft of the House Waco report will be made available to the Democratic staff this week or next. Once the draft is available, Treasury staff will have two weeks to formulate minority views to become part of the report.
- **Law Enforcement Oversight:** It is expected that the House Judiciary Subcommittee on Crime will hold a series of hearings on Federal Law Enforcement on March 28. Republican staff have indicated that the focus of this hearing will be on state and local coordination with federal law enforcement.
- **Customs Inspector Resigned:** On February 12, a senior Customs Inspector entered into a deferred prosecution agreement with the U.S. Government. As part of the agreement, he resigned from the Customs Service and was given 6 months probation on the same date. This case was jointly investigated by Customs Internal Affairs and the Drug Enforcement Administration (DEA), after a DEA informant began purchasing heroin from the inspector's girlfriend, a Colombian national.
- **Senator Graham Inspects Processing of Tomatoes:** On February 15, Senator Bob Graham (D-FL) toured the Nogales Port because of his concern over the increase in Mexico tomato imports. Florida tomato growers have argued that as a result of NAFTA, they have been adversely affected by the increase in imports of Mexican tomatoes.
- **Customs and the Southwest Border:** Deputy Secretary Summers and Commissioner Weise visited the Southwest border on Friday. Additionally, Treasury and Customs plan to release a report on Operation Hard Line within the week.

DEPARTMENT OF COMMERCE

- **Trade Mission in Africa:** Secretary Brown left for Sub-Saharan Africa on Saturday, February 17, for a trade mission focusing on emerging markets and increased trade with African countries. He returns on February 26.

- **Census 2000:** On February 28, the Secretary will be joined by Under Secretary Ev Ehrlich, Census Director Martha Riche and OMB Director Alice Rivlin present the **Roll Out for the 2000 Census** at a half-day, town-hall meeting at the Department of Commerce.
- **Economic Indicator Releases:**
 - February 23 Fourth Quarter Gross Domestic Product (advance)
Third Quarter GDP (revised)
Housing Starts
 - February 27 Retail Trade (January 1996) figures (advance)
 - February 28 U.S. International Trade in Goods and Services (December 1995)
 - March 4 Personal Income and Outlays (December 1995 and January 1996)
Manufacturing and Trade: Inventories and Sales (December 1995)
Manufacturers' Shipments: Inventories and Orders (January 1996)
 - March 5 Housing Completions (December 1995 and January 1996)
New Homes Sold and For Sale (December 1995 and January 1996)
 - March 8 Value of New Construction Put in Place (January 1996)
- **Hearings on Lifting the Alaskan North Slope (ANS) Oil Export Ban:** During the past two weeks, the Bureau of Export Administration (BXA) held hearings in Washington, D.C., Seattle, WA, and Anchorage, AK on the environmental and economic impacts of lifting the Alaskan North Slope (ANS) crude oil export ban. Oil industry, labor unions, and maritime interests spoke in favor of exports, while environmental groups and the Coalition to Keep Alaskan Oil opposed exports. Alaskan environmental groups advocated that the Administration impose certain environmental safeguards as a condition.
- **Congressional Briefings on Exports:** On February 27, Commerce officials will brief Senate Banking Committee staff on a recent export license granted to McDonnell-Douglas to ship machine tools to China. This matter has received extensive press coverage and involves an alleged diversion of machine tools to the Nanchang Aircraft Corporation.
- **Secretarial Travel:** On Friday, March 9 Brown travels to California and tentatively to Phoenix, Denver and Boulder, to discuss and reinforce the Administration's budget themes and Commerce's focus on technology and trade. Preparations continue for his mission to Latin America--Nicaragua, Colombia and Panama--scheduled for March 18-21.

DEPARTMENT OF LABOR

- **Plant Closings:** On February 27, the Department is hosting a public forum on the Effects of Sudden Plant Closings and the Impact on the Principle of Freedom of Association and the Right of Workers to Organize, in San Francisco, California. This public forum is part of the agreement negotiated between Mexico and the U.S. in the Sprint submission filed with the Mexican National Administrative Office under the North American Agreement on Labor Cooperation.

- **Senate Democratic Policy Committee:** On Wednesday, February 28, the Secretary will speak at the Senate Democratic Policy Committee's day-long forum on corporate citizenship.
- **Pension Payback:** On Thursday, February 29, the Secretary will hold a press conference to announce a Pension Payback initiative. A component of the Department's overall pension enforcement, this initiative will create a window of time for employers to return employee's pension money -- without penalty -- that has been used for non-benefit purposes.
- **CNBC's Equal Time:** On Thursday, the Secretary will serve as a guest host of CNBC's Equal Time for the vacationing Dee Dee Myers.
- **Travel to New York City:** On Friday, March 1, the Sec will travel to New York City to meet with the editorial board of New York Newsday. In addition, he will attend a symposium on the role of organized labor in today's economy at Hofstra University. The Secretary will also tape an appearance on *In the Mix*, a PBS series for teenage youths.
- **Fair Labor Standards Act:** On February 27, the Senate Committee on Labor and Human Resources will hold an oversight hearing on the Fair Labor Standards Act (FLSA). The focus will be on the overtime and exemption provisions of the FLSA. Senators have become particularly interested in the FLSA as they attempt to come into compliance with the law pursuant to the Congressional Accountability Act.
- **Affirmative Action:** The House Economic and Educational Opportunities/Employer-Employee Relations Subcommittee will hold a hearing on the impact of Adarand and H.R. 2128 on the Office of Federal Contract Compliance Programs. No Labor officials have been asked to appear.
- **OSHA:** The Senate Labor and Human Resources Committee is scheduled to mark up OSHA reform legislation introduced by Senators Gregg and Kassebaum, on February 28. Vice President Gore announced to the AFL-CIO the Administration would veto this legislation in its current form.
- **Health Care Reform:** The House Economic and Education Opportunities Committee is scheduled to mark-up H.R. 995, the ERISA Targeted Health Insurance Reform Act, on March 6. This bill was introduced with bipartisan support.
- **Campaign for Settlement:** The AFL-CIO announced February 20-21 that it planned a national campaign for Knight-Ridder Inc. and Gannett Co. Inc. to settle the dispute with six unions at the Detroit Free Press and the Detroit News. The campaign will include site protests and public pressure against newspapers owned by Knight-Ridder and Gannett. The first holdings to be targeted are the Miami Herald, owned by Knight-Ridder, and USA Today, owned by Gannett. The unions will conduct informational picketing, and encourage readers to cancel subscriptions, advertisers to stop buying space, and distributors to halt delivery of

the two newspapers. Some 2,000 union represented workers have been on strike against the two Detroit area newspapers since July 13, 1995.

- **Convention Will Endorse Campaign:** On February 21, the AFL-CIO Executive Council approved a special convention to consider a one-year assessment of 15 cents per month per union member. The assessment will generate about \$25 million towards the federations goals of \$35 million for political action. The difference will be made up by direct contributions from AFL-CIO and its larger affiliates. The special convention, to be held March 25, in Washington, D.C., is expected to endorse you for re-election.
- **Job Corps and Train Crash:** A letter from you was read at the Service held at the Job Corps center in Harper's Ferry, West Virginia, on Friday, February 23, for the trainees killed in the Amtrak/MARC train crash last Friday evening. The Labor Department will honor the students and their families at a memorial service in mid-April.



America's Job Bank on the Internet: America's Job Bank (AJB) posted its second largest number of customer accesses ever, on the President's Day holiday. On a day when many job search alternatives were closed, Internet users posted 162,546 "hits" to the AJB.

DEPARTMENT OF TRANSPORTATION

- **Amtrak Passenger & MARC Commuter Train Collision:** On February 16, an Amtrak passenger train, operating at a speed of 30 mph, was struck by a MARC commuter passenger train operating at a speed of 40 mph in Silver Spring, MD. The accident resulted in 11 fatalities all of whom were located in the MARC cab car. The Federal Railroad Administration, the National Transportation Safety Board, Amtrak, CSX, and MARC are investigating the cause of the accident. Preliminary reports indicate the engineer of the MARC train may have missed a restrictive signal governing the movement of his train if the signal was functioning as intended.
- **Train Safety:** On February 20, at a White House press conference, Secretary Pena announced immediate actions taken to enhance the safety of passenger rail service in the United States. The emergency order requires commuter, inter-city passenger railroads, and public authorities providing passenger service through contracts with railroads to take immediate measures concerning train signals, communications and emergency egress. Additionally, the order requires operators to submit within 45 days a system safety plan reviewing current operational practices.
- **Southern Pacific Transportation Company (SP) Freight Train Derailment:** On February 21, a SP freight train derailed near Leadville, CO. Seven of the 82 derailed cars were carrying hazardous materials; six contained sulfuric acid and one contained a flammable liquid. The sulfuric acid spill flowed over Highway 24 and into the Eagle River. The Federal Railroad Administration, FEMA and EPA are on the scene.

- **Aviation Talks:**
 - **U.S. - Germany** Talks continued with Germany on February 22 to implement a framework for negotiating an open skies bilateral aviation agreement.
 - **U.S. - Japan:** Talks will continue with Japan on a more liberal aviation cargo regime, in Washington on February 27.
 - **U.S. - Canada:** February 24 marks the one-year anniversary of the U.S.-Canada agreement. A release is being prepared on the resulting economic benefits of the agreement.
 - **U.S. - Italy:** The Department has issued an order that tentatively selects USAir for the last available route opportunity under the existing U.S. - Italy aviation agreement.
- **U.S. Assessment to ICAO:** The Department of State has informed the FAA of a proposal to cut U.S. payments to all UN agencies by 27 percent. The FAA believes that the International Civil Aviation Organization's direct impact on U.S. interests and value to American taxpayers are very significant, and is proposing senior level discussions with the Department of State on this issue.
- **Transportation Infrastructure Boosts Delta Region Economy:** On Feb. 16, Federal Highway Administrator Slater released a report showing that investment in transportation improvements in the seven-state Lower Mississippi Delta Region was an important factor in faster job growth than the rest of the country in the 1990s. The report notes that most of the 55 transportation-related recommendations by the Lower Mississippi Delta Development Commission in 1990, chaired by you, have been followed and calls the relationship between those improvements and the regions economic growth direct. An estimated 250,000 jobs were created in the region from April 1990 to April 1995.
- **DOT Gives Funds for Tri-Met Light Rail Project:** On February 21, Deputy Secretary Mort Downey announced \$158.5 million for Portland's Tri-County Metropolitan Transportation (TRI-MET) District for the 17.7-mile Westside Hillsboro Light Rail Project. This grant will help extend the popular Portland MAX from downtown Portland to downtown Hillsboro via a three-mile tunnel. The Federal Transit Administration grant brings federal funding for the project to \$466 million.
- **Rail Safety Hearings:** The Senate Commerce Committee will hold a hearing on February 27 on the issue of rail safety and efforts that the Department and industry are taking to improve safety in light of recent rail accidents. Administrator Molitoris will testify.

UNITED STATES TRADE REPRESENTATIVE

THE PRESIDENT HAS SEEN
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- **Appeal of WTO Panel Decision of Reformulated Gasoline:** On February 21, the Administration formally notified the World Trade Organization that the U.S. will appeal the WTO decision concerning EPA regulations on imported reformulated gasoline. The WTO report stated that in certain instances EPA regulations are inconsistent with U.S. obligations. In advance of the announcement, senior USTR staff consulted with Congress, the petroleum industry, and environmental groups.
- **U.S. - Japan Business Conference:** Ambassador Shapiro will travel to Japan where he will seek to resolve disputes of the implementation of the U.S. - Japan insurance agreement, and consult with his Japanese counterparts on other outstanding trade issues, particularly semiconductors and film. On his way back from Japan, Ambassador Shapiro will address the U.S. - Japan Business Conference in San Francisco on February 25-26.

DEPARTMENT OF JUSTICE

- **House to Hold Hearing on Indian Gambling:** The House Resources Committee has scheduled a hearing for February 26 on legislation that would create the National Gambling Impact and Policy Commission, focusing on the proposed commission's regulation of gaming on Indian reservations.
- **Senate Judiciary Hearing on Youth Violence:** The Senate Judiciary Youth Violence Subcommittee will hold a hearing on February 28, on the changing nature of youth violence. Senator Thompson held field hearings on this issue last week in Nashville and Memphis.
- **House Subcommittee Hearing on Independent Counsel:** The House Judiciary Crime Subcommittee will hold an oversight hearing on February 29 on the Independent Counsel.

What about this?

• **Press Inquiries:** *60 Minutes* is working on a story about the Marshall's Service management of a New York hotel and a California casino seized under the federal asset forfeiture program. In addition, the British media raised questions regarding the activities of a group called "Friends of Sinn Fein," registered as a foreign agent, who raise money on behalf of the IRA.

- **Supreme Court to Hear Case on the Cable Act of 1992:** On February 20, the Supreme Court noted probable jurisdiction in Turner Broadcasting v. Federal Communications Commission, in which DOJ contends that the three-judge district court properly granted summary judgment to the government on the constitutionality of the must-carry provisions of the Cable Television Act of 1992, in light of the record compiled pursuant to the Supreme Court's prior remand instructions. The case will be argued in the Fall.

- **Solicitor General to Argue that Psychotherapist Patient Privilege Should Be Reorganized:** Jaffee v. Redmond presents the question whether there is a psychotherapist-patient privilege under Fed. R. Evid. 501 for statements made by a patient to a licensed clinical social worker in the course of psychotherapeutic treatment. The United States will argue on February 26, as amicus curiae that such a privilege should be recognized.
- **Supreme Court to Consider Standard for Threshold Showing in Selective Prosecution Cases:** On February 26, DOJ will present oral argument in the Supreme Court United States v. Armstrong, which involves the standards for ordering discovery on a claim of selective prosecution. DOJ will argue that, to obtain discovery on a selective prosecution claim, a defendant must make a substantial threshold showing of discriminatory purpose and effect. Absent direct proof of an impermissible selection, that standard requires some showing there were similarly situated persons of another race who were not prosecuted.
- **Haitian Political Leader Brings \$50 Million Tort Action:** Emmanuel Constant, a citizen of Haiti and founder of the Front for the Advancement and Progress of Haiti ("FRAPH"), brought a constitutional tort action for \$50 million in compensatory and punitive damages. On February 20, the government moved to dismiss for lack of subject matter jurisdiction or, alternatively, for summary judgment.
- **Notice Of Appeal Filed In Louisiana Voting Case:** On February 20, the U.S. filed a notice of appeal and a motion for stay pending appeal in Hays v. Louisiana (W.D. La.), the constitutional challenge to Louisiana's 1994 congressional redistricting plan.
- **ADA Complaint Filed Against City Of Denver:** On February 15, the U.S. filed suit against the City and County of Denver. The complaint alleges that the City and County of Denver, and its Police Departments have and continue to pursue policies and practices that discriminate against qualified individuals with disabilities in violation of Titles I and II of the ADA.
- **DOJ To File Suit Against Michigan School Districts:** On February 15, DOJ notified potential defendants that the U.S. intends to file a complaint against 22 school districts that founded the Michigan Mega Conference ("Mega"), an athletic league composed of high schools located in and around western Wayne County (suburban Detroit). The U.S. contends that the school districts excluded, and continue to exclude, a number of schools with substantial enrollments of black students from participation in the league in violation of Title VI.
- **Michigan Motor Voter Case Settled.** On February 12, in United States v. Michigan (W.D. Mich.), all parties agreed to a stipulation that conditionally settles most of the remaining remedial issues in this litigation. The state has advised that it will appeal to the 6th Circuit.

THE PRESIDENT HAS SEEN

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DEPARTMENT OF HEALTH AND HUMAN SERVICES

- **Growth in Managed Care:** On February 26, HCFA Administrator Bruce Vladeck will address the Group Health Association of America's national policy conference at which HHS will issue a new fact sheet on managed care in the Medicare and Medicaid programs. Since 1993, there has been an unprecedented increase in managed care enrollment among Medicare and Medicaid beneficiaries. As of February 1, almost 4 million Medicare beneficiaries were enrolled in managed care plans, now accounting for more than 10% of the Medicare population. The growth in Medicare managed care since the beginning of the Clinton Administration is 67%. The growth in Medicaid managed care is even more dramatic, with a 140% increase since 1993.
- **CR Delays Participation of New Medicare Providers:** HCFA's Survey and Certification program received \$145.8 million under the current continuing resolution, which is \$16.3 million less than the FY 1996 request. Due to funding lower than requested and an increase in applications from new providers, substantial delays have developed for new providers seeking to participate in the Medicare program. Currently, about 22 states are experiencing backlogs in conducting initial certification surveys of new providers.
- **ABC Home Health Update:** ABC Home Health Agency was recently convicted of fraud and other charges. Since the conviction, HCFA has suspended payment to ABC. The company filed for bankruptcy on February 21. Since this company has agencies nationwide, HCFA is working closely with the states to ensure that no services to beneficiaries will be affected.
- **BC/BS of Massachusetts' HMO Enrollment Suspended for False Documentation:** HCFA has ordered Blue Cross/Blue Shield of Massachusetts to suspend all marketing to, and new enrollment of, Medicare beneficiaries while the agency investigates the circumstances surrounding the submission of deliberately altered documents to HCFA.
- **Medicaid and Welfare Reform Testimony:** On February 28, Secretary Shalala will testify before the Senate Finance Committee on the proposals of the National Governors' Association regarding welfare reform and changes in Medicaid.
- **Medicare Trust Fund Testimony:** On February 29, Secretary Shalala will testify before the House Ways and Means Committee on the status of Medicare's Hospital Insurance Trust Fund.
- **Children's Mental Health Campaign:** On March 5, the Substance Abuse and Mental Health Services Administration (SAMSHA) and Center for Mental Health Services (CMHS) will launch a four-year national campaign entitled "Caring for Every Child's Mental Health: Communities Together."

- **Mortality Patterns:** The March 1 *Mortality and Morbidity Weekly Report* will publish final mortality statistics for 1993. While provisional numbers are available for years as recent as 1995, these are the most current final numbers available. In 1993, a total of 2,268,553 deaths were registered in the United States, 92,940 more than in 1992 and the highest number ever recorded. Life expectancy declined, for the first time since 1980, to 75.5 years. More than half of the deaths were accounted for by the first two leading causes of death, heart disease and cancer.
- **Upcoming Press:** The March issue of *Ladies Home Journal* will include an article written by Secretary Shalala about things women can do to be smart health consumers. In the next week or two, she will also send an op-ed piece on tobacco to 2000 high schools for publication in their school newspapers. Secretary Shalala expects to be quoted on youth drug issues in three upcoming issues of monthly magazines that are read primarily by women: *Good Housekeeping*, *Family Circle*, and *Child Magazine*.
- **Welfare Reform Waivers:** HHS has not reached an agreement with California on a proposal to implement a family cap amendment to their welfare reform demonstration. On February 2, HHS sent the state a letter reiterating the conditions under which we would be willing to make a prompt decision on the proposal; conditions we feel are necessary to provide adequate protection for children. The State promptly rejected these conditions.
- **California Two-Plan Model for Medicaid Managed Care:** On January 22, HCFA approved California's 1915(b) request for waiver authority under a Two-Plan model to expand Medicaid managed care in 12 counties (Alameda, Contra Costa, Fresno, Kern, Los Angeles, Riverside, San Bernardino, San Francisco, San Joaquin, Santa Clara, Stanislaus, and Tulare). Once implemented, this will be the largest Medicaid managed care initiative in the nation.
- **LA County Medicaid Demonstration:** Administration staff are working with LA County officials to meet all the terms of the September agreement between HHS, CA State and LA County officials on joint actions to provide fiscal relief to the County's public health system. On February 23, Administration officials held a conference call with State and County officials to discuss approving a waiver within the next two weeks.

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

- **Public Housing Demolition Makes Way for New Homes in Atlanta's "Olympic Legacy":** Last spring, HUD began the demolition of public housing at Techwood Clarke-Howell Homes (Techwood), the oldest public housing development in the nation. On March 1, Secretary Cisneros will participate in the groundbreaking of nearly 200 units of attractive single family homes and town house apartments to be built on site. The new housing community will attract mixed-income families who will live in homes ranging from public housing, market-rate homes, and tax credit-built apartments. Because the 1996 Summer Olympic athletes will

be housed across the street from the Techwood Homes, HUD has been working closely with the City to ensure the timely completion of the transformation of this development.

- **Public Housing Youth Summit in San Francisco:** Secretary Cisneros is planning a public housing youth and anti-crime event on March 2 to promote the White House Conference on Youth, Drug Use and Violence.
- **"One Strike and You're Out" Update:** HUD is working with the White House and DOJ to finalize draft policy guidance for public housing authorities on how to toughen up on crime in public housing.
- **Travel to Pittsburgh:** On February 28, Secretary Cisneros will travel to Pittsburgh to attend the Executive Committee meeting of the Pittsburgh Housing Authority. He will also meet with Mayor Murphy (tentative) and tour public housing developments.
- **Travel to Florida:** On February 29, Secretary Cisneros will travel to St. Petersburg to address the Florida Leadership Conference. He will also travel to Miami to give the dinner address at the Cuban American National Council's Eighth Annual Conference.

SMALL BUSINESS ADMINISTRATION

- **Administrator's Travel:** The Administrator will lead a town meeting with Congressman Zeliff in Manchester, NH on February 26. On the same day he will meet with the Economic Development Committee of the Business and Industry Association and the Concord SBA. On February 27, he will open a Business Information Center in Vermont.

VETERANS AFFAIRS

- **Veterans Charged Excessive Mortgage Points:** The February 26 edition of *Forbes* features an article on certain mortgage lenders who are charging excessive points to veterans who are refinancing their VA-guaranteed loans. The article accurately reports that VA is publishing developing regulations that will limit the number of points lenders may charge veterans. VA has already issued interim guidelines directing VA regional offices to scrutinize refinancing loans, and lenders have been requested to voluntarily comply with a two-point ceiling on the number of points that may be financed. *U.S. News & World Report* and *American Banker* also reported on this issue.
- **Address to VFW Annual Winter Conference:** On March 4, Secretary Brown will address the Annual Winter Conference in Washington, D.C.
- **Delegation to Vietnam, Laos, and Cambodia:** On March 9, Deputy Secretary Hershel Gober will lead a Presidential delegation to Vietnam, Laos, and Cambodia.

SOCIAL SECURITY ADMINISTRATION

- **GAO Report Critical of SSA:** A GAO report, expected to be released on February 28, finds that Social Security's PASS program is poorly designed and is being poorly managed; and that inadequate internal controls compromise PASS program integrity. The Plan for Achieving Self Support (PASS) program is a statutory program that permits disabled or blind SSI recipients to set aside wages, Social Security Disability Insurance (DI) benefit payments, savings and/or any other unearned income, in order to cover expenses related to preparing to work. In mid-1994, Commissioner Chater initiated her own review of PASS policy. As a result, SSA developed a plan and is taking action to strengthen the administration of the PASS program.
- **Proposal to Privatize Michigan Disability Determination Service:** Maximus, Inc. has submitted a proposal to the Michigan Department of Social Services to assume the disability determination function now performed by the State's Disability Determination Service (DDS) for the SSA. In his State of the State Address, Governor Engler pledged to explore contracting out State functions. The DDS director is scheduled to present a rebuttal to the Maximus proposal on February 26.
- **Social Security Number Application Fraud Case:** The U.S. Attorney for the Eastern District of PA announced a negotiated plea agreement in a case involving Social Security fraud. The investigation was conducted by SSA's Office of the Inspector General, the Secret Service, and INS.

DEPARTMENT OF INTERIOR

- **Parks Initiative:** Secretary Babbitt forwarded to the Vice President an initiative for our National Parks entitled **Parks for Tomorrow**. This initiative brings together several proposals to renew and protect National Parks and other open spaces. The proposals include: reforming fee and concessions policies, broadening the authority of the National Park Foundation, improving park housing and transportation systems, park wilderness designations, enhancing natural heritage initiatives, and creating tax incentive programs.
- **Congressional Hearing:** On Monday, the Secretary will testify before a Democratic Environmental Task Force group (Reps. Miller, Waxman, Markey, Skaggs and Pallone) with EPA Administrator Browner and Assistant Attorney General Lois Schiffer. The group will be discussing the effects of the Republican budget cut proposals and the government shutdown on the environment, the public, and the agencies themselves. The focuses will be on forests, public land access, endangered species, and the national parks.

- **Ward Valley Update:** The press following Deputy Secretary John Garamendi's announcement last week that we would require a supplemental EIS and tritium testing at Ward Valley has been very favorable. Positive editorials appeared in the *LA Times*, the *San Francisco Examiner and Chronicle*, the *San Bernadino Sun* and the *Riverside Press Enterprise*. The Department is currently working to find funding for the new study.
- **Upcoming Travel:** Next Wednesday and Thursday Secretary Babbitt will be in Washington and Oregon on a Natural Heritage Tour. He will go fishing in Puget Sound to highlight the Clean Water Act and discuss salmon issues. He will travel to Portland to visit timber workers who have lost their jobs, then on to Springfield, OR to highlight a Clean Water success story. He will go to Medford for an environmental meeting. In Seattle the Secretary will visit Northwest Indian College and discuss the deep budget cuts proposed by Congress to the Bureau of Indian Affairs.

UNITED STATES DEPARTMENT OF AGRICULTURE

- **Russia Acts to Halt U.S. Poultry Products:** Russia has stopped issuing import licenses for U.S. poultry imports, and laid out a series of food safety requirements that are unnecessary and unreasonable, threatening a U.S. market valued at an estimated \$700 million in 1995. The Russian announcement is the most recent in a series of actions which have restricted access for U.S. poultry. USDA officials and industry representatives have been in close consultation with the Russians. Russia has also recently imposed new tariff arrangements that will increase considerably the entry price of imported poultry products from the United States. Secretary Glickman sent a letter of protest to his Russian counterpart. Vice President Gore has also expressed a willingness to send a letter on the issue to Prime Minister Chernomyrdin. The Secretary met with poultry industry officials, and USDA will keep the industry apprised of the government's actions and the latest developments from the Russian side.
- **Texas Fires:** The Forest Service has been assisting the Federal Emergency Management Administration (FEMA) in fighting wildfires in Texas, Oklahoma, Arkansas, and Mississippi, with the biggest problem in Texas. About 13,500 acres (126 wildfires) in Texas have been affected, with the state requesting two aircraft for assistance. You approved an emergency declaration for Texas. Oklahoma is eligible for fire suppression grants.
- **Alaska Timber Proposed Settlement Announced:** On February 20, the Secretary announced a proposed lawsuit settlement that will help ensure a more predictable timber supply in Southeast Alaska's Tongass National Forest. If approved by a federal court, the proposed settlement will release an estimated 105 million board feet of timber.

- **Farm Bill Update:** The House Agriculture Committee approved Chairman Roberts' Freedom to Farm legislation (H.R. 8254) on January 30, and the bill is awaiting action in the Rules Committee. Chairman Roberts has indicated that he hopes to bring H.R. 2854 to the floor on February 28 and has requested a close rule for consideration of the farm bill. However, Republican members who were told they would be able to debate various titles, such as peanuts, sugar, dairy, and payment limitations, are strongly opposing efforts to limit debate on these provisions. Accordingly, the rule may allow amendments in those areas, as well as Democratic amendment, which would likely include the Administration supported Fund for Rural America.



Press Contacts with USDA: A draft General Accounting Office study and a news release put out by Senator Lugar accuses USDA employees of allowing prisoners to make collect long distance telephone calls and then charge it to the Department. USDA staff discovered the unauthorized telephone calls in 1994 and informed the Office of Inspector General, the General Services Administration, and telephone company authorities. Most of the calls were actually third-party calls that never involved USDA employees. USDA has asked the telephone company to block the unauthorized calls, since legally, they are not supposed to put them through. The telephone company is reimbursing the Department for all authorized calls.

- *Wall Street Journal* requested information on the U.S. tomato industry. The U.S. tomato industry has been concerned about imports of Mexican tomatoes.
- *ABC News* is researching salvage and Section 318 timber sales issues, and officials of several national forests in Oregon have been contacted.
- On February 25, *Turner Broadcast System's Network Earth* channel will air a story on Section 318 salvage timber sales in the Forest Service Southern and Pacific Northwest Regions and in other areas of the country.
- **Secretary's Schedule:** On March 1, the Secretary will be in Portland, Oregon, to address the Portland City Club and participate in Pacific Northwest timber related issues and a flood-related event.

DEPARTMENT OF ENERGY

- **Support for Comprehensive Test Ban Treaty and Non Proliferation Objectives:** On Wednesday Secretary O'Leary will announce the release of draft Environmental Impact Statements for Stockpile Stewardship and Management and for long-term storage and disposal of weapons-usable fissile material. This announcement represents real progress for the Administration in realizing the objectives of the Comprehensive Test Ban Treaty and Start II. The preferred alternative for stewardship proposes construction and operation of facilities at the Livermore National Laboratory in

Livermore, and the Los Alamos National Laboratory in Los Alamos. The Secretary expects significant media interest in this announcement because of the national non-proliferation policy ramifications and the regional employment impacts in the out years.



New Mission for the Nevada Test Site: Monday, Senator Bryan and Department officials announced a new mission for the Department's Nevada Test Site with the signing of contracts with three companies to develop facilities for solar energy at the site. The dramatic shift from its 40-year nuclear testing mission to the solar energy development will preserve jobs and push this important environmental technology forward.



Fuel Efficient Automobile Grant: On February 23, in Detroit, Secretary O'Leary announced an \$84.7 million grant (50 percent cost shared with industry) to develop a new generation of fuel efficient vehicles with Chrysler. The Secretary's message at this event, covered by all local network affiliates, was that this partnership is an example of this Administration's commitment to American workers, competitiveness for U.S. car makers, and environmental quality. The Department worked with the White House to include statements from you and the Vice President in the press release.

- **Florida Women's Conference:** Secretary O'Leary will give the keynote speech to Florida A&M University's First National Women's Conference on February 29. This forum of 1,000 women in science provides another opportunity to focus on the challenges to science and technology education.

ENVIRONMENTAL PROTECTION AGENCY

- **Connecticut Partnership:** On Saturday, Deputy Administrator Fred Hansen will join the Vice President, Secretary Cisneros and CT Governor Rowland at a signing ceremony in New Britain, CT. The Federal participants will sign a Memorandum of Understanding (MOU) with CT as part of an effort to assist the state in implementing a recently passed innovative state neighborhood revitalization zone law.
- **EPA Comments on Utility Deregulation Rule:** This week, EPA submitted comments on the Federal Energy Regulatory Commission's (FERC) draft environmental impact statement for its utility deregulation proposal. While EPA supports utility deregulation, believing it will result in increased efficiency and savings to consumers, the agency is also concerned that, as presently structured, it is likely to cause substantial increases in air pollution. These increases would work against current efforts under the Clean Air Act and the President's Climate Change Action Plan to reduce air pollution. EPA believes that practical options are available to FERC to modify its rule so that it can secure the benefits of competition without increasing pollution.

THE PRESIDENT HAS SEEN
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DEPARTMENT OF EDUCATION

- **State of American Education Address:** Secretary Riley will deliver the annual State of American Education address February 28 in St. Louis. Area Members of Congress are invited to attend and some 25 downlink sites are planned.
- **Education Summit:** On March 26 and 27, the Secretary will travel to Palisades, New York, for the National Governors' Association's Education Summit. The meeting of governors and business leaders will focus on how States can establish specific standards of achievement consistent with the National Education Goals and how technology can be better used in the classroom.

GENERAL SERVICES ADMINISTRATION

- **Missing Children:** Posting missing children notices to the 1700 Federal building sites has been made easier through the creation of a system that uses Electronic mail to distribute postings. GSA's Region 6 will pull all relevant notices off the Internet, verify them with the DOJ, and send them electronically to Federal Buildings where they can be printed and posted
- **Credit Card Interview:** GSA Chief Financial Officer Dennis Fischer did an on camera interview with NBC Dateline regarding government-wide use of the American Express Card. Dateline is in the process of doing interviews with Congressional members. Rep. Gekas put out a press release calling the Travel Card "plastic pork." Because of the one-sided coverage as the negotiator and manager of the Travel Card, GSA felt obligated to present the other side stressing the following points: No taxpayer liability, and greater savings to the Government. The air date is unknown at this time.

OFFICE OF PERSONNEL MANAGEMENT

- **Mail Order Prescriptions:** OPM was targeted in a full page ad placed by the National Association of Chain Drug Stores in the *Washington Post*, *Washington Times*, and *Roll Call*. The ad asked retired federal employees to call OPM, the White House, and Congressional Committees to object to a new feature of the Blue Cross/Blue Shield plan that requires retirees to fill prescriptions by mail order or incur financial liability. OPM approved the BC/BS proposal because it would save the program \$200 million this year and keep premiums from going up by \$60 per year for a single enrollee and \$150 for a family.
- **Buyouts Back to Work:** On Wednesday, February 21, Director King met with Rep. Frank Wolf (R-VA) to discuss the matter of former FAA employees who took buyouts and have returned to the agency under personal services contracts, a clear violation of the buyout agreement.

DEPARTMENT OF STATE

- **Wye Plantation Talks:** Israel and Syria will resume talks at Wye February 28, through March 6. While prospects for progress are limited in the run-up to the Israeli elections in late May, it remains important to sustain momentum in the peace process.
- **CTBT Strategy:** The State Department, along with other agencies, is pursuing a strategy for concluding and signing the Comprehensive Test Ban Treaty by the fall. The major obstacles are the Chinese and Indians, who for different reasons want to delay the treaty. The Russians are not interested in delay per se, but are displaying their assertiveness by opposing the U.S. on several issues. The State Department is using high-level diplomacy, including Secretary Christopher's Latin America trip this month, to persuade the non-aligned states not to support India's negotiating position.
- **Trip to Latin America and the Caribbean:** Secretary Christopher's trip to El Salvador, Chile, Argentina, Brazil, and Trinidad (February 25 through March 4) presents an opportunity to showcase Administration foreign policy themes and advance the Summit of the Americas agenda. The Secretary hopes to speak with them about our efforts to gain NAFTA parity for CBI countries. In Argentina and Brazil, he will sign nuclear and space cooperation agreements. In Brazil, Secretary Christopher will discuss the destruction of the rain forest.

DEPARTMENT OF DEFENSE

- **Bosnia:** To enforce compliance with the Dayton requirement to report all weapons within 10 kilometers of the Inter-Entity Boundary Line, the IFOR Ground Component issued an ultimatum on Tuesday, February 13: "report, move, or lose equipment so far undeclared by February 16." On Monday, February 19, IFOR assessed that there were no undeclared heavy weapons remaining within the 10 kilometer zone.
- **Jordan:** Planning proceeds smoothly for an Air Expeditionary Force (AEF) deployment to Jordan (April 12-June 28). Defense Department officials have briefed the Government of Saudi Arabia on the deployment and will inform the Government of Israel next week. King Hussein has strongly endorsed the AEF. He has expressed concerns lately about the increased Iraqi threat and asked if the AEF can remain until the arrival of Jordan's F-16s (20 months).
- **HIV Provision Repeal:** Senators Cohen and Kennedy are co-authors of proposed legislation which would repeal the HIV provision in the FY96 Defense Authorization Act. Currently, there are 37 co-sponsors and others are expected to sign on to the legislation in the coming days. Several senators have expressed reservations about co-sponsoring the legislation, but have expressed their support for the proposal. Similar legislation is being proposed in the House by Reps. Dellums, Torkildsen, and Harman.

As neither proposal has been officially offered, no timeline has been set for floor action.

- **Bosnia Travel:** The Department is finalizing a schedule for CODEL Callahan to travel to Bosnia on February 29. The CODEL is scheduled to visit Sarajevo, Tuzla, and Tazsar during the 5 day trip. It appears that Rep. Callahan will extend an invitation to Rep Dornan who has expressed a strong interest in going to Tuzla.

UNITED NATIONS

- **War Crimes Tribunal:** Thanks to your intervention, the Government of South Africa has agreed to extend the term of War Crimes Prosecutor Justice Richard Goldstone until the end of October. The Secretary-General is prepared to appoint Goldstone's replacement, Judith Arbour of Canada, in the next few days.
- **Bosnia Serb Sanctions:** Pending a report by IFOR Commander, U.S. Admiral Leighton Smith, on Bosnian Serb withdrawal behind the zones of separation demarcated in the Dayton agreement and a review of that report by both NATO and the Security Council, economic sanctions against the Bosnian Serbs could be lifted as early as next week.
- **Iraq:** Talks between the Iraqis and UN officials regarding the implementation of Security Council Resolution 986, allowing Baghdad to export oil in order to purchase humanitarian goods ended this week without an agreement.
- **Haiti:** The Russians and the Chinese are the two remaining obstacles standing in the way of the extension of the UN mandate in Haiti (UNMIH) which expires at the end of the month. The Chinese are still irritated at the Government of Haiti's overtures to Taiwan and the Russians are pushing for a significantly reduced force composed primarily of civilian police. The Canadians, who are contributing the bulk of the follow-on force, are adamant about maintaining a credible force.

CENTRAL INTELLIGENCE AGENCY

- **Creation of the Taiwan Strait Task Force:** On Tuesday, Director Deutch established an Intelligence Community Taiwan Strait Task Force at CIA headquarters. The Task Force will provide senior policymakers timely warning of any developments that might adversely affect US national security interests. It also will provide their field commanders with the latest assessments of the overall political and military situations.

UNITED STATES INFORMATION AGENCY

- **Freedom of the Press:** VOA's 54th anniversary will be celebrated by a week long tribute to international press freedom from February 24 - March 2. Throughout the week, many of VOA's 47 language services will air reports on various aspects of press freedom.
- **Northern Ireland:** USIS London continued to handle the fall-out from the end of the IRA ceasefire, complicated by two additional bomb incidents since the massive destruction at Canary Wharf ten days ago. Media focus has turned to Gerry Adams' US visa application, with some papers fishing for any hint of conflict between the US and UK governments on this issue. A media lunch for editors on February 20 allowed Ambassador Crowe to clearly underline that no decision had been taken on the visa application, and that the US focus is on supporting Irish and British efforts to find a way forward for the peace process. The IO was in Belfast immediately after the end of the ceasefire and found the gloom palpable. But interest in the US remains at an all-time high as a result of the President's visit, and the Post will continue with an active program calendar in Northern Ireland.

cc: The Vice President
Leon Panetta
Evelyn Lieberman
Harold Ickes
George Stephanopoulos
Alexis Herman
Carol Rasco
Maggie Williams
Michael McCurry
Doug Sosnik
Marcia Hale
Donald Baer
Ron Klain
Rahm Emanuel

2/26/96

THE WHITE HOUSE
WASHINGTON

96 FEB 23 17:38

FEBRUARY 23, 1996

MEMORANDUM FOR THE CHIEF OF STAFF

FROM: RAHM EMANUEL *R.E.*

SUBJECT: WEEKLY REPORT

WELFARE:

Next week the Senate Finance Committee holds hearings on the Governor's welfare legislation. Secretary Shalala is testifying on behalf of the Administration. Her testimony will be the most detailed statement by the Administration on the proposal. This weekend, Bruce and I are reviewing her remarks.

Today we are holding a meeting between HHS and White House legislative affairs to discuss strategy. The key is making sure that the Senate Republicans share our view of what amendments need to be made to the Governor's proposal.

* Robert Pear from the New York Times is working on a story comparing what the Administration has accomplished on welfare vs. a reformed block grant approach. The difference, confirmed by Senator Moynihan, is the time limit provision. This should be a favorable story.

IMMIGRATION:

To be honest, I think we are pretty well positioned for this battle. Our actions over the last two and a half months have provided the Administration with an affirmative argument and a solid record that allows us greater latitude on this issue. When it comes to the border, the Republicans are playing catch-up with us. We have a simple answer to this: we are doing something after years of neglect on this issue.

The strategy now is to move the whole debate to the workplace. It is in this arena that the Republicans are most uneasy. The symbol of their hypocrisy on illegal immigration is the guest worker program. During the upcoming legislative battle we want to make this a target of our criticism.

In addition to the guest worker program, we must address the worker reform portion of the legal immigration bill. To focus the debate on the workplace we have prepared an op-ed by Doris Meissner for the Post on the Administration's record on worksite enforcement and on the shortfall of GOP efforts. We are also talking about the President doing an immigration

I'm worried about Fam. Reunification portion of legal immigration bill

event in Los Angeles on his next visit. This would be an announcement on the workplace.

This morning, Congressmen Lamar Smith called Doris indicating his desire to fashion legislation for the President's signature. We may now be in a stronger position than we were at the beginning of the legislative year.

This morning we sent Doris up to New York to announce an indictment of Chinese gangs who traffick in illegal immigrants. This should be a big announcement. These are just the type of enforcement actions we want her to be initiating.

CRIME:

General McCaffrey's hearing is scheduled for Tuesday. The President is meeting with him on Monday in the Oval Office. The event will be open to the pool. On Tuesday, the Vice President is hosting an open office for the General on the Hill for Senators to come by and visit with him.

We are working on Senator Warner and Nunn to introduce the General. I have reviewed his opening statement and made suggestions, which I believe they will integrate into the text. The President should stress the importance of McCaffrey defending our record on drugs and the President personally.

I have been working with two Wall Street Journal reporters on their story concerning the President and narcotics. The storyline will be that the Administration was lax in its first two years and began to pay attention to the drug issue only about a year ago.

The criticism has been around the bully pulpit, no policy focus, teen use, etc. I have answered the criticism head on. On bully pulpit, I noted that no other President has ever introduced a nominee in the state of the union and if drugs are such a critical issue how come the GOP Contract with America never mentions the word drugs and how come Senator Dole's response to the President's SOTU never mentioned the word drugs.

*Let Mrs. Bush
supervise
again*

The most difficult question is their knowledge of a memo to the President from Louis Freeh and Tom Constatine calling the President's drug strategy a failure. I responded that it was more a criticism of Lee Brown and that if you compare George Bush's second nominee and President Clinton's second nominee, made around the same time in the Bush Administration, you will see who made a better decision.

I have worked all week on the School Uniform announcement. It has already run on NPR this morning and will run on ABC Friday night. This should only ensure coverage on the weekend by the other networks.

I have worked out the announcement for the White House Leadership Conference on Youth, Violence, and Drugs. The President will announce the \$33 million campaign by the pharmaceutical companies against drug use and the \$12 million for drug courts.

I have drafted a letter from the Chief of Staff to the Speaker calling on the Congress

to finish the anti-terrorism legislation before the Oklahoma City bombing anniversary, April 19. I want to make sure we get credit for prodding Congress into action.

I have attached a series of initiatives I am working with Justice concerning the President's anti-crime efforts. This should provide an overview of my activities.

TRADE:

I think the trade debate raging in the Republican field can provide the Administration a unique opportunity if we play it right. First, we cannot run away from our record. Second, the elite support our record. Third, the best thing to do politically is to do the anti-political thing.

We should use our trade policy to stand firm noting it might be unpopular but it is right for America. The elite will love us for standing up for what is right. We must also stress that we are not going to give back the jobs we won fair and square through a tough, fair trade negotiations. We are not sending these jobs back overseas. More importantly, the trade policy should focus on Japan since that is where we have had the most success.

Seagly

THE WHITE HOUSE
WASHINGTON, D.C. 20500

DATE: 2-26

TO: *Leon*
Harold
George

FROM: Staff Secretary

Any comment on this?
Largely a Hollywood list.

Indef

152413

THE WHITE HOUSE
WASHINGTON

96 FEB 23 P12 : 09

February 22, 1996

MEMORANDUM FOR THE PRESIDENT

From: Alexis Herman

Subj: Screening of "Once Upon A Time....When We Were Colored"

Per your discussion with Bob Johnson at the fundraiser for Carol Moseley-Braun, attached is a list of suggested attendees for the White House screening of Bob's film "Once Upon A Time....When We Were Colored." I am assuming that you still want me to proceed with scheduling an informal screening in the White House theater. As we discussed, there are clear benefits to inviting a combination of athletes and entertainers who have never had this kind of evening at the White House before.

_____ Proceed with scheduling

_____ Hold

cc: Harold Ickes

Leon
c/o Bonnie & Clyde, Inc.
816 Broadway, 4th Floor
New York, New York 10003

Dr. Maya Angelou
Wake Forest University
2710 Reynolds Road
M.B. 9, Suite 1
Winston-Salem, North Carolina 27106

Mr. Clarence Avant
1140 Mayter Place
Beverly Hills, CA 90069

Ms. Angela Bassett
c/o Krost-Chapin Management
9911 West Pico Boulevard
Los Angeles, CA 90035-2718

Mr. Lavar Burton
c/o Howard Brandy
755 North La Cienega Boulevard
Los Angeles, CA 90064

Mr. Reuben Cannon
Reuben Cannon & Associates
1640 South Sepulveda
Los Angeles, CA 90025

Ms. Suzanne DePasse
President
DePasse Entertainment
5750 Wilshire Boulevard, Suite 640
Los Angeles, CA 90036

Mr. Charles Dutton
Roc Productions
1040 North Las Palmas
Bungalow E
Hollywood, CA 90038

Mr. Morgan Freeman
William Morris Agency
151 El Camino Drive
Beverly Hills, CA 90212

Mr. Danny Glover
Carrie Productions
41 Sutter Street, Suite 1648
San Francisco, CA 94104

Ms. Whoopi Goldberg
c/o Bragman, Nyman & Cafarrelli
9171 Wilshire Boulevard, Penthouse Suite
Beverly Hills, CA 90038

Ms. Oprah Winfrey
Harpo Productions, Inc.
110 North Carpenter Street
Chicago, IL 60607

Mr. Quincy Jones
1100 Bel Air Place
Los Angeles, CA 90077

Mr. Spike Lee
Forty Acres and a Mule
124 DeKalb Avenue
Brooklyn, New York 11217

Mr. Butch Lewis
Butch Lewis Productions
250 West 57th Street, Suite 311
New York, New York 10036

Mr. & Mrs. Norm Nixon
607 Marguerita
Santa Monica, CA 90402

Ms. Phylicia Rashad
25 Magnolia Avenue
Mt. Vernon, New York 10553

Mr. John Singleton
President
New Deal Productions
10202 West Washington Boulevard
Culver City, CA 90232

Mr. Mario Van Peebles
3208 Cahuenga Boulevard, West
P.O. Box 130
Los Angeles, CA 90068

Ms. Cicely Tyson
315 West 70th Street
New York, New York 10023

Mr. Denzel Washington
c/o Sandy Rice
955 South Carrillo, Suite 200
Los Angeles, CA 90048

Ms. Alfre Woodard
c/o Block-Korenbot
8271 Melrose Avenue, Suite 115
Los Angeles, CA 90046

Mr. & Mrs. Tim Reid
United Image Entertainment
11990 San Vicente Boulevard, Suite 340
Los Angeles, CA 90020

Mr. Lem Daniels
c/o Merrill Lynch
2121 Avenue of the Stars, Suite 100
Century City, CA 90067

Mr. Andre Harrell
President & CEO
Uptown Entertainment
729 Seventh Avenue, 12th Floor
New York, New York 10019

Mr. George Jackson
Jackson/McHenry Entertainment
2425 Olympic Boulevard, 6th Floor
Santa Monica, CA 90404

Sinbad
c/o Mark Atkins
3151 Cahuenga Boulevard West, Suite 315
Los Angeles, CA 90068

Mr. Robert Townsend
Tinsel Townsend
8033 Sunset Boulevard, Suite 890
Los Angeles, CA 90046

Mr. Will Smith
c/o Danita Patterson
NBC Studios
3000 Alameda, #2709
Burbank, CA 91523

Mr. Al Freeman, Jr.
Chairman
Department of Theatre Arts
College of Fine Arts
Howard University
Washington, D.C. 20059

Ms. Julie Dash
137 North Larchmont, Suite 244
Los Angeles, CA 90036

Mr. Carl Franklin
c/o Concord Horizons
600 South Main Street
Venice, CA 90291

Mr. Brad Johnson
c/o Georgia's Restaurant
7250 Melrose Avenue
Los Angeles, CA 90046

Forrest Whittaker
132 South Rodeo Drive, Suite 300
Beverly Hills, CA 90212

SPORTS

Hank Aaron

Ralph Boston, Olympic Decathlon

Daryl Green, Washington Redskins

Flo Joyner

Dion Sanders, Dallas Cowboys

John Thompson, Georgetown Hoyas

Chris Webber, Washington Bullets

2123/96

This was delivered to our office -
Send to Log Affairs?

Yes

No

cc: NSC ?

NSC

ARLEN SPECTER, PENNSYLVANIA, CHAIRMAN

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CHARLES S. ROBB, VIRGINIA

United States Senate

SELECT COMMITTEE ON INTELLIGENCE

WASHINGTON, DC 20510-6475

96 FEB 23 P 1: 59

February 22, 1996

ROBERT DOLE, KANSAS, EX OFFICIO
THOMAS A. DASCHLE, SOUTH DAKOTA, EX OFFICIO

CHARLES BATTAGLIA, STAFF DIRECTOR
CHRISTOPHER C. STRAUB, MINORITY STAFF DIRECTOR
KATHLEEN P. MCGHEE, CHIEF CLERK

SSCI #96-0723A

The President
The White House
Washington, D.C. 20503

Dear Mr. President:

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We have learned that various government agencies, including the Central Intelligence Agency, and the Departments of Defense (NSA/DIA/OSD/Sp Ops, etc.), State, and Justice, have obtained information about these murders and the ensuing events. We have since been advised by the Department of State that it does not have the authority to conduct a government-wide review.

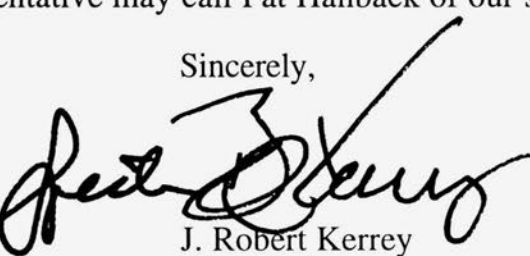
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We have also advised Secretaries Christopher and Perry, Attorney General Reno, and Director Deutch of this request.

Thank you for your consideration of our request. If additional information is required, your representative may call Pat Hanback of our staff on 202-224-1700.

Sincerely,


Arlen Specter
Chairman


J. Robert Kerrey
Vice Chairman


Richard Shelby
Committee Member

Attachments

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CHARLES BATTAGLIA, STAFF DIRECTOR
CHRISTOPHER C. STRAUB, MINORITY STAFF DIRECTOR
KATHLEEN P. MCGHEE, CHIEF CLERK

November 30, 1995

SSCI #95-4492

The Honorable Warren M. Christopher
Secretary of State
Department of State
2201 C Street, N.W.
Washington, D.C. 20520

Dear Mr. Secretary:

On June 19, 1985, a group of terrorists targeted and murdered four U.S. Marines and two American businessmen in a restaurant in the "Zona Rosa" district of San Salvador. At the funeral for the Marines, President Reagan vowed to use this nation's forces to bring justice to those involved.

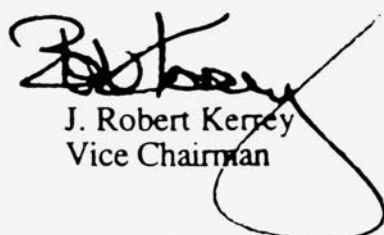
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On October 12, 1995, top officials from the Central Intelligence Agency, and the Departments of State and Justice responded to questions by the Committee about the "Zona Rosa" incident and its aftermath. The Committee's preliminary review of available data indicates that the U.S. Government not only knew of but also assisted in the entry into the United States of at least one of the masterminds behind the murders -- for what have only thus far been described as "humanitarian" reasons.

Therefore, we ask that you direct your inspector general to conduct a government-wide review of this case in order to: (1) determine the facts; (2) determine if any government wrongdoing occurred; and (3) determine if the prosecution or deportation of either or both of these individuals is appropriate.

Sincerely,


Arlen Specter
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J. Robert Kerrey
Vice Chairman


Richard Shelby
Committee Member

cc: The Honorable John M. Deutch, Director of Central Intelligence
The Honorable Janet Reno, Attorney General, Department of Justice
The Honorable William J. Perry, Secretary of Defense

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United States Senate

SELECT COMMITTEE ON INTELLIGENCE

WASHINGTON, DC 20510-8475

February 22, 1996

SSCI #96-0723A

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THOMAS A. DASCHLE, SOUTH DAKOTA, EX OFFICIO

CHARLES BATTAGLIA, STAFF DIRECTOR
CHRISTOPHER C. STRAUB, MINORITY STAFF DIRECTOR
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The White House
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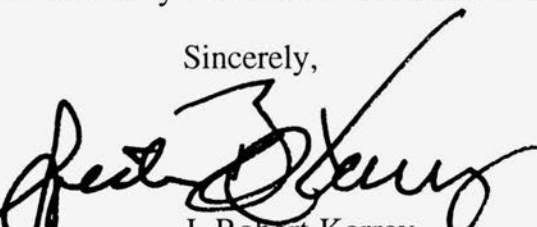
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SELECT COMMITTEE ON INTELLIGENCE
WASHINGTON, DC 20510-8475

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CHRISTOPHER C. STRAUB, MINORITY STAFF DIRECTOR
KATHLEEN P. MCGHEE, CHIEF CLERK

November 30, 1995

SSCI #95-4492

The Honorable Warren M. Christopher
Secretary of State
Department of State
2201 C Street, N.W.
Washington, D.C. 20520

Dear Mr. Secretary:

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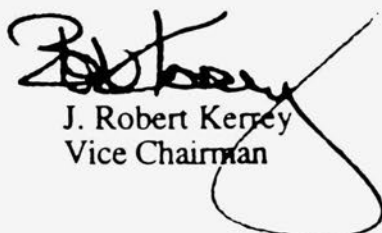
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cc: The Honorable John M. Deutch, Director of Central Intelligence
The Honorable Janet Reno, Attorney General, Department of Justice
The Honorable William J. Perry, Secretary of Defense

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United States Senate

SELECT COMMITTEE ON INTELLIGENCE

WASHINGTON, DC 20510-6475

February 22, 1996

96 FEB 23 P2:00

SSCI #96-0723A

The President
The White House
Washington, D.C. 20503

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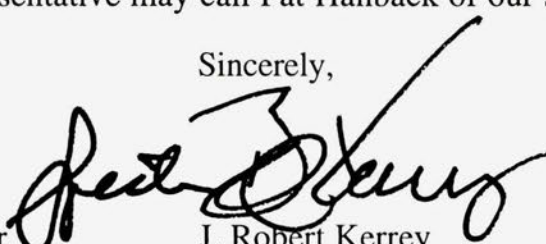
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November 30, 1995

SSCI #95-4492

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Department of State
2201 C Street, N.W.
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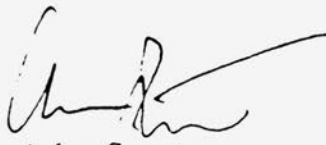
On June 19, 1985, a group of terrorists targeted and murdered four U.S. Marines and two American businessmen in a restaurant in the "Zona Rosa" district of San Salvador. At the funeral for the Marines, President Reagan vowed to use this nation's forces to bring justice to those involved.

This Committee has recently investigated the extent of U.S. Government attempts to identify and prosecute those involved in the killing, including allegations that instead of prosecution, the United States later materially supported some of the perpetrators, possibly in an attempt to glean intelligence from them. Two of the masterminds of this terrorist act are living unimpeded here today.

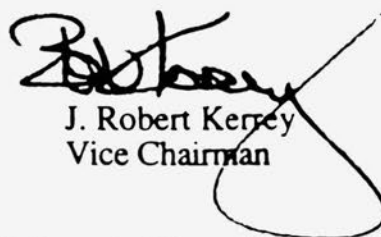
On October 12, 1995, top officials from the Central Intelligence Agency, and the Departments of State and Justice responded to questions by the Committee about the "Zona Rosa" incident and its aftermath. The Committee's preliminary review of available data indicates that the U.S. Government not only knew of but also assisted in the entry into the United States of at least one of the masterminds behind the murders -- for what have only thus far been described as "humanitarian" reasons.

Therefore, we ask that you direct your inspector general to conduct a government-wide review of this case in order to: (1) determine the facts; (2) determine if any government wrongdoing occurred; and (3) determine if the prosecution or deportation of either or both of these individuals is appropriate.

Sincerely,



Arlen Specter
Chairman



J. Robert Kerrey
Vice Chairman



Richard Shelby
Committee Member

cc: The Honorable John M. Deutch, Director of Central Intelligence
The Honorable Janet Reno, Attorney General, Department of Justice
The Honorable William J. Perry, Secretary of Defense