

Foundry United Methodist Church

J. Philip Wogaman
Senior Minister

April 4, 1996

President Bill Clinton
The White House
FAX 395-4198

Dear Mr. President:

I sent you a note earlier today to say how deeply moved I have been by your having to face yet another tragic personal loss. Let me add to it that I am of course available to visit with you, at the White House or by telephone, if that would be helpful. My telephone number at the church is 332-4010, and my home telephone is 202/363-3093.

You may not know that young Adam Darling, also on the plane, has been a member of Foundry Church since January, 1995. You've been in the same services many times since then. I expect to go to California for his funeral next week and then to have a memorial service for him here a few days later. This Sunday, Easter, we will observe a special moment in the service for him and Secretary Brown and the others.

These moments make us especially aware of the ultimate burdens you must bear, and you do it with rare sensitivity and competence.

Grace and peace,

Phil



ESTABLISHED IN 1814

1500 16th Street, N.W., Washington, D.C. 20036 (202) 332-4010

*cc: Stephanie / Anne
Pres. Said he
wanted to go to
the Darling service
here in D.C. -
NH*

4.4.96

96 MAR 30 11:36

THE WHITE HOUSE
WASHINGTON

March 29, 1996

MEMORANDUM TO THE PRESIDENT

FROM: Laura Tyson

SUBJECT: Memo from Secretary Reich

In the attached memo, Secretary Reich suggests several possible changes that might affect the behavior of American companies toward their workers.

The Secretary does not note that there is already an NEC process underway to examine some of these policies -- including a possible increase in unemployment insurance premiums and the extension of Section 127, the employer tuition deduction. Several other cabinet members -- or their designees -- are involved in that NEC process and I believe that it is important for their views to be represented to you before decisions or public statements are made.

As to the ideas mentioned, there are mixed views, but certainly some support for considering the Section 127 extension -- although there is a concern about the cost and the fact that it is only one of several extensions, including the R & D tax credit, that we have proposed without financing. We are currently planning to send you a pro/con memo on some of these proposals, including the unemployment insurance premium proposal and Section 127, within the next week.

Secretary Reich's proposals also include policies, such as a transfer fee on shares of stock and additional capital gains tax relief, that are opposed by the Secretary of the Treasury and others on your economic team.

Finally, none of the Secretary's proposals have been analyzed to determine their effectiveness or unintended consequences. For example, would capital gains tax relief for long-term investments encourage more investment in workers or more investment in capital at the expense of workers? Would even more preferential tax treatment for ESOPs result in more or less employment over time? (There is some evidence that, all other things equal, worker-controlled firms tend to hire fewer workers so as not to dilute share ownership or decision-making across larger numbers of workers). These are all important questions that need serious consideration for you to make an informed decision.

Handwritten notes:
 96 MAR 30 11:36
 I think tuition deduction should be extended + (roadmap) I think employer ownership should be encouraged as a way of getting employees get better wages than their policy -
 Main gain -
 Dilute share ownership -
 Problem with way -

Handwritten:
 Copy
 Gene
 SP.

On a more general note, as I have already told you, there is considerable disagreement among your economic advisers about the advisability of using targeted tax relief to encourage responsible "corporate citizenship." Therefore, to the extent that you are interested in the pursuit of the proposals suggested by Secretary Reich, please let me know as soon as possible, so I can arrange a speedy and complete policy review.

MEMORANDUM TO THE PRESIDENT

Date: March 26, 1996

RE: Corporate responsibility

Sec Reich Memo
re Corporate
Responsibility

General themes:

-- We have a three-pronged approach to raising wages and providing more employment security: (1) giving people the tools to succeed in the new economy through education and job-training; (2) making work pay through an expanded EITC and higher minimum wage; and (3) easing the transition from job to job through portable health benefits, portable pensions, and training vouchers.

-- But all segments of society have a responsibility to help our people help themselves. There is a limit to what the public sector can do alone. The private sector has a responsibility as well.

-- Some corporations are taking the high road toward competitiveness. They adhere to five "elements" which treat workers as key assets. [You enumerated them last Saturday.] In the long term, this helps their bottom line. We want more companies to follow their example.

To the extent that you want to go further than this -- to "create a climate in which it would be easier" for business to be responsible, as you said last weekend -- you might consider three approaches:

1. Encouraging long-term versus short-term business strategy. Much evidence suggests that corporate decisions are biased in favor of short-term profit maximization. But most of the payoffs from investments in worker skills, participation, pension and health care benefits, family-friendly workplaces, and communities (as well as decisions to downsize more gradually and humanely) accrue over the long term. How, then, to remove the short-term bias? Some possibilities:

- Give longer-term shareholders more proxy voting rights (differentiating between holders of, say, less than a week, holders of a week to a year, and holders of a year or more);
- Give longer-term shareholders lower capital-gains taxes;
- In order to reduce short-term speculation, impose a tiny transfer fee on shares of stock;

2. Encouraging stakeholder ownership. A second way to get companies to be more responsive to the needs of employees and communities is to give them a direct stake in the company's success. Examples:

- Reduce (or eliminate) corporate income taxes on companies that are owned and controlled by employees.
- Increase the tax benefits of Employee Stock Option Plans;
- Provide ESOP employees with direct proxy voting rights;
- Encourage communities that give companies tax abatements (in order to induce the companies to come or to remain) to receive, in return, shares of stock in the companies.

3. Providing direct economic incentives. A third way is to provide companies with direct economic incentives for investing in their employees (and disincentives for laying them off). Examples:

- Increase unemployment insurance premiums on profitable companies that engage in mass layoffs, and use the extra revenues to reduce premiums on other firms. (See attachment).
- *Extend and broaden* < Extend employer tuition deduction. Under Sect. 127 of the Internal Revenue Code, firms can deduct up to \$5250 of employee tuition and provide it tax free. This provision was not extended after 1995.
- Create a "super Section 127" tax credit for small businesses that provide employees tuition assistance. (Small businesses often can't afford tuition assistance, even under Section 127.)

If you want to explore any of these ideas more fully, check them and I'll put detailed proposals through the NEC process.

THE UNEMPLOYMENT INSURANCE SYSTEM AND LAYOFFS BY PROFITABLE FIRMS

SUMMARY AND RECOMMENDATION

The Unemployment Insurance (UI) system is designed to assign a portion of the cost of UI benefits to the businesses responsible for layoffs by using an experience-rated state tax system. This memorandum proposes legislation to *better* allocate the costs of UI benefits to profitable businesses responsible for layoffs by increasing the degree of experience rating in the UI system.

The legislation would impose a surcharge on the state UI tax of profitable firms engaging in mass layoffs. Revenue increases generated by the surcharge would allow for a decrease in state UI taxes for other firms. The proposal specifically targets only profitable firms by allowing unprofitable or low profit businesses to appeal for full or partial exemption from the surcharge. It is designed to be revenue neutral over time within the UI system.

BACKGROUND

A. Layoffs Shift Costs to Workers

Many of the people who have lost their jobs in recent years end up in new jobs with lower wages, fewer benefits, and less security.

- About a third of full time workers who lose their jobs and find new full time jobs take a pay cut of 20 percent or more. A recent study indicates that even six or more years later, earnings are still about 9 percent lower, even after controlling for normal life-cycle wage growth that occurs for all workers over time.
- Conditional on the unemployment rate, the share of unemployment attributable to permanent dismissals has increased steadily and significantly from 1968-1993. Some of these permanent layoffs have involved highly profitable employers.
- The likelihood of health insurance coverage drops by about 20 percentage points following a job separation. Health care costs may be shifted to the individual, subsidized by government, or, in the case of uncompensated care, fall on society as a whole.

While taxes on businesses finance the benefits that workers receive while they are unemployed, many of the costs of layoffs are borne by unemployed workers and society. The individual worker, for example, pays in loss of income and the costs of searching for a new job. Government and therefore all American taxpayers pay for income support programs and re-employment services for unemployed workers.

A variety of public policies have been put in place over the years to balance corporate priorities and the needs of workers and society. The UI system, particularly the experience-rated state tax, is structured to create such a balance.

B. Experience Rating Assigns the Costs of UI Benefits Imperfectly

Unemployment Insurance benefits are financed by state taxes on businesses. The tax paid by an employer is determined, at least in part, by its experience with layoffs or, more specifically, the unemployment benefits collected by employees it has laid off. This state experience rating system is based on legislative requirements in the Federal Unemployment Tax Act. Currently, states must have a maximum tax rate of at least 5.4. Maximum state tax rates range from 5.4 percent up to 10 percent.

Under an experience-rated tax system, an employer with a history of few layoffs receives a relatively low tax rate. If layoffs increase, the employer's tax rate in future years increases. Experience-rated taxes force employers to bear a portion of the costs of layoffs. Since employers have some control over job turnover, it may encourage them to stabilize employment because higher layoffs are associated with higher UI taxes.

A large body of research by both liberal and conservative economists indicates that increasing the level of experience rating in the UI system improves the allocation of costs and may reduce layoffs. In addition, increasing the level of experience rating may limit employers' ability to pass on the burden of UI taxes to their workers in the form of lower wages or fewer benefits, or to consumers in the form of higher prices. Recent research indicates that firms are able to shift a flat tax (for example, the maximum tax rate), but that they are much less able to shift the portion of its taxes that are experience-rated.¹

State UI tax systems are, however, only partially experience-rated. Employers do not repay the full cost of the layoffs that they generate. For example, firms at a state's maximum tax rate do not face any additional tax burden when they lay off additional workers. The cost of UI benefits for additional layoffs are shifted to the firms at lower tax rates.

PROPOSAL

Offer a Legislative Proposal to Impose a Mass Layoff Surcharge on Profitable Firms Engaging in Mass Layoffs

The Administration could develop a legislative proposal to impose a surcharge on state UI taxes of profitable firms engaging in mass layoffs. Revenue generated by the surcharge would be offset by decreases in the state UI tax rate for all other businesses. The revenues from the surcharge would flow into state UI accounts, which are used to pay UI benefits. Thus, firms that are creating unemployment will be required to bear a greater portion of the financial burden of UI benefits.

The legislation would also require states to allow firms that are not profitable (or that have low profits) to appeal for an exemption or a reduced surcharge.

¹ For example, if competing firms face different tax costs, based on their layoff experiences, firms with higher taxes that pass on the full cost of their taxes by increasing prices (or lowering wages) will put themselves at a competitive disadvantage. See Anderson, Patricia and Bruce Meyer, 1994. *"The Incidence of the Unemployment Insurance Payroll Tax,"* prepared for the Advisory Council on Unemployment Compensation.

Pros: Revenue neutrality would be maintained over time within the UI system. Increased revenues generated by the surcharge will result in a shift to a lower state tax schedule in subsequent years. Consequently, taxes will decrease for firms that do not face the surcharge.

In addition, this proposal avoids placing additional burdens on financially troubled businesses by relieving those with high layoffs from all or part of the surcharge. It does, however, effectively target profitable firms which engage in large mass layoffs.

Cons: This proposal defines a new federal requirement in an area where the federal government provides guidance but the states traditionally have had broad discretion.

Mark C. Shields, M.D.

637 Clarendon Lane
Aurora, Illinois 60504

March 29, 1996

96 APR 4 P4:48

*more for
info*

President William Clinton
Hillary Rodham Clinton
White House
1600 Pennsylvania Ave.
Washington, D.C. 20500-2000

Dear President Clinton and Hillary:

I am optimistic about the fall elections, especially in Illinois. Al Salvi's win in the Republican primary should help the President and Representative Durbin portray the Republicans as out of step and trying to undermine basic programs and social commitments.

* I encourage both of you to push hard for some marginal health care reforms this year. Passage of some health legislation could help enhance the President's position as a leader who overcomes the Washington gridlock. The President mentioned these reforms in his State of the Union address and these reforms can be some relief for citizens struggling to obtain or retain health insurance coverage. The Kassenbaum-Kennedy bill has the greatest potential. Apparently the House Republicans have loaded many other provisions onto their current health reform proposal which will make passage less likely. However, at least one of these provisions could be grounds for bipartisan support. That provision is proposed by Representative Fawell and would allow small businesses through national buying groups to move under the umbrella of ERISA and thus avoid individual state mandates. This proposal has gained considerable support from health providers and the press, including the Chicago Tribune.

Regardless of how this plays out, Congressman Hastert will be a key figure in the House Republican health policy debate. The medical group of which I am medical director is a major provider in his district, provides care for his family, and has long-standing political ties to him. If I can be helpful as this year's health legislation unfolds, please let me know.

I hope to see both of you during the Illinois campaign. Nikki sends her best.

Yours sincerely,

Mark
Mark C. Shields, M.D., M.B.A.

4/4

from OVAI

TO Dorskind for
Reply?

*original
sent to
Dorskind*

☒ yes

☐ no

4.4.96

GS - new to get back home
increased for

NOTEBOOK

Boz

WHEN LESS IS NOT MORE

Laying off 3 million workers was supposed to improve productivity...

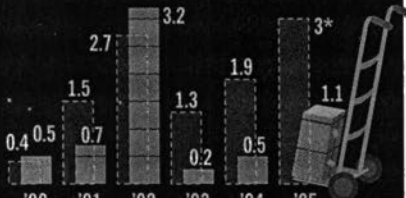
LAYOFFS IN THOUSANDS



...but a revised government study says the engine of commerce isn't picking up much speed.

ANNUAL NONFARM PRODUCTIVITY GROWTH (%)

Previous Revised



When last spotted, productivity was rising robustly compared with the anemic 1% increase typical of the past two decades. But in February, the Bureau of Labor Statistics announced a revision based on a new methodology—with worse results. The figures are hotly disputed. "It's a scandalous revision," says Stephen Roach, Morgan Stanley's chief economist, who believes that big gains have been made. The BLS is sticking to its numbers. To layoff victims, the numbers may never add up.

*Estimate Source: Challenger Gray & Christmas TIME Graphic by Steve Hart

Washington: Pig Heaven

No matter how many diatribes echo through the halls of Congress, lawmakers continue to lard the folks back home with old-fashioned, mouth-watering pork. In their just published Pig Book, the group Citizens Against Government Waste ferrets out \$19.5 billion of fat in 1996 government spending. A few choice cuts, which we have graded by oinks (out of five) for piggishness:

BENEFACTOR

OINK-O-METER

MORSELS



Senator THAD COCHRAN
Republican, Mississippi
• Chairman of the Appropriations Agriculture Subcommittee



Nearly \$10 million for Mississippi-based projects, including \$3 million for the National Food Service Management Institute, \$1.9 million for the National Center for Warmwater Aquaculture and \$1.6 million for the Center for Water and Wetland Resources at the University of Mississippi, the chairman's alma mater



Rep. THOMAS FOGLIETTA
Democrat, Pennsylvania
• Member of the House Appropriations Military Construction Subcommittee



\$6 million to renovate a foundry at the soon to be closed Philadelphia Naval Shipyard, which lies in the Congressman's district



Senator ROBERT DOLE
Republican, Kansas
• Senate Majority Leader



\$33 million for military construction projects, including \$7 million for barracks renewal at Fort Riley, in the state of the presumptive G.O.P. presidential nominee



Senator CONRAD BURNS
Republican, Montana
• Chairman of the Appropriations Military Construction Subcommittee



\$21 million in military construction projects in the Senator's home state, including \$681,000 for new latrines at Fort Harrison



Rep. MARCY KAPTUR
Democrat, Ohio
• Member of the Appropriations Agriculture Subcommittee



\$246,000 for an "income-enhancement demonstration" in Kaptur's district. The Agriculture Department refused to fund the program, informing Congress that its prime beneficiary was the Toledo farmers' market

THE GOOD NEWS

✓ Preliminary reports suggest Advil, Motrin and Nuprin—all pain relievers containing ibuprofen—may reduce the risk of developing **ALZHEIMER'S DISEASE** 30% to 60%. The drugs may help fight off excessive deposits of certain proteins in the brain linked to the disease. Aspirin and acetaminophen do not seem to have the same effect.

✓ The catastrophic brain damage that can occur with a **STROKE** may be prevented with a powerful new medication called citicoline. In a study, citicoline appeared to help injured membranes repair themselves.

✓ A major five-year study concludes that people who have had a heart attack may reduce their risk of dying from heart disease or suffering another attack if they go on **CHOLESTEROL-LOWERING DRUGS**—even if their cholesterol levels are normal.

HEALTH



REPORT

THE BAD NEWS

✓ Young adults are boozing it up: 1 in 5 surveyed admitted to **BINGE DRINKING**; 1 in 5 also owned up to occasionally driving while drunk.

✓ Drunk driving—and liver disease—should be enough to deter people from alcohol. Research on rats indicates that even one binge may raise the risk that undiagnosed cancer cells will spread. Rats injected with **ALCOHOL AND CANCER** cells grew more tumors than abstemious ones.

✓ Owing mostly to mammography, the number of women diagnosed with tiny, noninvasive tumors in the breast's milk duct has quadrupled since 1983. As many of these tumors never spread dangerously beyond the duct, researchers are concerned that women who opt for a **MASTECTOMY** may be undergoing unnecessarily radical surgery.

Sources—GOOD NEWS: American Academy of Neurology conference; American Academy of Neurology conference; American College of Cardiology conference
BAD NEWS: Journal of the American Medical Association; Nature Medicine; Journal of the American Medical Association

THE PRESIDENT HAS SEEN

4/4/96



CHIEF OF STAFF TO THE PRESIDENT

TO THE PRESIDENT —

96 MAR 26 PM 3:36

My F - your point!

CS - Fegh, both sides

Re

CAPITAL GAINS

POLITICS: FABLE VS. FACT

The federal budget would be in surplus if it weren't for the interest owed on past debt

BY JANE BRYANT QUINN

I AM DRAWN TO POLITICAL SPEECHES, LIKE A FLY TO A WEB. They give you so many facts that you don't get anywhere else. No surprises in that; good pols shape truth to meet their needs. As Stanford University economist Paul Krugman delicately puts it, "In troubled times, politicians need something that is better than the truth." They need fables that voters can use to try to make sense of their world.

Grimm tales: Lately, the Republican fable has carried the day. What's stunting incomes and economic growth, it says, is big government, deficits and excessive taxation. Get rid of those things and the economy will fly. The Democrats' fable is mushier. To grow faster, it says, we have to invest in education and high-value industries, so we can compete in the world.

Both of these views sound true enough to be plausible, but there's no proof that either approach will get wages up. You'll need to move past ideology to make good economic choices for yourself. Here are some counter-facts to the fables you're going to hear:

■ Honey, we shrunk the government (at least some of it). Since 1970, defense spending has dropped by half, when figured as a percentage of gross domestic product (GDP tots up national output). Spending caps, enacted in 1990 and 1993, have squelched the growth of discretionary programs. The federal payroll peaked in 1990, then tumbled by 8.5 percent—with civilian defense workers accounting for most of the cuts.

Offsetting these savings, payments to individuals have been shooting up. That's the real big government. Transfers of cash account for two thirds of federal outlays; money collected from working people and paid, in the main, to bondholders, Medicare patients and social-security beneficiaries (Aid to Families With Dependent Children came to just 1.1 percent of outlays). The size of government has held to a steady 21 to 23 percent of GDP. But absent cutbacks in popular programs, that share will balloon—robbing the private economy of resources that it needs to grow.

Nothing stops the expansion of state and local governments. Payrolls are up 8 percent since 1990 and 23 percent since 1980. They'll mushroom if federal welfare programs go to the states. ■ Here's a surprise: the federal budget would be in surplus if it weren't for that pesky debt. Last year the government had to pay bondholders \$232 billion in interest. Absent that, tax collections would have more than covered all of the government's programs. (This kind of surplus—call it an "operating surplus"—has occurred only five other times since 1970. Each time, the country was in a recession or near one (for investors, that's a cautionary note).

Overall, the deficit shrank last year to 2.3 percent of GDP, down from a Reagan-era peak of 6.3 percent. You have to go back to 1979 to find another deficit that low.



Ironically, the deficit hawks picked up some ground when the president and Congress blew the budget deal. That scotched an early tax cut (a money loser for the Feds) and left many programs funded at especially low levels. The political standoff has turned fiscal policy tighter, says Tim Taylor, editor of the *Journal of Economic Perspectives* in Minneapolis.

■ When government bashers yell about "bigness," they may mean intrusiveness rather than size. The public has wanted, and Congress passed, a slew of laws improving our quality of life: clean air and water, food labeling, workplace safety. Some of the enabling regs, however, are stupid, rigid and expensive. So you have to decide what you intend when you cheer a pol who wants the government off our backs. Fewer health-and-safety laws? Or just regulatory common sense?

■ Reported inflation is running at 2.7 percent. Normal fluctuations aside, it's almost certain that low inflation and interest rates are here to stay. This generation of policy-makers was shaped by the havoc that double-digit inflation spread. If policy errors are made today, they'll probably be on the slow-growth, disinflation side.

■ Most Americans are paying less federal income tax, even though they hate to admit

it. The median, two-paycheck family last year (\$52,000 in income) paid Uncle Sam 9.5 percent, down from 11.5 percent in 1985, says economist Arthur Hall of the Tax Foundation. They paid more, however, in payroll tax: 7.3 percent of income, compared with 6.8 percent 10 years ago (and double that if you count the employer's contribution). State and local taxes ding you, too—now at 12.5 percent of median income, up from 11.9 percent in 1985.

If tax cuts could buzz your wages back to higher growth, Ronald Reagan would have done it. But there was no Reagan miracle, says Herbert Stein, senior fellow of the American Enterprise Institute. Total output in the 1980s ran a tad above that of the 1970s but well below the fat 1950s and 1960s, when marginal tax rates were much higher. Compared with other countries, America is lightly taxed. All levels of government collected 31.5 percent of GDP in 1994, compared with 32.3 percent in Japan and 46.5 percent in Germany.

■ America is pumping out jobs at a rapid rate. There's justified angst over layoffs, wage cuts and low income growth. Nevertheless, unemployment has dropped to a meager 5.5 percent—a level reached only in four years out of the past 25. A recent Harris poll ranked the deficit as the nation's top problem. Jobs came in 10th.

■ Trade doesn't cost jobs, nor add jobs either, says Barry Bosworth of the Brookings Institution. It shifts them from lower-wage sectors to higher-wage ones, which is good in the long run. We're importing more T shirts and exporting more designer clothes.

Most of the workers displaced today are losing out not to cheap foreign labor but to down-home mergers, changing technologies and tough competition from other U.S. firms. The pace of technological change will boost growth eventually, says Stanford economist Michael Boskin. There's no proof, however, that presidents can effect a quick fix by aiding high-wage industries (a donkey fable) or by scattering tax cuts (tales from the elephant mind). National savings have to rise, which deficit reduction helps. Otherwise, the parties differ mainly in their support for the safety net while the economy regroups.

Reporter: TEMMA EHRENFELD

BETWEEN THE LINES

THE SEXIEST GOVERNOR

A devotee of devolution, Michigan's John Engler is Dull Chic—and may be Dole's veep

BY JONATHAN ALTER

WHAT IS BOB DOLE'S America? The only real substance in his standard speech comes when he pulls a laminated card from his pocket and awkwardly reads the 10th Amendment—the one that says all powers not explicitly assigned to the Feds are reserved to the states and the people. Federalism. Devolution. Send government out of Washington to where Dole himself hasn't lived since the 1950s. Nobody ever won an election shouting "Give me block grants or give me death!" But state government is where the action is, and dull Republican governors are now the Brad Pitts of politics.

The sexiest governor alive (though you wouldn't know it looking at him) is John Engler of Michigan, short-listed by the press for the vice presidential nomination after Colin Powell seemed to demur. With the GOP's Southern base, Dole needs just one big Midwestern state to reduce Bill Clinton's Electoral College margin for error to zero. Ohio's popular Gov. George Voinovich is much closer to Dole, but viewed as "moderate" by party regulars—the same kiss of death applied to New Jersey Gov. Christine Whitman. Engler, 47, is Roman Catholic (a key swing constituency), Buchananesque on abortion and uninspiring enough that he wouldn't overshadow Dole. He has cute 16-month-old triplets whose photographs are constantly updated on his Web site. He annoyed Dole by staying neutral too long and letting his top aide run Lamar Alexander's national campaign. But that's not fatal. He flunked his Vietnam draft physical by being two pounds overweight. That could hurt. On the other hand, fat people vote, too.

In any event, the political wise guys are in heat over Engler, which means, of course, that Dole will probably pick someone else. The early money is rarely right. But whatever happens, Engler represents state-of-the-art GOP governance. In terms of getting what he wants, he is phenomenally successful. After winning by a hair in 1990, his popularity sank to 18 percent under charges of "heartlessness." But he stuck with his budget-cutting, tough-on-welfare program and was re-elected with 61 percent in 1994. Now his numbers are even higher, and he dominates the state. Engler did this not as a conservative ideologue, but by liberal experimentation—if liberal means using government to advance social goals.



Man at work: A political prodigy, Engler has made himself a conservative hero by unlikely means—liberal experimentation

He's innovative, practical and cunning.

And the man is a walking advertisement against term limits. Elected to the legislature at 22, he has never held a job outside politics. Knowing where the levers are, Engler has managed to cut taxes, expand preschool and preventive-health spending and overhaul the criminal-justice system. He reduced inequity between school districts by transferring funding from onerous property taxes (which were cut, on average, by a third to a half) to an increased but still reasonable sales tax, a huge change.

Obviously, a healthy auto industry and a rebounding national economy made all this easier. The same is true for his welfare reductions. But Engler also skillfully structured his initiatives to reward work. He'd even like Washington to let him make food stamps convertible to cash for low-income workers. Less patronizing. Fosters independence. (He's renaming the Michigan department of social services the Family Independence Agency.) All told, more than 70 percent of welfare mothers have signed a contract committing them to work, volunteer or (in the case of minors) finish school in exchange for benefits; more than 80,000 have been moved off the rolls and into jobs, bringing the caseload to its lowest point since the early 1970s. Earlier, able-bodied adults who are not parents were thrown off welfare altogether. At first, Engler was condemned for being "mean-spirited." Today there's barely a peep.

But when I visited Engler last week, I was struck by his disingenuousness on the national welfare plan he helped fashion. Engler has done good work crafting a compromise that would let states devise their own plans—and that Clinton could sign. He even came around to Clinton's view on the need for more child care. But now, sniffing a place on the ticket, Engler has turned surprisingly pessimistic about welfare reform.

"The poverty industry doesn't want to change the system," he says, referring to Democratic constituencies. Clinton talks a good game, he says, yet wants to demagogue Republicans and run on "fear."

Maybe so. But the White House has hinted that Clinton would sign the governors' welfare overhaul as long as it wasn't attached to a plan to turn Medicaid into block grants. What does Engler say to separating the two? "I'd say, 'See you at the polls.'" Engler replies. How partisan of you, governor. Yes, welfare and Medicaid (the latter alone accounts for about a third of many state budgets) are related and should ideally be addressed together. But that's not doable this year. Engler's refusal to take a historic half a loaf suggests that the Republicans' real priority is not more flexibility on welfare but bashing Clinton for not fulfilling his promise to "end welfare as we know it."

When times get tough, John Engler and his colleagues will all look worse. Many will live to regret asking for more responsibility and less money from the Feds. In the meantime, both Dole and Clinton need to spell out which duties they believe are federal, which are state, and why. This may make less compelling copy than "character" or "charisma." But it will help tell us whether in the next century we'll be living with one Washington—or 50.



*Pres has not
seen #4/96*

COUNCIL OF AMERICAN AMBASSADORS

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T E L E F A X

TO: The Honorable William J. ClintonFAX NO: 456-6703President of the United States of AmericaNO. OF PAGES: 2FROM: Ogden ReidDATE: 3 April 1996

*TO DORSKIND
FOR REPLY?*

yes ☒

NO ☐



COUNCIL OF AMERICAN AMBASSADORS

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MICHAEL J. MANSFIELD
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April 3, 1996

CHAIRS

ROBERT D. STUART, JR.
WILLIAM J. VAN DEN HEUVEL

PRESIDENT

OGDEN REID

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

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MILTON A. WOLF

Dear Mr. President:

VICE PRESIDENTS

PATRICIA GATTS LYNCH
SALLY A. SHELTON
TIMOTHY L. TOWELL

The Council of American Ambassadors expresses our deep sense of loss to you and to our country over the tragic death of Ron Brown--considered by many our greatest Secretary of Commerce.

SECRETARY

DAVID S. SMITH

We met with him on March 13th and he was filled with the importance of his forthcoming trip to Bosnia to help in the \$5 billion endeavor to strengthen reconstruction and the further building of the peace. Indeed, he urged our Council to consider sending a delegation to help advance this process.

DIRECTORS

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PENNE PERCY KORTH
WILBERT J. LEMELLE
JOHN L. LOEB, JR.
ANNE CLARK MARTINDALE
ROBERT M. MCKINNEY
ROBERT G. NEUMANN
JULIAN M. NIEMCZYK
CHRISTOPHER H. PHILLIPS
ROBERT PIENNY
PAUL H. ROBINSON, JR.
LORET MILLER RUPPE
NICOLAS M. SALGO
ABELARDO L. VALDEZ
LEON J. WEIL

His loss to the United States is a major one, as he--more than most--was a captain for peace and a practical visionary charting our role in the global economy.

With deepest sympathy,

Ogden Reid
President

EXECUTIVE DIRECTOR

CAROLYN M. GRETZINGER

...tailoring
...land, a physician, was a
...ocratic Representative from
Georgia from 1983 to 1995. Louis W.
Sullivan, president of the Morehouse
School of Medicine, was Secretary of
Health and Human Services in the
Bush Administration.

Many of the comp...
and diversified, but because ...
terial sales usually make up a small
part of their revenues, they have
stopped supplying these materials.
DuPont has withdrawn all of its poly-
mers from the permanent-implant
market. The company had been
spending about \$8 million each year

...nce de
transmitter containing ...
by two small California comp...
the attacks have been under con...
and he is leading a productive life.
Will we allow our legal system to
deny others state-of-the-art treat-
ment? ☐

THE PRESIDENT HAS SEEN
4496

Liberties
MAUREEN DOWD

The Body Politician

WASHINGTON

It makes me tense to watch Bob
Dole relax.

I just don't feel his heart is in it.
He naps. He eats BLT's. He looks
lonely for the well of the Senate.

Senator Dole passed time on vaca-
tion in Bal Harbour, Fla., reading
"Founding Father: Rediscovering
George Washington," by Richard
Brookhiser. Yesterday he noted with
satisfaction to The Times's Adam Na-
gourney that the Revolutionary War
hero turned President was a healthy
65-year-old when he left office, in an
era when 50 was a long life span.

Mr. Brookhiser's biography
breathlessly celebrates Washing-
ton's physique, revealing that the
Father of our Country had good
quads. "The body is the basic unit of
all human intercourse, including
politics," he writes. "Even rulers
who are intelligent, prudent, or vi-
sionary must make a sensual impact
if they are to lead."

He quotes Thoreau: "It is an inter-
esting question, how far men would
retain their relative rank if they
were divested of their clothes. Could
you, in such a case, tell surely of any
company of civilized men which be-
longed to the most respected class?"

Maybe Mr. Dole took all this dives-
titure talk to heart. Or maybe he's
still trying to prove he was not born
in a blue suit.

Whatever the reason, he has been
showing a little leg on his vacation,
lounging on a chaise wearing only a
T-shirt and bathing trunks in an As-
sociated Press photo that made a
splash when it was published across
the country.

Showing a little leg.

Seeing a politician's thighs is al-
ways alarming. Bill Clinton had just
blessedly put on long pants for jog-
ging, persuaded by advisers that he
would look more mature, when Bob
Dole decided to forgo long pants,
thinking he would look more youthful.

Some Republicans were so sur-
prised to see the reserved Mr. Dole in
a sultry pose, they assumed it must
have been taken by the kind of tele-
photo lens that caught Princess Fer-
gie having her toes nibbled.

"Wasn't that awful?" said a Dole
adviser, Lyn Nofziger. "Who in the
world let them get in and take that
picture? Not only does it show a lot of
flesh but, as usual, he's on the phone
and looks about as relaxed as a guy
getting ready to be executed. I think
you can identify with the common
man without being common."

Bill Kristol, editor of The Weekly
Standard, harkened back to the pic-
ture of Richard Nixon strolling on
the beach in dress shoes, and asked,
"What's the point of nominating Bob
Dole if we can't go back to Nixonian
formality and awkwardness?"

Although not a staged photo op, it
was retroactively sanctioned by the
candidate himself. A freelance photo-
grapher for The A.P. named
Lauren Crigler approached Mr. Dole
by the pool and pretended she was a
tourist getting a few candid snaps.

When she took the film back to The
A.P.'s Miami bureau, her supervisor
told her she needed permission be-
fore the photo could be put on the
wire. She returned to Mr. Dole's
condo, confessed her ruse and of-
fered him the film. She said he had
laughed and told her she could use it.

White House officials sniggered
and predicted the photo would hurt
their rival Dole aides fretted pri-
vately that the candidate did not look
particularly hunky, given the slight
gut and square Gomer set of his
"Farmland" cap.

The Kansas Senator has shown off
his gambs before as a way to combat
the age issue. He was pictured re-
cently on the front page of USA To-
day, walking on his treadmill in a
dress shirt and gym shorts that some
mistook for boxers.

Politicians beset by health or age
questions have sometimes disrobed
for the camera to display robustness.
In '32, Franklin Roosevelt swam in a
pool at Hyde Park. In '80, Ronald
Reagan did yard work bare-chested.

Once, leaders were fastidious
about sartorial dignity. Herbert Hoo-
ver dressed for dinner and wore a tie,
even when fishing. John Kennedy put
on his suit jacket before being photo-
graphed in the Oval Office.

But since Mr. Clinton instituted the
first dress-down, boxers-or-briefs
Presidency, no one worries much
about gravitas or gravity. We can
only contemplate the cheesecake
shots yet to come in this election.

"If you had Perot posed like Dole,"
Mr. Nofziger muses, "it might be the
first time Americans had ever seen a
Martian in shorts." ☐

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THE PRESIDENT HAS SEEN
4/4/96

THE WHITE HOUSE
WASHINGTON

March 28, 1996

96 MAR 28 AM : 03

RECOMMENDED TELEPHONE CALL

TO: Mrs. Susan Reed, widow of FBI Special Agent Charles L. "Chuck" Reed, (215) 256-6255.

DATE: At your convenience.

RECOMMENDED BY: Leon E. Panetta, Louis Freeh

PURPOSE: To comfort the widow of an FBI agent who was killed in the line of duty on Friday, March 22.

BACKGROUND: Special Agent Charles L. Reed was shot and killed last Friday while acting in an undercover capacity, meeting with an alleged drug dealer in Philadelphia. Mr. Reed, 45 years old, is survived by his wife, Susan, three sons; his mother; his sister and four brothers. He is the fourth FBI agent killed in the line of duty in the last two years.

DISCUSSION TOPICS: You console Mrs. Reed on the tragic loss of her husband.

CONTACT: Leon E. Panetta, 456-6798

ACTION: _____

*X Left Down - She wants
big \$ - said she's trying to
get \$ - she's unhappy
PS*

Losing Our Day In Court

By John Cronin and Robert F. Kennedy Jr.

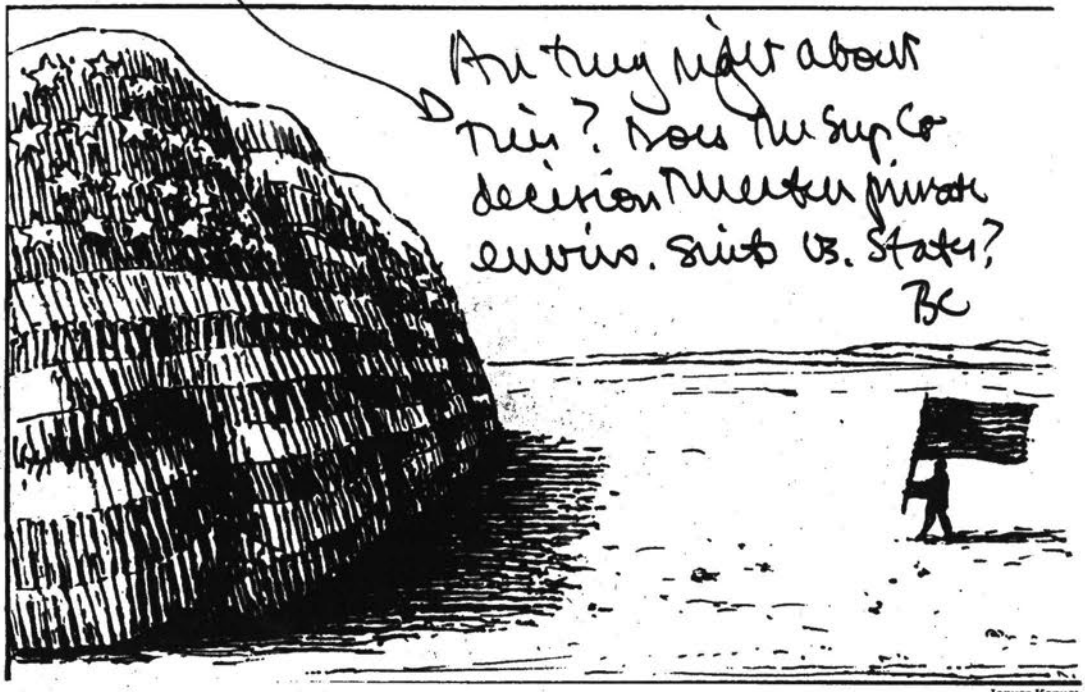
Do you have the right to take your state to Federal court for putting raw sewage in your drinking water? The United States Supreme Court, it seems, has said no.

In a recent 5-4 decision that is as politically charged as it is constitutionally wrongheaded, the Court held that Congress has no right to pass a law under the Commerce Clause of the Constitution that allows a citizen to sue a state for violating Federal laws.

The case that prompted the decision, *Seminole Tribe v. Florida*, is about casino gambling. But the Court has set a precedent that may apply to a range of Federal statutes, from environmental to copyright law.

The example of sewage-polluted drinking water is far from hypothetical. In 1988, the Hudson Riverkeeper sued the New York State Department of Corrections for more than 10,000 violations of the Federal Clean Water Act at its Bedford Correctional Facility. At the time, the

John Cronin heads the Hudson Riverkeeper Fund, a nonprofit conservation group. Robert F. Kennedy Jr. is its chief prosecuting attorney.



Janusz Kapust

sewage-treatment plant at the women's prison in Westchester County was regularly discharging raw and improperly treated sewage into Beaver Dam Creek, which drains, a half-mile away, into the New York City water supply. We even saw wadded toilet paper and untreated fecal matter filling the stream — a stream that was once a noteworthy trout fishery. Prison employees had been falsifying their discharge reports to regulatory agencies.

Enforcement officials at the New York State Department of Environmental Conservation were under orders to ignore the prison. We know, because a hamstrung department official tipped us off to the violations. And Robert Abrams, then the State

Who will watch over states that pollute?

Attorney General, could not prosecute: It was his job to defend state agencies. The Federal Environmental Protection Agency did nothing. Even the usually aggressive and independent United States Attorney for the Southern District of New York seemed loath to prosecute a state agency.

This reluctance of government

agencies to bring environmental cases against one another is exactly why Congress has included a citizen-suit provision in most Federal environmental statutes.

Using the citizen-suit provision in the Clean Water Act, our group forced New York State to spend \$11 million to rebuild the prison's run-down treatment plant. Today, the trout are back and Beaver Dam Creek is providing high-quality drinking water to New Yorkers.

The environmental violations were by no means isolated. An investigation by the State Assembly in 1990 found that "New York State government is the largest single violator of environmental laws in New York" and that enforcement was virtually nonexistent.

Supply-Side Medicine

By J. Roy Rowland and Louis W. Sullivan

Imagine that while sitting down to dinner one night your spouse suddenly collapses and is rushed to the hospital in cardiac arrest. In the intensive care unit, the doctor says that a balloon angioplasty is needed as soon as possible. But in order to have the procedure, your loved one will have to be transported overseas — if the angioplasty is even available.

Such a scenario could take place daily in some undeveloped country, right? Actually, this could soon be the case in the United States, which faces a potentially severe shortage of raw medical materials.

More than eight million Americans have had life-saving or life-enhancing medical devices implanted. These include pacemakers, heart valves, artificial blood vessels, hydrocephalic shunts, hip and knee joints and even sutures. But the suppliers of many chemical polymers and other so-called biomaterials used in such devices are

sales to manufacturers rather than face potential lawsuits.

Under the nation's state-based tort system, these companies are routinely named by plaintiffs' lawyers in lawsuits even though they have no direct role in the design, manufacture and sale of medical devices.

The courts have consistently ruled that biomaterial suppliers are not liable — even when manufacturers produce a faulty product. But biomedical supply is a low-profit industry,

Lawsuits could cause a shortage of life-saving devices.

and the cost of litigation can drive suppliers out of the business. Some that have stayed in the market now insist that manufacturers indemnify them against all potential lawsuits, a risk few manufacturers can afford.

defending a product used in jaw implants even though the courts had ruled in its favor.

Any new supplier that wants to enter the market faces millions of dollars in research and development costs and months or years for Food and Drug Administration approval.

The product liability reform bill, passed with bipartisan support last month by both the Senate and House, would limit the liability of biomaterial suppliers to instances of genuine fault and would help them avoid frivolous suits without incurring heavy legal costs. This would not deny anyone the right to make a claim and recover damages from manufacturers.

President Clinton objects to other parts of the bill and has vowed to veto it. If the veto is not overridden, Congress should quickly pass a narrower bill protecting biomaterial suppliers. Otherwise manufacturers will be hard-pressed to get the materials they need, and America will lose its leadership in the medical-implant industry.

During hearings on the issue, Lynne Lindenthal described how her 17-year-old son, Luke, used to suffer up to 120 epileptic seizures a day. Since doctors implanted an electrical stimulator containing silicone made

Nationwide, state-run highways, hospitals, landfills and incinerators regularly pollute our land, air and water. Two years ago, for example, a Federal court found that California's Transportation Department had polluted Santa Monica Bay by failing to control its urban water runoff.

No one yet knows how strictly lower courts will follow the Supreme Court's ruling in the Florida case. One interpretation of a footnote in the opinion is that citizens may be able to file suit against specific state officials rather than the state itself.

That's a small hope. The big worry is this: The decision indicates that the Court's majority is marching in lockstep with a Congress that is fervently embracing states' rights — to the detriment of the very individual rights that many Federal laws are written to protect. □

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RECORDS

TO PRESIDENT CLINTON
FROM JAY K. FOOTLIK

Pres has
not seen
yet

THE WHITE HOUSE

JERUSALEM.

I BROUGHT YOU BACK THE ATTACHED TAPES. "SHALOM CHAVIV" IS A CHARITY COMPILATION OF PEACE SONGS BY SOME OF ISRAEL'S TOP ARTISTS IN MEMORY OF PRIME MINISTER RABIN. THE LAST SONG ON TAPE 2 IS "SHIR LA SHALOM," THE SONG TO PEACE. IT WAS THIS SONG THAT THE PRIME MINISTER SANG AT THE PEACE RALLY PRIOR TO HIS ASSASSINATION.

Gay K. Fostick

ASSOCIATE DIRECTOR
OFFICE OF PUBLIC LIAISON
OEDB 118

THE WHITE HOUSE

29 MAR 1996

MR. PRESIDENT:

I JUST RETURNED FROM ISRAEL WHERE I PARTICIPATED IN THE UNITED JEWISH APPEAL (UJA) CAPITAL-TO-CAPITAL PROGRAM. 100 "NEXT GENERATION" AMERICAN JEWISH LEADERS FROM ACROSS THE COUNTRY TRAVELLED TO ISRAEL FOR A SERIES OF MEETINGS AFTER SPENDING 3 DAYS IN WASHINGTON AT THEIR CONFERENCE. YOU ADDRESSED THE LARGER GROUP OF 3,000 ATTENDING THE YOUNG LEADERSHIP CONFERENCE ON SUNDAY, MARCH 19, AT THE WASHINGTON HILTON.

THROUGHOUT OUR TRIP, NOT ONLY DID THE AMERICAN PARTICIPANTS PRAISE YOUR SPEECH TO UJA, BUT THE ISRAELIS WE MET WITH WERE OVERWHELMINGLY GRATEFUL FOR THE TREMENDOUS SUPPORT YOU PROVIDED THEM DURING YOUR RECENT TRIP TO TEL AVIV AND

The American Legion



OFFICE OF THE
NATIONAL COMMANDER

★ NATIONAL HEADQUARTERS ★ P. O. BOX 1055 ★ INDIANAPOLIS, INDIANA 46206 ★
(317) 630-1200 ★ FAX (317) 630-1223 ★

March 15, 1996

THE PRESIDENT HAS SEEN

4/4/96

OUT F2:

CC:

D. SOSNICK

C. ZASCO
4/3/96

+ Numerous attached
pages

President William J. Clinton
The White House
1600 Pennsylvania Ave., NW
Washington, D.C. 20500

Dear Mr. President:

The American Legion will hold its 78th Annual National Convention in Salt Lake City, Utah, August 31 - September 5, 1996. It is my pleasure to extend this formal and most cordial invitation to you to address the delegates and guests of our convention.

The most ideal time for your appearance would be on Tuesday morning, September 3, during the opening session of our convention. However, additional sessions of our convention will be held on September 4 and 5. If either of these dates would be more compatible to your schedule, the time and date of your appearance on our program will be arranged at your convenience.

The American Legion will be proud to welcome you, as our President, to our National Convention.

The American Legion is proud to be *Still Serving America*.

Sincerely,

DANIEL A. LUDWIG
National Commander

Info cc: Robert W. Spanogle
Daniel S. Wheeler
John F. Sommer, Jr.

96 APR 21 PG: 42 -

RECOMMENDED TELEPHONE CALL

TO:

Leland "Lee" Swenson
President
National Farmers Union

Aurora, Colorado
303-338-2525 [Secretary, Sue Miller]
303-338-2530 [Margaret, back up]

*Key is Owen & Regg
sup w/ L - Farmers
can hold the program in
all over country -
Be*

DATE:

Date prior to the President signing the Farm Bill.

RECOMMENDED BY:

Alexis Herman
Barbara Woolley

PURPOSE:

National Farmers Union has urged the President to veto the Farm Bill because the legislation does not provide a strong safety net for family farmers. We would like you to explain to Lee why you are signing the bill and express your commitment to working with Congress next year to make this a truly farm-friendly farm bill.

BACKGROUND:

The National Farmers Union (NFU) represents 290,000 farm families and rural groups from throughout the United States. The National President, Leland "Lee" Swenson was elected president of the National Farmers Union in 1988. He is from South Dakota originally before moving to Colorado where the NFU's national headquarters.

NFU was one of only two agriculture groups to endorse the Clinton/Gore ticket during the campaign and they have remained a key supporter on a range of issues, i.e. economic plan, health care reform, tobacco, etc. The NFU's underlying theme involves a focus on strengthening the well-being of American family farmers and the communities in which they live.

Lee recently participated in a coffee with you. Lee also organized a meeting with a broad based group of farm families who met with Leon Panetta and Secretary Glickman. At their national convention in March, they received a letter of greetings which Secretary Glickman shared with the membership.

In regard to the Farm Bill, NFU has urged the President to veto the legislation because it fails to provide an adequate safety net for family farmers.

**TOPIC OF
DISCUSSION:**

Farm Bill.

**DATE OF
SUBMISSION:**

March 27, 1996

ACTION:

FARM BILL TALKING POINTS:

[Lee, is most interested in your commitment to work with the National Farmers Union, other groups, and Congress to strengthen the safety net inequities in the Farm Bill next year.]

- * I have pledged that my Administration will seek legislation next year to strengthen the farm-income safety net provision's of the farm bill. We will work with Congress and all affected groups in crafting this legislation.
- * We know the bill is flawed. It would make payments to farmers regardless of market prices. This means billions of dollars in payments will go out in FY 1996 and 1997 that would not have been made under the previous (1990 farm bill) authorities. Conversely, if market prices drop from their current high levels, as we expect they will, the payments will not increase to compensate. This could mean more rapid reduction in the number of family-sized farms.
- * I will sign the bill because it is so late in the season and farmers need to know with certainty the conditions they are operating under.
- * The bill does provide some significant benefits for farmers, rural residents, and taxpayers that I support:
 - Planting flexibility, so farmers can farm for the market and not for government programs;
 - A very strong conservation title including funds for new acreage enrollments in the Conservation Reserve Program, and \$1.4 billion over 7 years for conservation structures and practices on all kinds of farms;
 - A very strong rural development title, including \$300 million in the Fund for Rural America for rural development and agricultural research programs, and my Rural Performance Partnership Initiative that will allow Federal rural development programs to be tailored to meet unique State and local priorities.
- * On balance, I believe it is important that I sign the farm bill, and then set to work - with your help - to fix that which needs fixing.

THE WHITE HOUSE
WASHINGTON

THE PRESIDENT HAS SEEN
4/4/96

Wednesday, April 3, 1996

MEMORANDUM FOR THE PRESIDENT

FROM: LUCIE NAPHTIN LN
CC: EVELYN LIEBERMAN
ANNE WALLEY

Would you do
reception at Spasso H
by Pres. folks, then dinner
at ~~Spasso~~ restaurant w/
interesting Russians? —

SUBJECT: MOSCOW SATURDAY EVENING OPTIONS

As of now, you have Saturday evening April 20th in Moscow free. You can do nothing however, there are several options available to you. Please advise if any of the following things interest you.

- **PRIVATE DINNER HOSTED BY AMBASSADOR PICKERING WITH INTERESTING RUSSIANS**
Ambassador Pickering has offered to host a dinner for you and interesting Russians from the arts, film, literature, journalism etc. This dinner would be philosophical and cultural in nature rather than political. There would be between 8-25 people and it could be done at Spasso house or at a restaurant in Moscow.
- **DINNER OR RECEPTION HOSTED BY AMBASSADOR PICKERING WITH US BUSINESS PEOPLE IN RUSSIA**
The Ambassador feels strongly that an event with American businessmen take place while you are in Moscow. According to the Ambassador, they are anxious to meet with you to discuss a variety of issues. He feels that a dinner or reception would prove to be equally beneficial for you. A dinner could happen at a local restaurant but a reception would probably take place at Spasso house.
- **THE RUSSIAN BALLET**
The Russian Ballet will be performing while you are in Moscow. It tends to run long (apprx 3 hours) so it would be a large commitment of your time. However, the people of Russia would look very favorably upon it.

- **NOTHING**

You could have nothing on your schedule for that evening and decide at the last minute if you would like to go out to dinner or do something else.

- **SOMETHING WITH YELTSIN**

Although this is unlikely, Yeltsin may ask you to do something with him that evening. If that becomes the case, you may not have any choice but to accept his invitation.

THE WHITE HOUSE
WASHINGTON

THE PRESIDENT HAS SEEN

414196

FRIDAY, MARCH 29, 1996

MEMORANDUM FOR THE PRESIDENT

FROM:

LUCIE NAPHIN LN

CC:

EVELYN LIEBERMAN
ANNE WALLEY

*Wanted him
to try to do these
things*
BK

SUBJECT:

ST. PETERSBURG, RUSSIA OPTIONS

The following is a list and description of the sightseeing highlights in St. Petersburg, Russia along with a tentative time line for your stay. Since you will have approximately 5-6 hours for touring, you will not be able to do everything that is listed below. Please indicate which sites are a priority to you.

OVERVIEW

- ✓ WREATH LAYING AT PISKAREVSKOYE CEMETERY (45 minutes)
- ✓ THE RUSSIAN MUSEUM (1 HOUR)
- THE CHURCH OF THE RESURRECTION OF CHRIST (30 MINS)
- ✓ VISIT TO THE LOCAL MARKET (30 MINS)
- ✓ THE HERMITAGE MUSEUM (2 HOURS+)
- ✓ THE KAZAN CATHEDRAL (30 MINS)
- CATHERINE PALACE (45 MINS)
- THE ISAAK CATHEDRAL (30 MINS)
- ✓ PETER PAUL FORTRESS/CATHEDRAL (30 MINS)
- VISIT BOOK STORE (30 MINS)
- ✓ LUNCH AT LOCAL RESTAURANT (45 MINS)

*possible -
Peter the Great's
House*

WREATH LAYING AT THE PISKAREVSKOYE CEMETERY

This is an event that you should do and it would be a slight to the people of St. Petersburg if you did not. The Piskarevskoye Cemetery is where over 500,000 St. Petersburgians are buried as a result of the 900 day Nazi siege of Leningrad. The Nazi siege remains the single most formative event of modern day St. Petersburg and the cemetery is a memorial to that. You could do a short wreath laying ceremony with Mayor Anatoly Sobchak (pro-reform) first thing in the morning and then have the rest of the day for sightseeing.

THE RUSSIAN MUSEUM

This museum houses one of the largest collections of Russian masterpieces dating from the 11th century to the present. A visit to the museum would be a particularly meaningful gesture to the Russian people since so much attention is paid to the Hermitage which has very little Russian art in it. The museum is also a 3 minute walk from the hotel.

CHURCH OF THE RESURRECTION OF CHRIST

This is a spectacular church right in the middle of downtown. It is where Tsar Alexander IV was put to death and for that reason, it is sometimes referred to as the Church on the spilled blood. The people of St. Petersburg view the church as "Non-St. Petersburgian." The church, which resembles St. Basil's represents interference and influence from Moscow. However, it is still worth a visit. The church is also a 5 minute walk from the hotel and the Russian museum.

THE LOCAL TOWN MARKET

A stop here would be a great opportunity for you to mingle with Russians, do some shopping and feel like a real tourist. This market although small, has all sorts of great Russia artifacts, stacking dolls, lacquer boxes and Russian hats. You would find a visit here both fun and interesting. It is also a 1 minute walk from the Church of the resurrection.

THE HERMITAGE MUSEUM (FORMALLY THE TSARS' WINTER PALACE)

The Hermitage needs no explanation. You could spend as little as one hour at the museum or all day. A two hour stay would allow you enough time to see all the Italian, Flemish and French art along with artifacts and rooms without feeling rushed.

✓ THE KAZAN CATHEDRAL

The Kazan Cathedral, is an imposing Cathedral right in downtown St. Petersburg and is referred to as the finest gem of Nevsky Prospect. It was commissioned by Tsar Paul in 1799 as a replica of St Peter's in Rome. What is so interesting about this Cathedral is that it was turned into the Museum of Atheism during the communist rule. After the collapse of communism, it was returned to the Russian Orthodox Church and it is now under renovations so that it can be used as a house of worship again for the City of St. Petersburg. A visit here would send a great message of how things have changed for the better in Russia by highlighting religious freedom.

CATHERINE PALACE

Catherine Palace is located in the town of Pushkin approximately 20 minutes outside of St. Petersburg and 10 minutes from the airport. The Palace was used as one of the many summer palaces of the Tsars. It has many beautiful and ornate rooms and is filled with history. This stop could be done on the way from the airport on the first night (if it is not too late) or on the way out to the airport on the second day.

THE ISAAK CATHEDRAL

This Cathedral was commissioned by Peter the Great and dates back to 1817. This imposing structure is famous for its bronze sculptures and gilt dome which can be seen from miles away. The interior is spectacular with beautiful mosaic panels lining the walls.

✓ PETER-AND-PAUL CATHEDRAL AND FORTRESS

The Peter-And-Paul Fortress is the core around which the city was built. It was designed to guard Russia's hard won passage to the Baltic Sea. In the center of the Fortress is the Peter-And-Paul Cathedral which is considered the most remarkable architectural monument in the city. The Cathedral is also the resting place of almost all the Russian tzars from Peter the Great to Alexander III.

Please keep in mind that at each of these sites, we can incorporate real people into your visit such as school children or art students in order to give you a real flavor for the city and its people.

Along with photos, enclosed is a guide book on the city. Please note anything in the book that catches your attention.

THURSDAY, APRIL 18, 1996

5:30 PM WHEELS UP TOKYO, JAPAN
 [FLIGHT TIME: 10 HOURS 15 MINS]
 [TIME CHANGE: -5]

10:45 PM WHEELS DOWN ST PETERSBURG, RUSSIA
(2:45 pm est)

11:00 PM DEPART THE AIRPORT

11:30 PM ARRIVE THE HOTEL
 DOWN FOR THE EVENING

RON ST PETERSBURG, RUSSIA

FRIDAY, APRIL 19, 1996

8:40 AM DEPART HOTEL EN ROUTE THE CEMETERY

9:00 AM WREATH LAYING AT THE WWII CEMETERY
9:45 AM WITH THE MAYOR

10:00 AM OPEN
3:30 PM

OPTIONS:

- RUSSIAN MUSEUM (1 HOUR)
- CHURCH OF THE RESURRECTION OF CHRIST (30 MINS)
- VISIT TO THE MARKET (45 MINS)
- HERMITAGE MUSEUM (2 HOURS+)
- THE KAZAN CATHEDRAL (30 MINS)
- CATHERINE PALACE (45 MINS)*

* OUT OF TOWN - 10 MINS FROM AIRPORT SHOULD BE
DONE ON ARRIVAL THE FIRST NIGHT.

ADDITIONAL OPTIONS TIME PERMITTING:

- VISIT BOOK STORE (30 MINS)
- HAVE LUNCH AT LOCAL RESTAURANT (45 MINS)
- THE ISAAK CATHEDRAL (30 MINS)
- PETER PAUL FORTRESS/CATHEDRAL (30 MINS)
- THE AVRORA CRUISER (45 MINS)

3:45 PM DEPART FOR THE AIRPORT

4:15 PM ARRIVE AIRPORT

4:30 PM WHEELS UP ST PETERSBURG, RUSSIA
[FLIGHT TIME: 1 HOUR 15 MINS]
[TIME CHANGE: NONE]

5:45 PM WHEELS DOWN MOSCOW, RUSSIA
(9:45 AM)

**NOTIONAL SCHEDULE FOR THE PRESIDENT'S TRIP TO
TOKYO, ST. PETERSBURG, AND MOSCOW
TUESDAY, APRIL 15, 1996 - SUNDAY, APRIL 21, 1996**

TUESDAY, APRIL 16, 1995

tbd WHEELS DOWN TOKYO

tbd DOWN TIME

7:30 pm - DINNER WITH THE HASHIMOTOS, MONDALES, AND SAITOS
9:00 pm Akasaka Palace

RON AKASAKA PALACE
 Tokyo, Japan

WEDNESDAY, APRIL 17, 1995

9:30 am - WELCOMING CEREMONY
9:50 am Akasaka Palace

10:00 am - STATE CALL
10:30 am Imperial Palace

10:50 am - BRIEFING
11:30 am

11:30 am - BILATERAL MEETING WITH THE PRIME MINISTER (30min.)
12:00 pm Akasaka Palace

12:00 pm - EXPANDED MEETING
1:00 pm CLOSED PRESS

1:05 pm - BRIEFING
1:25 pm

1:30 pm - JOINT PRESS CONFERENCE WITH THE PRIME MINISTER
2:15 pm Akasaka Palace

3:00 pm - MILITARY EVENT
4:00 pm USS INDEPENDENCE

4:45 pm - DOWN TIME
7:10 pm

7:30 pm - STATE DINNER
10:30 pm Imperial Palace
 POOL PRESS

RON TOKYO, JAPAN

THURSDAY, APRIL 18 1995

10:30 am - ADDRESS TO MEMBERS OF THE DIET
11:30 am THE DIET

12:00 pm - LUNCH WITH THE PRIME MINISTER
2:00 pm Hotel New Otani

2:25 pm - FAREWELL CALL
3:00 pm Akasaka Palace

3:25 pm - TRADE EVENT
4:00 pm SITE TBD

4:25 pm - MEET & GREET WITH EMBASSY STAFF
5:10 pm Ambassador's Residence

5:30 pm WHEELS UP TOKYO

BC RON ST. PETERSBURG, RUSSIA

FRIDAY, APRIL 19, 1996

9:00 am WREATH LAYING
9:30 am WWII Cemetery

10:00 am OPEN
3:30 pm

4:30 pm WHEELS UP ST PETERSBURG, RUSSIA

5:45 pm WHEELS DOWN MOSCOW, RUSSIA

7:00 pm INFORMAL DINNER WITH HEADS OF STATE
9:00 pm Kremlin

9:00 pm ENTERTAINMENT
10:00 pm Kremlin

RON MOSCOW, RUSSIA

SATURDAY, APRIL 20, 1996

8:00 am TAPE RADIO ADDRESS
8:15 am Hotel

8:15 am BRIEFING TIME
9:15 am Hotel

9:45 am	HEADS OF STATE MEET PRIVATELY WITH YELTSIN
9:55 am	Kremlin
10:00 am	CLASS PHOTO
10:10 am	Kremlin
10:10 am	P8 + EU MEETING
11:00 am	Kremlin
11:10 am	P8 + EU MEETING RESUMES
12:10 pm	Kremlin
12:30 pm	WORKING LUNCHEON P8+EU+UKRAINE
2:30 pm	Kremlin
2:30 pm	MEETING P8+EU+UKRAINE
3:30 pm	Kremlin
5:00 pm	POTUS PRESS STATEMENT
5:30 pm	White House Filing Center
6:20 pm	DOWN/BILATERALS OR YELTSIN SUMMIT BRIEFING
7:00 pm	
7:15 pm	DOWN FOR THE EVENING
RON	MOSCOW, RUSSIA

SUNDAY, APRIL 21, 1996

10:00 am	BILATERAL MEETING WITH YELTSIN
11:30 am	Yeltsin's Dacha
11:40 am	PHOTO-OP WITH YELTSIN
11:50 am	Yeltsin's Dacha
12:00 pm	BILATERAL WORKING LUNCH
1:15 pm	Yeltsin's Dacha
1:15 pm	DEBRIEF
1:45 pm	
1:50 pm	PRESS AVAILABILITY WITH NUCLEAR DEMONSTRATION
2:40 pm	Yeltsin's Dacha
4:15 pm	MEETING WITH POLITICAL LEADERS
5:15 pm	Spasso House
6:45 PM	WHEELS UP MOSCOW, RUSSIA
8:45 PM	WHEELS DOWN ANDREWS AIR FORCE BASE

TGS - Egi - BC

THE PRESIDENT HAS SEEN

4.4.96



4.4.96

LOS ANGELES TIMES / WASHINGTON EDITION

Guns

Comment

ON BUSINESS

An Economic Asset That We Should Appreciate

By David E. Hayes-Bautista
and Gregory Rodriguez

What kind of a future could you envision for a population group that had a 25% poverty rate, a 50% chance of not completing high school, barely 9% of whom were college graduates and over half of whom arrived in California only recently? Such a group, many agree, would be doomed and inevitably become a state burden. Of course, this is because most people would identify the group as Mexican immigrants.

In fact, the statistics make up a composite sketch of California's Anglo population in 1950. Not reflected in the figures, however, are the values and industry of the people who would eventually turn California into a virtual nation-state.

Yet, America's belief that the hard work and dreams of humble immigrants are the engines of the future has given way to immigration-reform activists' and the federal government's new stated preference for foreign-born professionals and millionaires. Some scholars worry about the "quality" of the contemporary immigrant, as if years of schooling summed up human potential. In a state whose population is now 25% foreign-born and in which nearly one-quarter of its largest immigrant group is poor, overlooking the values, work ethic and character of the "huddled masses" not only ignores California's—indeed America's—secret to success in the past, but endangers our collective future.

From 1940-70, the immigrants who nearly tripled the state's population were considered an essential economic asset. The foundation of postwar California was laid with civic money and a broad consensus to invest in the new population. The largely Midwestern in-migrants and their children were provided with the resources for commerce, development and research, which, when combined with their vigor and character, created wealth. Californians not only celebrated growth, they were willing to pay for it.

Republican Gov. Earl Warren, whose administration oversaw the highest population growth rate in 20th-century California, welcomed the young population. He said he preferred the "job seekers" to the older, wealthier immigrants of the 1920s. Even with the many problems that mass migration brought, he saw the newcomers as energy to be harnessed.

Warren's embrace of the state's newest arrivals extended to the poor. In 1950, poor people were not regarded as a dysfunctional, victimized sector of society incapable of abiding by society's norms and values and then later condemned for their behavior. Still built into the common understanding of people was a belief in their capacity to improve their lot over time. The underclass theory of a chronic poverty class that has lost its work ethic, which describes only a small portion of America's poor, had yet to be used to characterize all poor people.

Today, those who predict doom for California's struggling immigrants are just as likely to be pro-immigrant liberals as right-wing nativists. The nativists think poorer, less educated immigrants bring the rest of society down. The "liberal structuralists," as Cornel West calls them, have emphasized the political and economic obstacles that can impede a people's progress but virtually ignore those people's ability to scale such barriers. Absent is the notion of social capital—the values, behaviors and attitudes that people bring to their new surroundings.

Berkeley sociologist and historian Franz Schurmann believes that the greatest growth potential in capitalist society can always be found in those people who have the capacity to work for long periods, have strong social and family bonds, are forward-looking

Please see **LATINOS, B6**

LATINOS: Underestimating the Values and Industry of Immigrants

Continued from B5

and have a religion that encourages a communal view of life. Without conceding the liberal structuralists' belief that the political and economic spheres predetermine all human behaviors, he stresses that these cultural qualities flourish best when the state encourages them.

Latino immigrants today are, in their values and behaviors, much like the earlier generation of immigrating Anglos who benefited from an exuberant civic spirit. Indicators such as labor-force participation, family formation, birth rates, education and poverty levels for Anglos in 1950 and Latino immigrants in 1990 are remarkably similar. Take away issues of race and language of origin and you are left with profiles of two young, hard-working, family-oriented and

church-going populations. Of course, with the rise of Anglo economic and educational achievement came a simultaneous decline in family formation, work force activity and birth rates.

Today, California's Anglo population is aging—nearly one in two is older than 40—and having too few children to replenish itself. In 1950, Anglos formed families with children at a rate comparable to contemporary Latino immigrants. The percentage of Anglo households in 1990 consisting of a traditional mother, father and child family is nearly 70% lower than it was four decades ago. The largest-scale foreign immigration in this century began arriving after the state's dominant group had reached a plateau, and California began to contract both spiritually and economically.

Latino immigrants today are, in their values and behaviors, much like the earlier generation of immigrating Anglos who benefited from an exuberant civic spirit.

In a perverse twist on the "The Field of Dreams," the state, since the mid-1970s, has retreated from investing in infrastructure. "If you don't build, they won't come." Four decades ago, a high Anglo birth rate kept the school-construction business humming. During the post-war years, school construction bonds were passed by nearly unanimous votes. Today, too little is done to ease the overcrowding in predominantly Latino schools in the L.A. Unified School District.

To the surprise of almost

everyone, there are fewer students attending L.A. city schools today than in 1969. The problem, in a nutshell, is that there has been a net loss of open schools in the district. A combination of disregard for the newcomers and an almost apocalyptic view of the future keeps us from harnessing the social capital of new immigrants.

Instead, California passes and enforces laws that hamper the immigrant drive. When we should praise low-income Latino

immigrants for their strong work ethic and having the lowest rate of welfare use of any poverty group in the state—only 17% of immigrant Latinos in poverty collect welfare,

compared with 50% of poor Anglos and 65% of poor blacks—the Los Angeles Police Department arrests street flower vendors on Valentine's Day and the L.A. County Board of Supervisors makes looking for work on a street corner in unincorporated county area a crime punishable by up to six months in jail and \$1,000 fine.

Rather than welcome and work with an enthusiastically pro-law-and-order population, lawmakers and enforcers have, according to a recent opinion survey by the Tomas Rivera Center, made a majority of Latino Californians, half of whom are immigrants, feel they receive unequal treatment from law-enforcement

agencies.

The greatest influx of Latino immigrants this state has ever seen came at a time when California had already ceased to believe in incorporating migrant dreams into policy. The spirit of the Golden State is now middle-aged and looks more to the past than to the future. As were the postwar pioneers, the new immigrants and their children should be allowed and encouraged to achieve their goals. The only ingredient lacking is the native-born population's political and economic will to invest in the future.

David E. Hayes-Bautista and Gregory Rodriguez, associate editors at Pacific News Service, are, respectively, executive director of the Alta California Research Center and research fellow at the Pepperdine Institute for Public Policy.

The Nation

Minimum Wage, Maximum Debate

By STEVEN GREENHOUSE

ALTHOUGH many Republicans are loath to admit it, there is an undeniable logic to Democratic proposals to raise the \$4.25-an-hour minimum wage.

That logic goes like this: If a plant is thirsty, water it; if a tire is losing air, fill it; if the pay of low-wage workers keeps them mired in poverty, then simply raise it — if necessary, by legislation.

For President Clinton and the many Democrats pushing for a higher minimum wage, such a step would be one way to narrow the growing income gap between Americans on the bottom rungs and those on the top. The Democratic plan to raise the wage to \$5.15 over two years would also be a tidy way to stop the incomes of low-wage workers from falling further behind inflation.

In an election year, there's a lot of political logic at work, too. With three-fourths of Americans supporting an increase in the minimum wage, and with the wage gap growing as a public issue, the Democrats see a higher minimum wage as political slam-dunk.

In large measure that explains why Democrats pushed the issue onto center stage in Congress last week and why Mr. Clinton made it the subject of his weekly radio address yesterday. Depicting their party as the friend of Joe and Jane Lunchpail, the Democrats said that raising the minimum

to \$5.15 would increase the wages of approximately 4 million workers now earning \$4.25 an hour, and of another 8 million earning between \$4.26 and \$5.14 an hour.

As the Administration's chief cheerleader on the issue, Robert B. Reich, the Secretary of Labor, has repeatedly pointed out that the \$8,500 that a full-time minimum-wage worker earns each year is so far below the poverty line that the worker would most likely need welfare and food stamps to support a family. With the poverty line set at \$15,600 for a family of four, one full-time worker would need to make \$7.50 an hour to climb above that line. Mr. Reich also notes that because of the corrosive effects of inflation, the minimum wage — which was last increased five years ago tomorrow — is 31 percent below where it was in 1979 and will soon be at its lowest point in 40 years.

Lifting All Boats

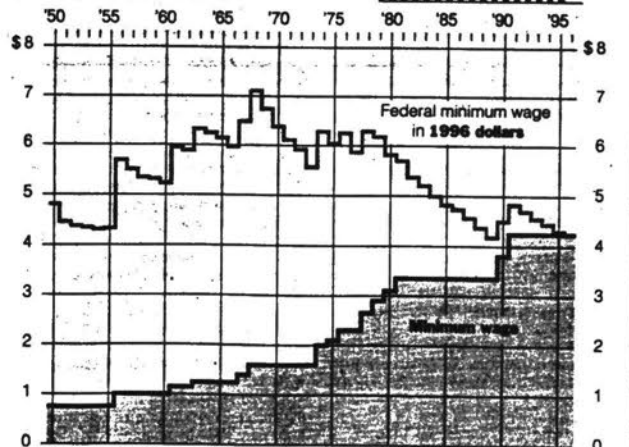
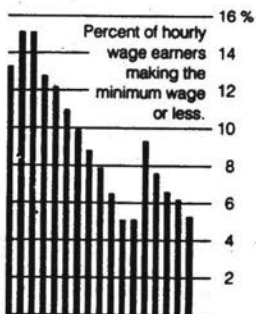
"Some people want us to believe that the typical minimum-wage worker is a teenager flipping hamburgers," Mr. Reich said. "That's simply not the case. Most minimum-wage workers are over 20 years old, and 40 percent of them are the sole breadwinners in their family."

Democrats look to a higher minimum wage as a way for a rising tide of economic growth to lift all boats, not just the yachts.

For many Republicans, the Democratic drive to lift the minimum wage is equal parts junk economics and cheap politics.

Inflation's Squeeze On the Lowest Paid

Congress established the first minimum wage, of 25 cents an hour, during the Depression as part of the Fair Labor Standards Act of 1938. The value of the minimum wage, as measured in 1996 dollars, has fallen 31 percent since 1979. As buying power has fallen, so has the percentage of hourly employees working for the minimum or less.



Source: Bureau of Labor Statistics

The New York Times



\$4.50 AN HOUR A stock worker at a drug store on West 42d Street in Manhattan.

Photographs by Philip Greenberg for T

Eager to show that they too are concerned about the poor, Republicans argue that lifting the minimum wage will result in layoffs for tens of thousands of low-wage workers because many of those jobs would be eliminated or shifted overseas.

In Senate debate last week, Senator Bob Dole, the all-but-annointed Republican candidate for President, said: "There are going to be a lot of young people who lose their jobs. Many are black teen-agers, and many are young people whose parents live below the poverty line."

Senator Don Nickles, Republican of Oklahoma, said a higher minimum wage would cause many employers to hire fewer unskilled workers once they became more expensive to employ. "Instead of helping people get on the economic ladder, the Democrats are pulling the economic ladder up and not enabling people to get on."

Senator Dole may have won last week's legislative battle by maneuvering to prevent the Senate from voting on a higher minimum wage, but the Democrats say President Clinton is winning the public relations war by showing his concern for the beleaguered American worker.



\$5.05 AN HOUR News vendors at the Port Authority bus terminal in M

Just Politics

Geoffrey Garin, a Democratic pollster, said, "People believe that somebody who works a 40-hour week ought to make a wage they can live on, and the fact that Republicans oppose that notion is incredibly damning of them to voters."

Supporters of a higher minimum wage received some unexpected new moral ammunition last week when a study found that chief executives' pay, with stock options included, soared 31 percent last year, the highest jump in a decade, putting their median pay at \$5 million.

Republicans insist that Mr. Clinton's push for a higher minimum wage is not quite the high-minded enterprise the Democrats suggest. "They know it has no chance of passing," Senator Nickles said. "They're just trying to score political points."

Nonetheless, Senator Alfonse M. D'Amato of New York and a handful of other Republican Senators, perhaps sensing which way the political winds are blowing, last week announced their support for a higher minimum wage.

Some minimum-wage workers say it is patronizing for Republicans to assert that a higher minimum wage would wallop the poor. Lawrence Ware, a \$4.25-an-hour temporary employee with the New York City Human Resources Administration, took issue with the Republicans, saying: "It makes me feel like they prefer the cliché, 'The rich get richer and the poor get poorer.' They don't really care much about poor people."

Like many low-wage workers, Mr. Ware said he doubted that a higher minimum would cost his job. The Clinton Administra-



\$5.00 AN HOUR A parking-lot attendant on West 26th Street in Manh

tion and many Democrats point to several recent academic studies that buttress this view. The best-known study was conducted by two Princeton professors, David Card and Alan Krueger, who surveyed 331 fast-food restaurants in New Jersey when the state raised its minimum wage by 80 cents, to \$5.05 an hour, in 1992. (Ten states have minimum wages that are above the Federal level). The professors found that even though the restaurants gave the 19 percent increase to their many minimum-wage

workers, the higher minimum did not cause a drop in the restaurants' employment.

At the American Economics Association convention last January in San Francisco, Robert Solow, a Nobel Prize-winning economist, presided over a panel discussion in which conservatives and liberals crossed swords.

But, he said, a consensus emerged that "the employment effect of a moderate increase in the minimum wage would be very, very small."

4.3.96

THE WHITE HOUSE

WASHINGTON

March 29, 1996

96 MAR 29 P7:21

MEMORANDUM TO THE CHIEF OF STAFF

FROM: RAHM EMANUEL

SUBJECT: WEEKLY REPORT

CRIME/DRUGS: The 'One Strike And You Are Out' announcement on Thursday received excellent national coverage. ABC news covered the story on the American Agenda segment dedicating two minutes. The local media was just as comprehensive and I will get you a news summary and set of clips as soon as possible.

We are working with Justice this weekend on the Wednesday anti-gang announcement. The event is another example of how the President is following through on the challenges he set forth in the State of the Union. The event will take place at the Justice Department in two parts; first, three US Attorneys will outline for the President in a briefing, how they have successfully prosecuted the violent gangs in their cities, and then the President will address the group, announce anti-gang Cop funds for 20 cities and release the National Gang report from Justice.

96x [Next week we are also putting out a letter from the President to all Governors on sexual predators regulations. This completes our efforts outlined in the '94 crime bill and the Jacob Wetterling act concerning community notification.

✓ We need to focus on assisting General McCaffrey in the reprogramming of the \$250 million. He has a good program, including the funding of the "Meth" strategy and drug testing for localities.

M **IMMIGRATION:** This week, the Senate Committee passed our legal immigration reform family package by a wide margin (13-4). This can only assist our efforts to control the outcome of legal immigration reform. Senator Kennedy is coordinating his actions with the Administration.

The state option to deny children of illegal immigrants access to education, will be a very volatile issue soon and something we should get our hands around now. Senator Dole spoke favorably on this subject in California. I have directed INS to work on letters from the New York City and Los Angeles mayors opposing this amendment and to inquire with Bennet and Kemp whether they would be willing to go public. I need Presidential guidance on the level of opposition to wage on this front.

*used to
Madden
understand
I need on principle we must stand as is*

I have attached a copy of key GOP criticism of the proposal. I think the best line of attack is the impact their action will have on juvenile crime. Our opposition should be framed as an anti-crime effort. We also need to get local police to oppose the Amendment.

Next week INS will announce the completion of Operation Northeast. This operation is a multi-state effort to target key industries that are repeat offenders of immigration laws.

WELFARE: The Administration continues to face obstacles because the Congress controls the agenda. They determine whether we sign a welfare bill or whether we even get another chance at welfare reform. The only chance we will get is if it is tied to medicaid reform.

Most major newspapers have taken their welfare beat reporter off the welfare debate and have begun to focus on health care. We could not even get a single reporter interested in covering the bi-partisan announcement by House members that they were submitting a new welfare bill.

The only option we have left is to initiate welfare reform announcements on our own. This would entice Senator Dole to move a welfare bill and it would add to our welfare reform credentials.

PENSIONS: Gene and I have met with Labor and Treasury staff to develop a pension reform legislative package. The goal is to announce the package around the time of the Corporate responsibility conference.



THE WHITE HOUSE
WASHINGTON

THE PRESIDENT HAS SEEN
4.3.96

96 APR 1 P7:32 4.1.96

Mr. ~~President~~:

Ph, in case you
didn't see this.

~~Leon/Tony/VP~~
FY - we are
moving the
money in this
area

SPECIAL REPORT

Land mines litter the globe, claiming 2,000 victims every month. Will the world finally renounce these diabolical weapons? BY TOM MASLAND AND JOHN BARRY

Buried Terror

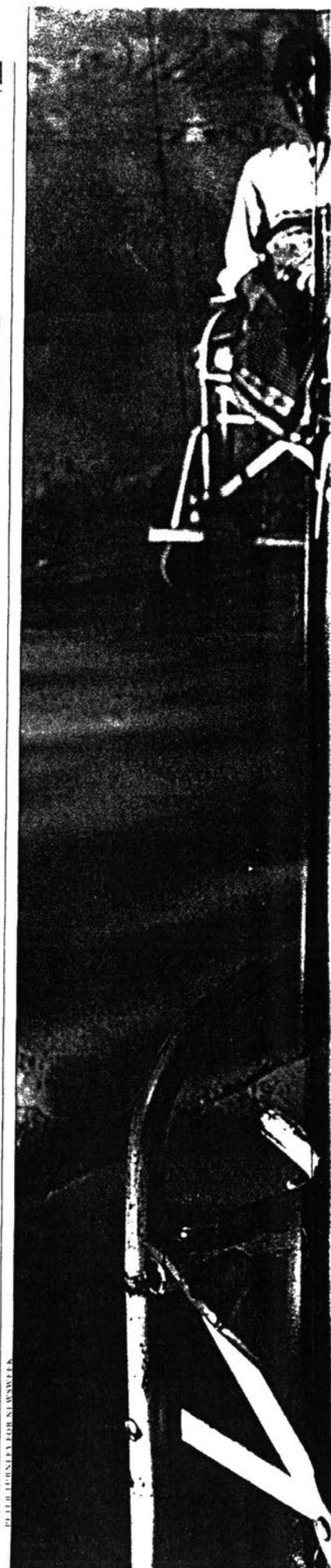


Danger: Mine-defusing in Iraq

MASLAND/ENDRICH - SARAJEVO

HE SERVED THREE YEARS ON BOSNIA'S front lines and survived. But within days of being demobilized, Petr Jesdimir became a casualty of the peace. He was working with a private road crew on the outskirts of Sarajevo last month when an anti-personnel mine buried at the roadside blew up under his left foot. As he stumbled down the road to get help, another mine shattered his right leg. Today he lies in a Sarajevo orthopedic clinic where battle-tested doctors have made their own transition—from treating soldiers hit by grenades to amputating the arms and legs of mine victims, mostly children. Jesdimir, 50, realizes that until he dies he'll probably be a drain on the nation he fought to preserve. "I know I have to live with this now," he sobbed last week, holding up the trembling stump of a leg. "Now I understand war."

Land mines are the lethal detritus of 20th-century warfare. Indiscriminate, all but permanent, ever cheaper and increasingly





Maimed:
A young
victim in
Afghanistan

hard to detect, they bedevil efforts to put a country back together after the shooting stops. And not just Bosnia, where millions of high-tech mines lie hidden—and where 35 NATO soldiers have been injured and seven killed by mines this year. In Cambodia, Angola, Mozambique and Afghanistan, peasants often must risk their lives to earn a living; huge fertile areas lie fallow. The problem is staggering. Up to 110 million active mines are scattered in 64 countries (map). The toll: 2,000 victims a month. Today it would cost \$33 billion to lift those mines. Tomorrow it will cost more: in 1994 2 million new mines were planted, 20 times as many as were removed.

Should land mines be banned? That's the goal of a four-year-old international campaign by several hundred relief, religious and veterans' organizations. As more than 50 nations prepare to meet in Geneva this month for final debate on ways to address the plague of mines, the activists want Washington to join 24 countries that have called for an immediate ban on anti-personnel mines (APMs)—the small mines, costing as little as \$3 each, that most often cripple civilians. Last week the Vietnam Veterans of America Foundation demanded in a New York Times ad: "President Clinton: Ban Land Mines Now." This week another such ad will carry an open letter to Clinton from at least a dozen retired U.S. generals, including former Joint Chiefs of Staff chairman David Jones, Desert Storm commander Norman Schwarzkopf and former NATO commander John Galvin—a potent political force. Most combat vets hate mines (following story). Colin Powell says he won't weigh in on the public debate until a current Pentagon review of land-mine use is completed, but he wrote to those seeking his support for a ban, "I abhor mines." Powell's encouragement may not be necessary; NEWSWEEK has learned that Clinton already is preparing to sign on to a new line of military thinking: that modern nations stand to lose more from anti-personnel mines than they gain.

Administration officials are pulling together a three-prong strategy for responding to the growing threat of these mines:

■ In Geneva, Washington will press for approval of a series of amendments to the 1980 U.N. Convention on Conventional Weapons. The anti-mine campaign argues that such amendments only legitimize use of a weapon that should be made as unacceptable as poison gas. But "we can't change our demands at the eleventh hour," said one U.S. official. Among the proposals: a requirement that all new APMs be equipped to self-destruct within 30 days, new export controls, extending the restric-

tions to cover civil wars and a rule that long-lived mines be used only in marked, fenced and monitored minefields. Washington also wants another review of the treaty in five years.

■ With the strengthened mine protocol signed, Washington will turn its attention from consumers of mines to their suppliers. The goal: export controls by the 36 manufacturing nations. The United States and Britain quietly convened the group last June in Budapest. Another meeting of this embryonic suppliers' club is likely later this year. One glitch: although most of the main mine-makers came to the Budapest meeting, China missed it.

■ If the forthcoming report by Joint Chiefs Chairman John Shalikashvili gives him enough running room, President Clinton is

being urged to announce a major U.S. initiative on APMs. He may dramatize this by appointing a mine-control "czar." Clinton aides hope he can seize the high moral ground by announcing that the U.S. military will observe a unilateral moratorium on the use of anti-personnel mines for a five-year period until the next review of the conventional-weapons accord. He then could call on other nations to follow the U.S. lead.

Such an initiative would signal a shift in U.S. military thinking. (It also would protect Clinton against a flanking maneuver by decorated war vet Bob Dole.) U.S. Army doctrine has long seen mines as "force multipliers" to disrupt opposing forces during an assault. That view has prevailed as recently as 1994, when the White House ordered a Pentagon review of mine use in

A World of Hazards Underfoot



Chorus of opposition: Humanitarian organizations have long opposed mine warfare. Now more than a dozen retired U.S. generals, including Norman Schwarzkopf, are joining the campaign to ban the weapons.

Eastern and Central Europe Seven million mines are laid here, including about 3 million in Bosnia, which pose the greatest threat to IFOR troops maintaining the peace.



An Arsenal of Anti-Personnel Mines



VS-50 in Kuwait

Blast mines Small, designed to maim soldiers and prevent farmers from sowing fields. New plastic models are water-proof and evade metal detectors.



U.S. Claymore M18A1

Directional mines They can be set off by remote-controlled device or tripwire, dispersing a horizontal arc of steel fragments at an approaching enemy.

preparation for the conventional-weapons talks. The army's response: land mines remain a "key combat capability" that can cut U.S. combat loss ratios in half. Concern over holding down U.S. losses trumped clamor over the morality of using a weapon that doesn't discriminate between combatants and civilians.

But a new view is evolving in the Pentagon, driven by one thing: Bosnia. Commanders have been shocked to discover how poorly the army's kit of de-mining tools and techniques performs against the kind of modern, plastic APMs strewn across Bosnia. And better mine detectors—using radar, microwaves, lasers or thermal neutron analysis—won't be available for five to 10 years. With the spring thaw, the threat of mines multiplies. Yet long-term goals for

Bosnia—the return of refugees, elections, reconstruction—hinge on restoring freedom of movement. And if reconstruction lags, it could threaten the administration's pledge to withdraw forces within a year.

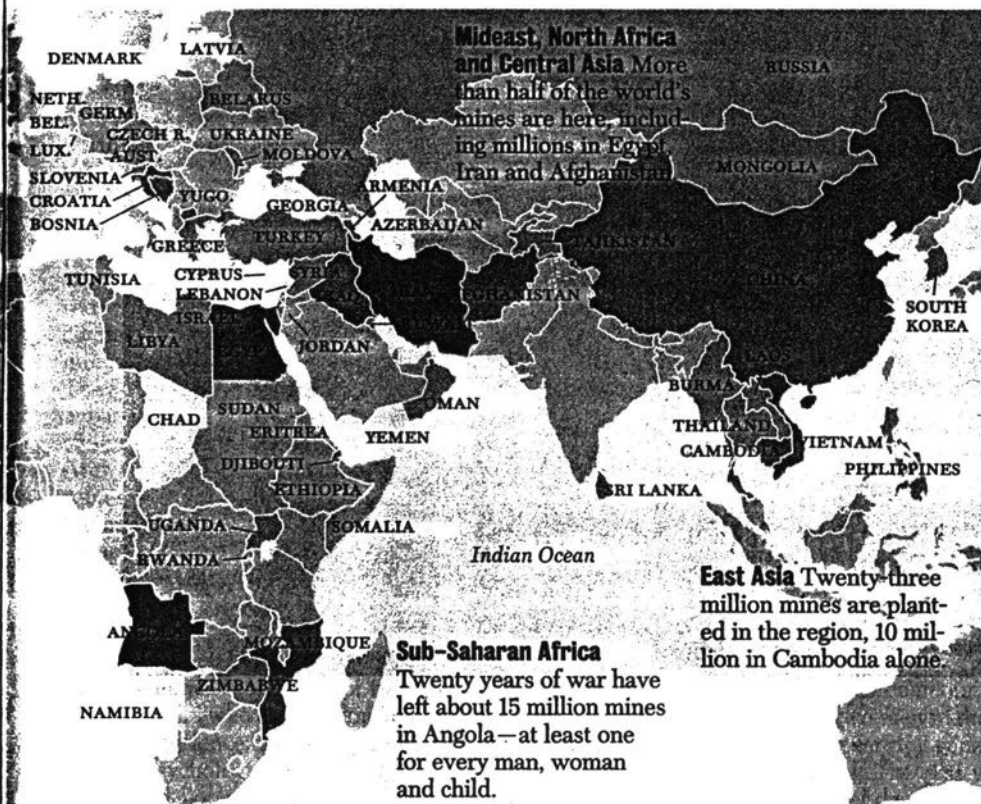
Future U.S. military missions are likely to be similar to Bosnia. That changes the cost-benefit analysis of the use of mines. Last year the Army's own think tank, the Institute for Defense Analyses, found that anti-personnel mines help in only a few battlefield situations, and even then extra firepower can compensate. Today the Pentagon's main fear about a ban is not for its troops, but for its plans. Some generals worry that a ban could encourage efforts to limit a new generation of high-tech submunitions that can be spread behind an enemy's lines. They're the essential compo-

nent of Pentagon hopes for a smaller yet less vulnerable U.S. force over the next generation. But that's a risk the president may be willing to take.

The Pentagon's new thinking would have come as no surprise to the late Les Aspin, Clinton's first defense secretary. With the end of the cold war, he mused one evening, the United States would find that its interest now lay in limiting weapons it once deemed essential. Land mines, "a classic poor man's weapon," were as much an example as nuclear weapons, he allowed, adding: "The army is still wedded to them. Wait until they've had to confront them in contingency operations a few times." With 20,000 U.S. troops in Bosnia, that day may have come.

With STACY SULLIVAN in Sarajevo

Anti-personnel mines kill or maim 2,000 people a month, including many children. Now a growing chorus of voices is calling for a total ban on their use.



Dangerous Duty: Deactivating Mines



Minesweeping in Kuwait

minefield vehicles can clear paths for tanks, vehicles and soldiers.

Detection Clearing a vast area of mines requires probing every few centimeters of soil. The U.S. Army's Schiebel-series mine detectors can locate anti-personnel and anti-tank mines with minimal metal content.

Equipment German shepherd dogs are used to sniff out mines harder to detect. De-miners wear plexiglass visors, kneepads and Kevlar vests for protection, while air-cushion shoes reduce risk of accidentally activating mines.



Italian Valmara 69

Bounding fragmentation mines Called jumping mines, or "Bouncing Bettys." Pressure applied to a tripwire ejects an explosive several feet in the air. Designed to explode near the midsection.



POMZ-2 in Cambodia

Stake mines These WWII-era mines are driven into the ground, often in clusters and equipped with tripwires. When activated they release metal fragments in all directions.



BLU-92/B Gator

'Smart' mines Delivered by the hundreds from cannons, rockets or aircraft, they arm themselves, can sense their targets and are supposed to deactivate after a set time.

One Weapon We Don't Need

America's most decorated soldier says land mines cannot win battles

By DAVID H. HACKWORTH

LAST FEBRUARY, SGT. 1/C DONALD A. DUGAN WAS KILLED instantly on a snowy patch of ground in Bosnia. An anti-personnel mine exploded while the veteran U.S. Army reconnaissance sergeant was attempting to disarm it. The explosion drove a piece of the steel disarming tool into his forehead. On a dozen different killing fields around the world in the past 50 years, I've seen thousands of soldiers and civilians blasted apart by land mines. In northern Italy, where I served as a 15-year-old soldier boy at the end of World War II, I saw an army captain's legs ripped off by a land mine. In Bosnia last January, I came within minutes of becoming a casualty myself from a land-mine explosion. But I've never seen a battle in which land mines made a difference to the outcome. They are ugly and ineffective weapons, and they ought to be outlawed.

Land mines are indiscriminate killers. They kill not only during the conflict, but decades after the last shot was fired. The technology has improved; a modern mine can be programmed to blow itself up after a few weeks or months, reducing the postwar threat to civilians. But anti-personnel mines are still not "smart." They can't tell a good guy from a bad guy, a soldier from a civilian, an adult from a child. And some fail to blow themselves up. When millions of mines are scattered across a battlefield by air and artillery, even a tiny "dud rate" will leave a substantial number lying in wait for innocent victims.

Of all the instruments of terror used on the battlefield, mines are the most inhumane. The wartime casualties are young men whose lives are either snuffed out or ruined forever by crippling injuries. Even soldiers who escape from a minefield unscathed are haunted by the experience. Many cases of posttraumatic stress disorder, a serious psychological malady, were caused by the preying fear of mines and booby traps. Years later, a walk across an open field brings back the old dread: What's under those leaves? Do I dare put my foot on that freshly turned earth? Walk through a minefield, and you'll never be young again.

During the Korean War, tens of thousands of soldiers on both sides were felled by land mines. Many of them were killed by their own mines, recklessly thrown down in haste, their location unrecorded. In 1952, as a 21-year-old lieutenant, I was ordered to clear a path through an unmapped minefield—one of our own. I argued with my colonel about the advisability of doing such work on frozen, snow-covered ground. Lieutenants seldom win disputes with colonels, so the mine-clearing detail proceeded as ordered until a fine black sergeant named Simmons tripped the wire on a "Bouncing Betty" mine. It popped up from the ground and blew off

the top of his head, covering me with his blood and brains. Moments later, another noncom went nuts and stomped out into the minefield, screaming: "I'll find the f----- mines, I'll find the f----- mines!" He was tackled, restrained and led away.

In Vietnam, the U.S. Armed Forces also used land mines irresponsibly, dropping millions of them at random by air. The enemy quickly learned how to disarm these weapons and recycle them for use against us. The infantry battalion I commanded in the Ninth Division took more than 1,800 casualties in a year and a half, most of them caused by recycled U.S. ordnance. Mines cannot secure a flank or defend a position by themselves. For a minefield to be even

marginally effective, it must be protected by friendly troops, to knock off the bad guys who want to clear a path or use the mines against you.

Mines never stopped any unit of mine from taking its objective—or the enemy from getting inside my wire. Anyone who has ever been in battle, especially in Korea or Vietnam, has seen enemy sappers crawl through mines and barbed wire and get into their positions. I once faced a Chinese "human wave" attack in Korea. My company was dug in on high ground, with plenty of weapons, ammo and artillery support. Out in front of our position we laid a carpet of mines and flares. The enemy attacked in regimental strength, outnumbering us 9 to 1. They walked

through our minefield—and our gunfire—without missing a beat. They cut my company in half and within an hour were two miles to the south, in our rear. The only way out was to move north, so we trudged through our own somewhat depleted minefield to escape, losing two men in the process.

Most serving generals, especially the desk jockeys, are in favor of mines. The real war-fighters usually want to get rid of them. Whatever defensive punch is lost would be more than offset by the new firearms and missiles that give today's infantry platoon more killing power than a Korea-vintage battalion. "Mines are not mission-essential," says one general, "but they are budget-essential." In 1996, the U.S. Army budgeted \$89 million for land-mine warfare. Now the army is fighting to protect every nickel.

Still, some retired generals want to ban mines, and I agree with them. Governments can declare land mines illegal, just as chemical weapons were prohibited. Sure, thugs like Saddam Hussein or Ratko Mladic will continue to use them. But users (along with manufacturers and dealers) can be hunted down and punished by an international court. If that happens just a few times, anti-personnel mines will go the way of mustard gas. I'll drink to that, and so will most veterans of foreign wars.



In an age of 'smart' ordnance, an indiscriminate killer: An honor guard carries the coffin at Sergeant Dugan's funeral in Ohio

THE WHITE HOUSE
WASHINGTON

April 3, 1996 06 APR 3 P2:58

MEMORANDUM FOR MIKE MCCURRY

THROUGH: TODD STERN 

FROM: JIM DORSKIND 

SUBJECT: EASTER, 1996

4/3/96

Attached is the President's message for EASTER, 1996,
which you may want to release to the media.

Thank you.

THE WHITE HOUSE

WASHINGTON

EASTER, 1996

Warm greetings to everyone celebrating Easter.

Across America and around the world, Christians gather on Easter Sunday to commemorate the central event in the history of their salvation: the Resurrection of Jesus. This holy day marks that moment in time when good conquered evil, hope overcame despair, and life triumphed over death. Just as spring brings warmth and beauty to the earth after a harsh winter, Easter brings joy and new life to the spirit, reminding us that no mistake or failing of the past can put us beyond the reach of God's mercy.

In this age of great challenge and even greater possibility, Easter's timeless message strengthens us for the tasks before us. As we celebrate in churches and cathedrals, at sunrise services and in family gatherings, we remember that our lives have great purpose and value. We recognize that the life and words of Jesus call us to works of caring and compassion, to giving more than receiving. His death and resurrection are powerful reminders of how God's grace is still at work in the world in which we live today.

Hillary joins me in extending best wishes to all for a wonderful Easter celebration.

Bill Clinton

THE WHITE HOUSE
Office of the Press Secretary

For Immediate Release

EASTER, 1996

Warm greetings to everyone celebrating Easter.

Across America and around the world, Christians gather on Easter Sunday to commemorate the central event in the history of their salvation: the Resurrection of Jesus. This holy day marks that moment in time when good conquered evil, hope overcame despair, and life triumphed over death. Just as spring brings warmth and beauty to the earth after a harsh winter, Easter brings joy and new life to the spirit, reminding us that no mistake or failing of the past can put us beyond the reach of God's mercy.

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Hillary joins me in extending best wishes to all for a wonderful Easter celebration.

WILLIAM J. CLINTON

#

THE WHITE HOUSE

4/2

Robert Kyle (NSC)
Andrew Sene (NSC)
Tom O'Sonnell (NEC)
Todd Stern

Do you have any position on this
proposed ltr to the President of
Croatia.

Kris Balderson
(62572)

96 APR 3 11:42

Andy
NSC's
CLC
1002

To
A. Sene



UNITED STATES DEPARTMENT OF COMMERCE
Office of the Secretary
Washington, D.C. 20230

MEMORANDUM FOR KITTY HIGGINS
SECRETARY TO THE CABINET

FROM: William W. Ginsberg
Chief of Staff

SUBJECT: Request for Presidential Advocacy Letter

I am transmitting a draft advocacy letter for the President's signature, prepared by the TPCC Advocacy Center here in the Department of Commerce. The letter is directed to Croatian President Franjo Tudjman and focuses on the procurement of aircraft by Croatian Airlines.

The Boeing Company requested Presidential advocacy support for their firm in this aircraft competition when it learned that European Government officials, particularly German Chancellor Kohl, had introduced a political element into the evaluation and selection of an aircraft supplier.

In order to level the playing field for the Boeing Company, the only U.S. company involved in this aircraft competition, I urge that the President sign the attached draft letter.

Attachment

His Excellency Franjo Tudjman
President
Republic of Croatia
Zagreb, Croatia

Dear Mr. President:

I enjoyed our recent meetings and conversations regarding the importance of involving American companies in Croatia's economic reconstruction. The development of our bilateral commerce will enhance our economies and enrich our peoples. In that regard, I would like to call to your attention an important trade opportunity which could have a significant impact on the immediate expansion of our bilateral trade.

I have been informed that Croatia Airlines is in the process of evaluating proposals for a fleet of up to 18 long- and medium-range aircraft. Boeing, one of the United States' leading aerospace companies, is competing for this contract offering sixteen B737-700 and two B767-ER (Extended Range) aircraft. The selection of aircraft represents an important decision for Croatia Airlines -- and for your Government -- as Croatia continues to recover from war and fully re-establish traditional, strong ties with the West.

I would appreciate your discussing this sale with Secretary of Commerce Ron Brown during his visit to Zagreb in early April. Secretary Brown and I urge you to make this important decision solely on the basis of technical and commercial merits. Many major airlines in Central and Eastern Europe have chosen to purchase Boeing planes in recent years and have been very pleased

with their performance and reliability.

I would also like you to know that the Export-Import Bank of the United States, recognizing the current progress in the peace process, adopted a more forthcoming policy on financing certain transactions for Croatia on March 26. The Export-Import Bank decision should facilitate consideration of U.S. aircraft by Croatia Airlines.

I appreciate your consideration of this matter and look forward to seeing you in the very near future.

Sincerely,

DATE: 4-3

TO: Michael W.
Gabrielle B.

FROM: Staff Secretary

Could you take one
more look in light of
this accomplishments stuff.
Most of it is pretty thin
gruel, but there are a
few items -- see last page
for example -- that might be
worth a mention. Rick

DRAFT

CLINTON ADMINISTRATION ACCOMPLISHMENTS FROM JANUARY 1995 TO JUNE 1995

CREATING ECONOMIC OPPORTUNITY AND SECURITY FOR ALL AMERICANS

- Released **1995 Economic Report of the President** which chronicles the strongest economy in 30 years with 3.5 million jobs created in 1994, deficit reduction for a third year, inflation at its lowest since 1965, and consumer confidence at a 4-year high. February 13, 1995.
- Established the **National Homeownership Strategy** which strives to boost homeownership to 67.5 percent by the year 2000. June 5, 1995.

MAKING COMMUNITIES AND SCHOOLS SAFE FOR OUR FAMILIES

- Requested \$14.6 billion for the **1995 National Drug Control Strategy**, the largest budget ever for fighting drugs. The Strategy contains four major initiatives: Empowering communities to respond to their own drug problems through community policing, the Safe and Drug-Free School and Communities program etc.; Improving prevention and treatment through grant consolidation; Fighting hardcore drug-use through drug-courts, substance abuse treatment in prisons, and the Substance Abuse Performance Partnership; Increasing efforts in source countries through democratic institution building, dismantling narcotics trafficking organizations, and interdicting drugs. February 7, 1995.
- Transmitted to Congress the "**Antiterrorism Amendments of 1995**," which provide an effective and comprehensive response to the **threat of terrorism**, while also protecting our **civil liberties**. The amendments increase the authority of law enforcement agencies to pursue terrorists and imposes tougher penalties on them. May 3, 1995.

MAKING GOVERNMENT WORK BETTER AND COST LESS

- Announced **Regulatory Reinvention Initiative** that will create a less bureaucratic and more flexible government. Includes a page-by-page review of the rules, judging regulations by results, and forming groups consisting of regulators and the people who are affected by them. February 21, 1995.
- Signed the **Unfunded Mandates Reform Act** into law, which restricts Congress from passing on new mandates to state and local governments without paying for them. March 22, 1995.
- Signed the **Paperwork Reduction Act of 1995**, which dramatically cuts unnecessary paperwork, red tape, and irrational rules while protecting the environment and the health of citizens. May 22, 1995.

CREATING OPPORTUNITY IN AMERICA'S COMMUNITIES

- Reformed the regulations implementing the **Community Reinvestment Act to make it easier for institutions to implement**. The reforms increase access to credit and decrease federal regulatory burdens and has already helped increase the number of mortgage loans to minorities and the poor. April 19, 1995.

PROMOTING HEALTH CARE FOR ALL AMERICANS

- Provided **compensation for Persian Gulf War veterans** with chronic disabilities resulting from undiagnosed illnesses related to the War. Gulf War veterans will now receive compensation checks for their illnesses under a new law signed by the President in November. February 22, 1995.
- **Permanently extended the deduction of health insurance premiums to self-employed individuals** and their dependents by amending the Internal Revenue Code so that 30% of these costs will be deductible. This legislation considers these individuals to be more like other businesses and makes them more competitive. April 11, 1995.
- Issued an Executive Order establishing a **Presidential Advisory Committee on Gulf War Veterans' Illnesses** to **identify the causes** of the illness and **provide care** to Gulf War veterans who served during the Persian Gulf conflict. May 26, 1995.
- **Established the Presidential Advisory Council on HIV/AIDS**. This 30-member Council provides advice, information, and recommendations to the Secretary of Health and Human Services regarding programs and policies intended to promote effective prevention of HIV disease, advance research on HIV and AIDS, and promote quality services to persons living with HIV and AIDS. June 14, 1995.

PRESERVING AND STRENGTHENING OUR FAMILIES

- Signed Executive Order that dramatically steps up efforts to track down federal workers who fail to pay child support by implementing wage withholding and employing a federal parent locator, a crossmatch for delinquent parents, and a number of other actions. The Order will streamline the service of legal papers to federal employees in paternity establishment and child support enforcement orders. February 27, 1995.

RESTORING TRUST IN OUR GOVERNMENT

- Signed the **Congressional Accountability Act** into law, which requires Congress to live under the laws it imposes on the American people. January 22, 1995.

OPENING FOREIGN MARKETS TO AMERICAN GOODS

- After threatening more than \$1 billion in punitive tariffs, the United States reached an agreement with China that will provide protection of intellectual property rights for U.S. companies and provide market access for U.S. intellectual property-based products. Under the agreement, the Chinese government committed itself to taking immediate steps to address rampant piracy throughout China, making long-term changes to ensure effective enforcement of intellectual property rights, and providing U.S. right holders with enhanced access to the Chinese market. February 26, 1995.
- Extended preferred trading status to the West Bank and Gaza Strip by adding these areas to the Harmonized Tariff Schedule of the United States and making them beneficiaries of the Generalized System of Preferences. March 17, 1995.
- Reached a historic agreement with Japan that opens its automotive market to billions of dollars worth of American cars and parts. June 28, 1995.

AMERICAN LEADERSHIP

- Signed Executive Order blocking assets in the U.S. of terrorist organizations that threaten to disrupt the Middle East peace process and prohibiting financial transactions with these groups. January 24, 1995.
- Signed four agreements with Mexico implementing a \$20 billion support package that protects U.S. jobs, exports, immigration interests, and security concerns that were threatened by Mexico's financial crisis. Because of Congressional inaction, President Clinton secured \$10 billion in U.S. support through Executive Order and secured the sufficient collateral from the Mexican government. February 21, 1995.
- Issued an Executive Order that prohibits any business dealings or contracts having to do with Iranian goods, technology, services, and investment. These steps are a response to Iran's continuing support for international terrorism, as well as its intensified efforts to acquire weapons of mass destruction. May 6, 1995.
- Led the international effort to secure the indefinite and unconditional extension of the Nuclear Non-Proliferation Treaty (NPT). More than 170 member countries of the Treaty joined in taking this critical step that will reduce the danger of nuclear proliferation around the world. May 11, 1995.
- In consultation with our allies and the UN, ordered NATO airstrikes against Bosnian-Serb positions following the Bosnian-Serb defiance of the UNPROFOR's demands for the return of heavy weapons to designated weapons collection points. May 25, 1995.
- Reached agreement with North Korea that will keep the country's dangerous nuclear facilities frozen and leads to the eventual elimination of North Korea's dangerous nuclear program. June 13, 1995.

Foreword

The first half of 1995

^{time}
~~Nineteen hundred and ninety-five~~ was a year of challenge and change. The election of a new Republican Congress set the stage for a fundamental public debate over the role of government, the country's values, and the way we could move forward as one people. Throughout this debate, I remained firmly committed to this ideal: America is strong only when America is united, and when we leave no one behind.

As I made clear in my State of the Union Address, we have an obligation to offer the American people a new kind of government for new times. Our New Covenant recognizes that there isn't a program for every problem, but that we can produce a government that works better and costs less. We launched a top-to-bottom overhaul of Federal rules in an effort to bring common sense to often complex regulation. We streamlined the regulatory process by abolishing 16,000 pages of regulations. We reformed environmental workplace safety and pharmaceutical regulation ~~so that~~ we trimmed red tape and business burdens, without hurting public safety and health. We eliminated the 10,000 page Federal personnel manual and we cut 136,000 positions from the Federal work force. ~~from the time I took office.~~

As we celebrated the 50th anniversary of the end of World War II in Europe, we reaffirmed our commitment to America's global leadership as a force for peace and freedom, and rejected the siren song of isolationism. I visited Russia and Ukraine, where I joined leaders of those two nations in pledging to work as partners for an undivided, democratic Europe. I also travelled to Haiti, where our troops helped clear the way for the transition from dictatorship to democracy. And at the 50th anniversary of the United Nations, we took stock of a half century of achievement and pledged to adapt the United Nations for the challenges of the 21st century.

In April, our Nation was shaken by the tragic terrorist bombing of the Alfred P. Murrah Federal Building in Oklahoma City. One hundred sixty-nine Americans lost their lives. But moments of tragedy often bring out the best in people, and thousands of Americans turned their energy and prayers toward helping the people of Oklahoma endure and overcome their enormous loss.

Finally, in June, I introduced a balanced budget plan that reflected the values of the American people: opportunity, responsibility, the duty we owe one another, strong families, a strong America. This plan built on our success in reducing the deficit by nearly one half during the first 3 years of my Administration. This reflected an attempt to reach out to the Congress and find common ground on the budget. And it set the stage for a climatic debate: not whether to balance the budget, but how.

the
about

Sixty-eight
until
Aug 9, 19
up
1995

April 2, 1996

MEMORANDUM FOR JIM DORSKIND

FROM: ANDREW SENS

SUBJECT: POTUS Written Responses on the Middle East for BBC
Arabic Magazine

The BBC's weekly Arabic Magazine al-Mushahid has submitted questions on U.S. policy toward the Middle East for the President's written response. The responses will be published as an interview in al-Mushahid either next week or the week thereafter. Because of the sophistication of the BBC's audience, the President's responses -- particularly regarding our policy toward Iran -- are somewhat fuller and more nuanced than in previous open statements.

The National Security Council staff recommends that you forward the material to the BBC in the President's name.

Attachment

Tab A Written responses to BBC questions for the President

TO:
NSC

A-Sen

Andy -
~~3rd Q~~ says:
"Hussein";

We say

"Husayn" --

is that really what
we want? Looks slightly
smarmy... as if POTUS is saying
to this Arabic magazine
"I know better than
you how to

transliterate this
name." Even if
NSC uses Husayn,
I strongly recommend
doing it their way.

TRF

POTUS WRITTEN RESPONSES TO QUESTIONS FROM

BBC ARABIC MAGAZINE AL-MUSHAHID

As the American election campaign gets into high gear, is the Middle East peace process still high on your political agenda or on a back burner?

Achieving a just and comprehensive peace in the Middle East remains a priority for my Administration -- and for me, personally. The United States remains prepared to do whatever it can to help make such a settlement possible. Secretary Christopher's visits to the region and the productive discussions held at the Wye Plantation in Maryland have helped produce substantive progress toward peace between Israel and Syria. We have every intention of working with the parties to build on that foundation in the months ahead.

How do you evaluate the progress made by the Palestinian Authority in terms of fighting terrorism, economic development, political process, and human rights? What kind of economic and other assistance does the PA receive today from the United States and what can it expect in a second Clinton Administration?

The Palestinian Authority is now focusing -- as it must -- on dealing with the threat posed to the peace process by terrorism. Chairman Arafat and the Palestinian Authority have taken real, positive steps to dismantle the terrorist infrastructure. But more must be done. Palestinian efforts to counter terror must be part of a sustained strategy. We will stand by Chairman Arafat and the Palestinian Authority -- and with the Palestinian people -- as they confront this challenge.

We believe that strengthening the rule of law in the West Bank and Gaza Strip will enhance these efforts and provide a solid grounding for the further development of democratic institutions. Our assistance efforts for the Palestinians have specifically included funding for programs to encourage and support this process.

A just and enduring peace in the region is impossible without economic prosperity. The Palestinian people must see that peace has improved their daily lives. The United States has led international efforts to provide the necessary economic and development support to make this possible. The US has pledged \$500 million over 5 years to the Palestinian Authority and has

already disbursed over \$140 million of our FY 95-96 pledge. We are the largest donor to UNRWA, the main UN agency assisting Palestinian refugees. The US also provided the Palestinian Authority with \$13 million in vehicles and medical equipment.

We have also worked closely with the EU, Norway and the Israeli government to find ways to facilitate the movement of goods into and from the Palestinian areas and to help offset the economic consequences of the recent closure.

The Iraqi people have suffered for several years because of international sanctions on their government. Secretary of Defense Perry has said that the United States is working with Jordan and others to "accelerate the demise of the present regime in Iraq." In light of the lack of a credible alternative to challenge the rule of Saddam Hussein and the West's failure to remove him, is it not time to give the Iraqi people a chance to develop their economy and their social status?

I am greatly disturbed by the persistent reports of human suffering in Iraq, but let's be clear: the problem lies not with the UN sanctions but with the Iraqi government. From the outset, the UN has made provisions for Iraq to sell its oil to pay for food and medicine for its population. We have urged Saddam Husayn to take advantage of these provisions, but he has repeatedly refused to do so--exploiting the misery of the Iraqi people in a cruel attempt to score propaganda points.

Iraq must comply with all of the UN Security Council Resolutions before sanctions will be lifted. Saddam Husayn must not be rewarded for his refusal to meet this standard.

Iran also has been under sanctions, and there is movement in the US Congress to further tighten restrictions on dealing with that country. How do you respond to those who say the US attitude of isolation and sanctions towards Iran has served to strengthen the extremists against the moderate force in that country, and thus enhances the threat to neighboring countries?

U.S. policy toward Iran is designed to change that government's behavior. Iran's support for terrorism, its efforts to derail the Middle East Peace Process, and its pursuit of weapons of mass destruction and their means of delivery are of continuing concern not only to the United States, but to the international community at large. As a measure of our commitment to this policy, I have imposed tough sanctions on Iran, which have effectively severed all U.S. commercial and financial ties to Iran. We continue to urge others to take appropriate action.

As a matter of policy, the United States does not seek to change or overthrow the government of the Islamic Republic of Iran. Nor is the United States seeking a military confrontation with Iran. To the contrary, we are prepared at any time to have a full and frank dialogue. Our only condition is that such a dialogue must be with an authoritative, official representative of the Iranian government.

Finally, I want to underscore that the United States has no quarrel with the people of Iran. Contact between our two nations goes back at least one hundred years, predating the era of close political and diplomatic relations that developed after the World War II. We have learned from Iranian society and culture, as Iran has learned from us. This process goes on even today. Perhaps as many as one million individuals of Iranian origin now call the U.S. home and are contributing materially, culturally and intellectually to our society. But so long as Iran's leadership continues to act in ways that undermine regional peace and order, U.S. policy will remain committed to making them pay as high a price as possible for such actions.

There appears to be a growing attitude of isolationism in some parts of the American political arena. It is most apparent in the House of Representatives, and it is a major theme of at least one of the Republican candidates for his party's presidential nomination. Can the Arab world continue to pin its faith in the United States as its peacemaker?

With the end of the Cold War, a debate has resurfaced about the need for the United States to maintain its deep involvement in world affairs. But I do not believe it is accurate to draw the conclusion that most Americans favor a return to the isolationism of the 1930s. In today's increasingly interdependent world, America's security and prosperity depend on our global engagement.

I made active US leadership in world affairs the cornerstone of my foreign policy platform throughout the 1992 campaign. Since taking office, we have been engaged throughout the world in the pursuit of human rights, democracy, and greater economic prosperity for our people and others. At the same time we have worked to reduce the threats posed by terrorism and the proliferation of weapons of mass destruction. Far from retreating from global challenges and responsibilities, the United States has led in efforts to secure peace and stability -- from Bosnia and Haiti to the Middle East. Those efforts will continue.