

Chron



JIM DORSKIND:

THE PRESIDENT HAS SEEN

Please coordinate
the reply.

7-29-96

THE WHITE HOUSE

WASHINGTON

JULY 17, 1996

96 JUL 23 P5:49

RECOMMENDED TELEPHONE CALL

TO:

Reverend Dr. William P. DeVeaux, recently
elected Bishop of the AME Church.
Telephone number: (h) 202 723-1414
(o) 202 331-1142

DATE:

The date and time the President should
make the call is optional. However, an
evening call is preferable.

RECOMMENDED BY:

Ben Johnson

PURPOSE:

To congratulate Reverend Dr. William P.
DeVeaux on becoming the 113th Bishop
of the AME Church.

BACKGROUND:

During the recent African Methodist Episcopal
convention, held in Louisville,
Kentucky, Reverend DeVeaux was elevated to
the position of Bishop. You spoke at Bishop
DeVeaux's church (Metropolitan AME
Church) on Inauguration Day.

Ernie Green, Rodney Slater and Vernon Jordan
are members of the church. Ernie Green
assisted with his campaign and was
instrumental in garnering support from the
Arkansas delegation. Bishop DeVeaux will now
be responsible for the Eighteenth Episcopal
District in Africa, which includes the
Southern African countries of Botswana,
Swaziland, Lesotho and Mozambique.

TOPICS OF
DISCUSSION:

1. Congratulate him on being elected Bishop
2. Thank him again for hosting you at his
church on Inauguration Day.
3. Wish him well on his new assignment in
Southern Africa.

CONTACT PERSON(S)

Ben Johnson 6-5189
Mrs. Cook (AME secretary)
She can reach Bishop DeVeaux at any time.

TELEPHONE NUMBERS:

202 547-7272 (h) 202 331-1142 (o)

ACTION:

Handwritten note:
This is congratulated
him in person - (6/19/96)
Jim has a nice letter
B.J.

Alfred Kölbl

D - 85 221 Dachau, October 29, 1995
Berliner Str. 3
Federal Republic of Germany
96 JUL 29 10:34

His Excellency
The President of the
United States of America
Mr Bill Clinton
White House
1600 Pennsylvania Avenue
N.W. Washington D.C. 20 500
U.S.A.

7-29-96 7-29-96
original sent to Dorskind for
set to appropriate handling?
Dorskind
Yes ☒
No ☐

Your Excellency,

first I have to beg your pardon, if I bother you with an unusual request:
Would you be so kind to sign the enclosed drawing I have made by myself?
It is this a 40-hours-work-piece and I hope you will enjoy it, although
it was done by a hobby-painter.

The picture shall be a part of a meanwhile extensive collection of signed
portraits of heads of state from all over the world (till now around 500
exhibits, a namely list is enclosed) and I will exhibit it in preference
in schools - free of charge of course, as I don't pursue any commercial
objectives. It is this for the following reason:

The purpose of these exhibitions is to create and promote understanding -
at least interest - for the concerns of other countries, in particular
among the young. You surely will consent, that this kind of promoting
international friendship - of course only a minimal contribution - is an
useful thing.

Undoubtedly you have substantial correspondence to handle. Therefore you
can be sure, that I never would dare to bother you with an usual auto-
graph-request. But surely it would be an essential winning for the follo-
wing exhibitions (the last one's took place now in the Munich city and in
Augsburg, planned is an event in Bonn, too), if your portrait signed in
your own handwriting featured among the exhibits.

In all these reasons I would be cordially thankful, if you could realize
my wish in spite of your many obligations. Please think in your decision,
that the purpose of my endeavours is exclusive in an ideal way.

With many thanks for all your efforts in advance I remain
with best regards
Yours sincerely



P.S.: For your furthermore information I have enclosed photocopies of
press-reports about exhibitions in 1987, 1989, 1993 and 1995.



Ulfert KTM 28.10.95

7-29-96

To Scheduling?

Yes ☒

No ☐

~~cc. USC~~

Phil - pls. figure
out who should reply.
~~Phil~~ who is
- this?
T.

Don-

Attendee radio address on Myth and also
give gift. Should make mention of "interesting
information on company" with gift letter.

AP letter.

Phil

President of the United States of America
Bill Clinton
The White House

Washington, D.C. 20500

WALTER BACH

geschäftsführender Gesellschafter
der Firma S. Scherdel KG

Hauptverwaltung:
95615 Marktrechwitz, Kraußoldstr. 17
Telefon (0 92 31) 603-100
Telefax (0 92 31) 603-105

Privat:
95615 Marktrechwitz, Redwitzer Str. 46
Telefon (0 92 31) 603-199



Dear Mr. President,

It is a great honor for me to be able to present our business, the Scherdel Group, to you during my visit.

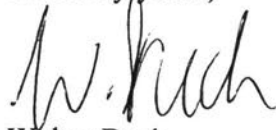
As a family business which has existed for more than a century in Marktrechwitz, Northern Bavaria we have dealt with the automobile almost from our commencement in business. The very first diesel engines were equipped with Scherdel valve springs. This is an exciting, dynamic and very high tech product - as is our entire engineering business. With 1.800 employees at 19 locations in 7 countries we produce a wide range of products - the enclosed extracts will tell you more.

The United States represents the next step in our internationalization. The biggest market in the world is viewed by us as an important challenge for our skills and our know-how and will further improve our competitiveness and strengthen our international presence. We are proud to be meeting such a good response and such openness in your great country. As an American business with German participation we shall try to make our contribution to the benefit of our customers and „industrial location USA“.

I should like at this point to invite you to meet a member of the „German Mittelstand“ on the spot - you would be most welcome. Your generous invitation to the White House I regard as a great honor. Please accept my grateful thanks.

God bless America and its President.

Sincerely yours,


Walter Bach



Locations 19
Countries 9

- USA
- Germany
- France
- Slovakian Republic
- Czech Republic
- Portugal
- Spain
- Great Britain
- China

Employees 1.800
Total Turnover 150 Mio US \$



PABST THEATER

7/29

Den

We should do simple letters (3) as
requested. Give me a call and I'll
explain. Thanks

Phil





PABST THEATER

June 24, 1996

Patrick Steele
Scheduling & Advance
Room 184 OEOB
The White House
1600 Pennsylvania Avenue
Washington, DC 20500

Dear Mr. Steele:

First and foremost, I would like to thank you for considering Choir Morsbach to appear for President Clinton and Chancellor Helmut Kohl during their visit to Milwaukee this past May. The members of the choir were thrilled to have this extraordinary opportunity and, to judge by President Clinton's reaction to their performance of "My Lord", it proved to be a good artistic selection as well as a diplomatic choice.

As you know, the choir is a German 'Männerchor' or men's choir which we had booked to appear at the Pabst Theater long before we knew of the President's plans. What you may not have known is that the choir tours with two American soloists who have lived in Europe and have developed an excellent reputation with European choir directors. Thus, the appearance of Choir Morsbach was a perfect statement of the on-going cooperation between Germany and the United States -- a cooperation that is present in virtually all areas of our national economic and cultural life.

The performance by Choir Morsbach for the President and Chancellor was such a momentous event in their history, that I was hoping the President might be kind enough to send congratulatory letters to the Choir director, Choir president, and their tour organizer. I realize that he must receive an avalanche of requests like this and, in an effort to make this request easier, I have taken the liberty of drafting three sample letters for his signature. Please feel free to use all or part of these sample letters or to discard them entirely.

Should you need any further information, please feel free to call me at any time at 414/286-3665.

Finally, should the President or vice-president return to Milwaukee, we would be proud to make this Theater available to them should they need an excellent venue for either a public or private event.

Sincerely,

Philip Procter
Executive Director

Encl.

PHILIP C. JAMISON . 1848 Greenplace Terrace . Rockville, Maryland 20850
(301) 251-9709 (H) / (703) 695-5678 (W)

July 23, 1996

THE PRESIDENT HAS SEEN

7-29-96

The President
The White House
1600 Pennsylvania Avenue, NW
Washington, DC 20500-2000

Handwritten notes: "To Stanley" with an arrow pointing to the right, "RJR" with an arrow pointing to the right, and "RZ" below it.

Dear Bill,

Great job representing the United States at the Olympic opening ceremony -- one of the many nice things about being President you will remember forever.

As you know, my boss, Ash Carter, is leaving government and will depart in time to get his family settled in Boston before school starts. He has done a terrific job in some absolutely critical national security policy areas, and I'm sure he will be recognized for his accomplishments. Since he was such a key person in the OSD policy arena, you should know that the person who will serve as the acting Assistant Secretary until Carter's replacement comes aboard is one of the best, if not the best, senior civil servant in Washington. Frank Miller was Ash's right hand man, and with his institutional knowledge of matters involving our strategic weapons policy, denuclearization, counter-proliferation, missile defense, etc., he will serve you well. Because these areas are so critical to our foreign policy success, I wanted you to hear from the inside that these issues are in good hands.

Trust that you will have continued success on the campaign trail. (Speaking of which: During a conversation with David L. on Sunday, he said that you might cross paths with Mauria in Denver. Hope that worked out.) As always, am willing to help where I can.

Sincerely,

Handwritten signature of Philip C. Jamison.

Handwritten initials "RJR" with an arrow pointing to the right.

PRESIDENT HAS SEEN
7-29-96

THE WHITE HOUSE
WASHINGTON

96 JUL 26 P 1: 03

July 26, 1996

MEMORANDUM TO THE PRESIDENT

FROM: STEPHANIE STREETT & ANNE HAWLEY

SUBJECT: SCHEDULING DECISIONS

CC: EVELYN LIEBERMAN

ACCEPT

Date of Event:

Description of Event:

7/29/96

Oval Office Bill Signing For the Traumatic
Brain Injury Legislation

7/30/96

Oval Office Bill Signing For the Taxpayers' Bill
of Rights

8/2/96

Promotion Ceremony For Major Mike Mudd
and LCDR John Richardson, Oval Office

8/6/96

Interview With *Reader's Digest*

8/19/96 - 8/30/96

Farewell Photo With Admiral Leighton "Snuffy"
Smith

8/19/96

Interview With *People Magazine*

8/21/96

Interview With *Money Magazine*

8/22/96

Interview With Barbara Walters For 20/20

8/23/96

Telephone Interview With the *Chicago Tribune*
and the *Chicago Sun-Times* as a Preview to the
Democratic Convention

8/23/96

Meeting With George Soros

*Plan for signing
Petition by*

PENDING

Date of Event:

8/17/96 - 8/30/96

August

Description of Event:

Brief Meeting With Outgoing Israeli
Ambassador Rabinovich

Photo Session With Chuck Close

This photograph would be reproduced and used
for fundraising purposes. We were told that this
was something that you wanted to work into your
schedule. If this is true we would suggest
working this photo session into a future radio
address.

8/19/96 - 8/30/96

Meeting With FBI Director Freeh For Briefing
on Status of U.S. Saudi Cooperation and
Progress of Investigation of TWA 800

8/19/96 - 8/30/96

Meeting With General Downing (Ret.) For
Briefing on Assessment of Security in Saudi
Arabia

8/22/96

Satellite to the National Association of Black
Journalists Annual Convention, Nashville,
Tennessee

9/10/96 - 9/16/96

Photo Op With the National and International
President's Cup Teams

This year, the tournament will be played at
Robert Trent Jones.

REGRET

Date of Event:

7/26/96

Description of Event:

Drop By on Tony Lake's Meeting With
Ukrainian Prime Minister Lazarenko

9/10/96

Dinner in Honor of the Conference of Presidents
Major American Jewish Organizations, New York
City

You are making remarks to this group today. In
addition, you will be doing political travel on
September 10 and will not be in NYC.

July 1996
VP BLOCK: FOR DISTRIBUTION

Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
	1 Canada Day Note: 25th anni of 26th Amend POTUS off LA California	2 POTUS Chicago San Francisco San Diego DCCC dinner	3 Glicken meeting Jane Hopkins Lunch w/ POTUS POTUS NEA Staff time Hold Evening / 30mnRK/HM	4 Independence Day POTUS Travel MD 	5 POTUS down today 	6 Olymp. Vil. Opens
Independence Day Recess						
	8 McLarty mtg Polish American Reception Post interview POTUS Crime event POTUS mtg Pres of Poland Press time 45min-roundtable Stoner Ceremony Independence Day Recess	9 Anniversary of VP announce Minimum wage vote Netanyahu mtg // Reception WH volunteer event White House Fellows Hold Evening / 30mnRK/HM	10 CG Website DNC Coffee DC Joint meeting w/ PM Net 10a Political calls POTUS North Carolina travel USNWR interview 	11 Congressional meeting Insurance meeting Kamarck/Simon staff time Phys Activ/Health Rep Event Political calls Press time 45min-roundtable Baltimore DNC	12 11pm departure for Moscow GCC Prep Lunch with POTUS Press time 45min-roundtable Reed Promotion ceremony Video time 	13 Note: POTUS Video-taping
14 Opening mtg of IOC 	15 POTUS off 	16 	17 McLarty meeting Note: Centennial park opens Return early morning hours WH morning cell phone event WLF WH reception 6:30 pm 	18 Boys/Girls Nation Cabinet meeting DNC Dinner MD (helo) Enviro bfst Gore / Mbeki Cong mt Lunch with POTUS Hold Evening / 30mnRK/HM	19 Black Labor Alliance Face the Nation prep Gore / Mbeki prep Mtg w/ Sec Christopher Press time - Video Summer Olympics	20 Note: Soccer opening in DC POTUS Denver
GCC Moscow						
21 Face the Nation Hunger's B-Day 20-25 Olym Soccer RFK US Denver 	22 BPC luncheon Co-chair meeting Gore / Mbeki Baltimore Mbeki one on one dinner POTUS LA, Sac, SF Gore/Mbeki DC 1 1/2 days	23 BNC working day POTUS LA, Sac, SF SAfric Emb PM Recep VP/MEG Mbeki lunch 	24 Gore / Mbeki CBC am Note: US men v Portugal RFK Note: WH Endow fund recep REGO book time 1HR USSS photos/Sailors photo 	25 POTUS Atlanta Jackson & Milan TN	26 Hold 1 hour Note: WH sci/tech event Note:Olympic Events Ocoee POTUS:Jewish Org leaders mt Atlanta	27 Note:Olympic Events Ocoee
Summer Olympics						
28 Olympic Events Ocoee US travel Summer Olympics	29 Bill Nye taping 10min BPW DC Convention Children'sTV summit 12-2WH Event / dinner / Sax club Pittsburgh	30 Gore / Mubarak meetings Mubarak DC dinner Summer Olympics	31 HLCG meeting - NSA MMO meeting Schmidt Medal (NSA) New York - DNC dinner Hold Evening / 30mnRK/HM	June S M T W T F S 1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24 25 26 27 28 29 30 August S M T W T F S 1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24 25 26 27 28 29 30 31		

VP BLOCK: FOR DISTRIBUTION

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ing Ceremonies Summer Olympics Atlanta	5 POTUS Hold Afternoon	6 Karennia's B-Day Note: Paralympic Torch DC Note: WH Olympian event POTUS mtg Arab Am ldrs (T) Hold Evening / 30mnRK/HM	7 Note: Olympic photo	8	9	10 Smithsonian 150th Anni August / Labor Day Recess																																																																																				
	12 Paralympics Congress 12-16	13	14	15 Opening of Paralympics Atlanta evening event	16	17																																																																																				
Republican Nat'l Convention San Diego, CA August / Labor Day Recess																																																																																										
alympics/Atlanta 16-26 VP/MEG Tennessee	19 MEG/POTUS B-Day	20 DNC DC dinner Hold Evening / 30mnRK/HM	21 Oyster Bay DNC dinner Long Island DNC	22 Lunch with POTUS	23	24																																																																																				
August / Labor Day Recess																																																																																										
DEMOCRATIC NATIONAL CON - CHICAGO	26	27	28	29	30 Clintons depart Chicago Note: DNC Meeting Chicago	31 August / Labor Day Recess																																																																																				

September 1996

VP BLOCK: FOR DISTRIBUTION

Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
Hispanic Heritage month	2 Labor Day	3	4	5	6	7 NPR 3rd Anniversary
August / Labor Day Recess						
	9	10 NH primary	11	12	13 Rosh Hashanah sun down	14 Rosh Hashanah
Evening / 30mnRK/HM August / Labor Day Recess						
Hashanah	16	17	18 NIKE Challenge	19	20	21
Evening / 30mnRK/HM						
Kippur sun down	23 Yom Kippur	24	25 Pres Debate	26 Note: PCAST in DC	27 Note: PCAST in DC	28 Sukkot
Evening / 30mnRK/HM						Hold Evening / 30mnRK/HM
ot	30 Mrs. Aitcheson's Birthday UN Gen. Assembly					

August						
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July 1996

HILLARY RODHAM CLINTON

SUNDAY	MONDAY	TUESDAY	WEDNESDAY	THURSDAY	FRIDAY	SATURDAY
	1 Olympic Village Open Paris, France RON: Bucharest, Romania	2 Bucharest, Romania RON: Warsaw, Poland	3 Warsaw, Poland	4 Independence Day	5	6 RON: Budapest
			Prague, Czech Republic RON: Prague, Czech Republic			
7	8 Budapest, Hungary RON: Tallin, Estonia	9 Tallin, Estonia	10 Helsinki, Finland	11 RON: Washington, D. C.	12 Westbrook Dinner	13
RON: Budapest		RON: Helsinki, Finland				Camp David
14	15	16	17 National Service Event Arts & Embassy Rec WLF Reception (w/ POTUS/VP/MBG) Cabinet Spouse Lunch	18 WLF Executive Board Lunch Voice for America Intvw	19 Atlanta, GA (Olympic Games)	20
Camp David, MD						
21	22 Sculpture Garden Women's Dem. Club	23	24 WH Endowment Fund Receptn IOC Luncheon	25 Atlanta, GA (Olympic Games)	26	27
28	29 Media Conference Ladies Home Journal Intvw (w/POTUS)	30	31 Miami, FL (DNC Fundraiser)			

June

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August

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7/11/1996

August 1996

HILLARY RODHAM CLINTON

SUNDAY	MONDAY	TUESDAY	WEDNESDAY	THURSDAY	FRIDAY	SATURDAY
				1	2 Orlando, FL (ABA)	3
4	5	6	7 Reception for US Athletes	8	9	10
					VACATION	
11	12	13	14	15	16	17
		Republican Convention				
		VACATION				
18	19 POTUS' B-day	20	21	22	23	24
25	26 Women's Suff. Day	27	28	29	30	31
		Democratic Convention				

July

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September

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7/11/1996



THE PRESIDENT HAS SEEN

7-29-96

STATE OF WASHINGTON
OFFICE OF THE GOVERNOR

P.O. Box 40002 • Olympia, Washington 98504-0002 • (360) 353-6780 • TTY/TDD (360) 734-0466

Crawford (Rahm) Bland
He ~~was~~ talked
to me about this
BL

July 19, 1996

The Honorable Bill Clinton
President of the United States
The White House
1600 Pennsylvania Avenue N.W.
Washington, D.C. 20500

Dear President Clinton:

I have enclosed a copy of a letter I sent yesterday to Senators Daschle, Lott, Murray and Gorton, expressing my concerns of the welfare bill now being debated in the Senate.

I would appreciate your consideration of the points I have detailed in the letter to the Senators. I am very concerned that this bill would do more harm than good for the citizens of this country.

The state of Washington has been very successful in assisting our recipients of Aid to Families with Dependent Children (AFDC), in finding real jobs without using any of the punitive measures of the House passed bill. Our Employment Security Department announced yesterday that over 20,000 AFDC recipients have found jobs in the state this last year. The state of Washington would like to be able to continue on with this success.

I appreciate your attention to this matter.

Sincerely,

Mike Lowry
MIKE LOWRY
Governor.

Dear :

The welfare reform proposals currently before Congress are misguided. Setting unrealistic work participation goals and inadequately funding the block grant is a recipe for program failure. This proposal is mean spirited against poor people and compliance with the program restrictions will be extremely difficult for all states.

As a governor who has had the responsibility for administering the current welfare program, I can attest that the provisions of the bill eliminating the entitlement to assistance, imposing a family cap, and setting hard time limits for assistance will not have the effect of assisting families to self sufficiency but will only have the effect of punishing children for the mistake of being born into poor families. The information systems needed to track immigration status, time on welfare nationwide and participation in work activities alone will add prohibitive costs to the administration of these programs and constitute an unfunded mandate to the states of unprecedented size.

Eliminating the safety net of Medicaid, SSI and food stamps for persons who immigrated to our country goes against our entire history and is not only mean but un-American. To additionally make these restrictions take effect immediately is ludicrous. Immigrants constitute a valuable and vibrant sector of the state of Washington's population and heritage. I urge you to resist the pull of political expediency, look at the effect of these decisions on real people and vote against these measures.

True welfare reform requires adequate health care, child care, education and training and collection of child support. Congressional efforts in this area should focus on those issues and avoid punitive measures which will create additional poverty and suffering for our nation's children.

Thank you for your attention to my concerns.

Sincerely,


MIKE LOWRY
Governor



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

THE PRESIDENT HAS SEEN
7-21-96

98 JUL 19 4:59

July 19, 1996

MEMORANDUM FOR THE PRESIDENT

FROM: KATHLEEN A. MCGINTY *per [unclear] for*

CC: LEON PANETTA

RE: CEQ WEEKLY REPORT

CHEMICAL WEAPONS INCINERATION IN KENTUCKY

copy
Recently, you sent me a note regarding whether we could respond positively to Governor Paul Patton's (D-KY) handwritten letter to you concerning the Army's intention to incinerate chemical weapons in Kentucky. He indicated to you that this plan was wildly unpopular in Kentucky and that the Army had lost credibility for having failed meaningfully to consult with local citizens. Governor Patton urged you to support Senator Wendell Ford's (D-KY) pending legislation on this matter. After much to and fro we "arrived" at a place of support. We got a letter to Senator Ford from you expressing that support. The letter got good press play in Lexington and Louisville this week. Senator Ford's amendment the Defense Authorization Act authorizes funding for exploring alternatives to incineration. Senator Ford is quoted in both papers as saying, "To the best of my knowledge, President Clinton is the only president to take a public stand in support of finding alternative technologies to incineration of these weapons." I have attached two articles for your review.

CHILDREN'S ISLAND

copy
Today you signed into law H.R. 1508, a bill to transfer two islands to the District of Columbia to build a children's theme park and playground. At the same time, you directed the chair of the National Capital Planning Commission, which must approve the project's design, to conduct a thorough review of environmental issues under the National Environmental Policy Act (NEPA) as required by law. Your directive also makes clear that this review must include a "no action alternative" if there is no way the project could go forward without severe environmental impacts. Delegate Eleanor Holmes Norton and Mayor Marion Barry will be supportive of a full NEPA review, but environmentalists are still expected to oppose the transfer. (I have now called Carl Pope, head of the Sierra Club and John Adams, head of NRDC. They have taken this in a more sedate fashion than I had expected. I think they will still holler loudly, but I believe they just may understand your predicament.)

CLIMATE CHANGE

This week in Geneva, the U.S. announced its support for a new "framework" under the Climate Convention. Specifically, we proposed shifting from the current, non-binding emissions target to one that is "realistic, verifiable and binding." We rejected proposals for deep and early emissions reductions and for internationally-harmonized policies and measures. We did not propose any specific emissions target.

Our position received favorable press here and abroad, and was warmly embraced by the environmental community. Within the business community, two of the moderate groups responded favorably, but the coalition representing coal, autos and power generation strongly condemned our statement as a blow to jobs and economic growth.

We received several letters on climate change this week. Senator Joseph Lieberman (D-CT) and 24 other Members of Congress (19 Democrats and 5 Republicans) wrote to urge "progress towards a meaningful agreement" under the Climate Convention; Senator J. Bennett Johnston (D-LA) and six other Senate Democrats urged analysis and assessment before undertaking additional commitments; heads of more than a dozen environmental groups urged "strong and decisive action to deal with the serious threats posed by climate change." Senator Frank Murkowski (R-AK) and other 16 other Republicans urged us to withdraw from the climate talks altogether.

The next negotiations under the Climate Change Convention will be in December. This round of negotiations is scheduled to conclude in the fall of 1997.

HABITAT CONSERVATION PLAN (HCP)

Today the National Marine Fisheries Service and the Fish and Wildlife Service, charged with overseeing Endangered Species Act protection, announced the signing of an HCP with the Port Blakely Tree Farm in Washington. By negotiating this HCP (a provision provided for in the Endangered Species Act) Port Blakely gets a 50-year guarantee that it can log on the company's 7,500 acre parcel of commercial forestland fairly free of ESA concerns. In return, the government gets a guarantee that Port Blakely will log in a relatively low-impact manner and protects listed and unlisted species. You sent a letter of commendation to Port Blakely today.

As you know we have signed other major HCP's. In fact, we now have nearly 300 complete or underway. We have received tremendous editorial support. Enviros have been lukewarm.

NEW WORLD MINE

Last August when you visited Yellowstone, you directed the withdrawal of about 19,000 acres of Forest Service land from further mining. This sent a clear message to the notorious New World mine that the Administration took very seriously the potential threat to Yellowstone of the proposed mine. As you know, the regional and national newspapers carried very positive stories and the New York Times has editorialized in favor of such

action many times. This story continues to have legs. This week the Bureau of Land Management and the Forest Service held a series of public meetings in Montana and Wyoming to receive public comment on the Environmental Impact Statement associated with the withdrawal. At Montana public meetings in Red Lodge, Cooke City, and Livingstone the crowds "applauded long and loud" to the banning of new mining activity on the mountain. We are planning an event for you on this matter in August.

TIMBER

On July 15, The Oregonian editorialized about the recent decision by the Secretary of Agriculture to tighten restrictions on salvage logging. The new directive will impact logging in federal forests east of the Cascades. New rules include the following: 1) increase public disclosure of salvage sales; 2) stricter guidelines for cutting green trees; 3) avoidance of salvaging timber in certain roadless areas; 4) minimization of road construction. The editorial is supportive and is attached for your review.

In another timber-related story, the Spokesman Review reported July 7th that the reduction in timber harvests now being realized were predicted 60 years ago as the unavoidable result of the significant overharvesting that even then was underway. The article also emphasizes that Northwest timber companies are moving to the southeastern United States or to South America in pursuit of greater supply. Timber harvests in Washington, Oregon, Idaho and Montana, have grown slowly in the past 40 years but that growth has been overshadowed by the South, which doubled its logging in the same time. Last winter, timber giant Weyerhaeuser sold 600,000 acres in southern Oregon and bought 660,000 acres in Louisiana and Mississippi. Other timber companies are moving to Canada, Russia, Argentina, and other areas of South America. The overall message of the article is that long-predicted factors -- not spotted owls -- are the reason harvests are down in this region. The article is attached for your review.

EVERGLADES

Supporters of Everglades protection and restoration submitted 700,000 signatures on Wednesday to election supervisors in an effort to put their proposal on the November ballot. As only 400,000 signatures were required, the success of the signature drive is being reported in the press as a significant showing of supporting for the initiative. This ballot initiative mandates that the sugar industry pay a penny-a-pound tax to help fund \$700 million to restore the Everglades ecosystem.

TRAVEL

East Lansing and Grand Rapids, Michigan - I visited these cities last Thursday and Friday. Not too many Democrats in these two towns. . . ! Nevertheless, environmental issues play strongly. In particular citizens are quite concerned that the Governor has failed to clean up the Great Lakes. There is much advantage to be had in our highlighting this fact. One of the most popular beaches on Lake Huron, St. Clair Shores, has not opened at all this season due to bacterial contamination in the water.

Chicago, Illinois - I had successful, positive meetings with many environmentalists. The city, overall, is a-buzz with Convention planning and environmentalists want to be a positive presence there. Some environmentalists, however, expressed concern that you have not been visible recently on the environment and that, they claim, none of the Clinton/Gore ads they have seen recently include any reference to the environment.

Merrillville, Indiana - (Really!) - I addressed the Annual Convention of the Izaak Walton League. This is, of course, a swing and therefore very important constituency. Having received a standing ovation, I know we have a strong message that resonates well with them. We do not need to lose these groups to the NRA! We should go after them aggressively.

July 19, 1996

Clinton favors seeking new ways to destroy arms

By MIKE BROWN
Staff Writer

WASHINGTON — President Clinton says he thinks old chemical weapons can be safely incinerated but agrees alternative destruction methods should be considered.

In a letter to Sen. Wendell Ford, the president said he was "committed to going the extra mile to explore whether there may be safer and more environmentally sound alternatives" to the Army's current incineration plan.

The letter, dated Wednesday, was released yesterday by Ford, who said he thinks Clinton is the first president "to take a public stand in support of finding alternative technologies to incineration."

Outdated nerve gas munitions are stored at the Blue Grass Army Depot near Richmond, Ky., and the Army's proposal to build an incinerator there has drawn criticism from some in the area. Incinerators are also planned for other storage sites.

Last month, when considering the

annual defense bill, the Senate adopted a Ford amendment authorizing a \$60 million research effort to find an alternative to incineration.

The provision was not part of the House defense bill, and Clinton's letter urged the House-Senate conference to accept the Kentucky Democrat's language.

The president also said he has asked Defense Secretary William Perry "to work with the Congress to ensure that this pilot project receives the highest priority in the Chemical Demilitarization Program."

But Clinton also made it clear he is not opposed to incineration. His letter noted a 1994 National Academy of Sciences study found the proposed incineration system to be safe.

"I continue to believe that a well-designed incineration system can be a safe and environmentally acceptable means of destroying these weapons and that any potential decrease in disposal costs through alternative approaches must be balanced against the increased risk of storage by delaying destruction," he said.

July 19, 1996

Clinton backs Ford proposal on nerve gas

BY BOB GEIGER

HERALD-LEADER WASHINGTON BUREAU

WASHINGTON — President Clinton has come out in support of a proposal seeking alternatives to the incineration of explosive chemical weapons at the Blue Grass Army Depot in Madison County.

In a letter sent to U.S. Sen. Wendell Ford on Wednesday, Clinton said he supports an amendment by Ford that would set up a \$60 million program to find alternative technologies. The Department of Defense would appoint someone to run the program who has not been in charge of the Pentagon's chemical weapons disposal effort, which Ford thinks has become biased in favor of incineration.

Ford's amendment has been passed by the Senate but not by the House. Negotiators from the two chambers must meet to decide the fate of the proposal, and Ford said he hopes Clinton's support will help it become law.

SEE GAS, back page

FROM PAGE B1

Clinton said in his letter, "I am committed to going the extra mile to explore whether there may be safer and more environmentally sound alternatives to the Army's baseline incineration system."

Clinton also said that continued storage of the nation's chemical weapons poses risks and that he is dedicated to seeing that they are destroyed as quickly and safely as possible.

Clinton added, "I continue to believe that a well-designed incineration system can be a safe and environmentally acceptable means of destroying these weapons." He said any decreased risk that comes from a safer disposal method must be balanced against the increased risk of storing the weapons for a longer period before destroying them.

"Still, I realize that technology is changing rapidly and that it is

our responsibility to explore all alternative means of destruction," Clinton wrote.

Ford, D-Ky., said, "To the best of my knowledge, President Clinton is the only president to take a public stand in support of finding alternative technologies to incineration of these weapons."

The Army has already been researching alternative ways to destroy bulk quantities of nerve and mustard gas. But Army officials have said those methods would not work at the Madison County site, where the deadly chemicals are encased in explosive rockets and artillery shells.

Under Ford's plan, the Defense Department would get three years to research potential alternatives to incineration of explosive chemical munitions. The Army would be prohibited from making any incinerator-related purchases at the depot for a year.

"This pilot program will let us know once and for all what alternatives are out there for disposal," Ford said.

Loggers on the move — from NW

Letters foretold decline of NW timber industry

By Ken Olsen
Staff writer

After spending a long summer searching through searing attics and forgotten storage rooms, Nancy Langston unearthed an antique paper trail predicting the current demise of Inland Northwest sawmills.

U.S. Forest Service correspondence predating World War II said mills would begin closing in eastern Oregon by the late 1980s, said Langston, now a University of Wisconsin professor.

Langston dug through the forgotten archives for her doctoral research at the University of Washington in 1992 and later recounted her treasure hunt in the book, "Forest Dreams, Forest Nightmares."

She learned the Forest Service knew, 60 years in advance, that at the rate timber companies and the agency preferred to log, the trees would run out and timber companies would have to move on by the late 1980s.

The letters Langston discovered were one of the early hints that timber would not rule the region's economy forever but would rise, fall and, much of it, depart. That departure is well under way.

"I just looked at 5.5 million acres in eastern Oregon and Washington," Langston said. "But I expect it was the same in North Idaho and Western Montana."

Similar archives weren't available for national forests in northeastern Washington, North Idaho and Western Montana. Still, historians and economists say they aren't surprised Northwest timber companies are moving to the southeastern United States or to

Time to grow

One reason the South has become the nation's top timber producing region is the amount of time it takes to grow a tree for sawmills. Here's how long it takes to grow a tree big enough to produce up to a 2 x 12, by region.



SOURCE: U.S. Forest Service

Staff graphic: Vince Grippi

Inside

■ **Small solutions:** Vaagen lumberyard survives by harvesting smaller trees /A8

South America or are converting timberland to lakefront ranchettes instead of clearcuts.

"It's always been a migratory industry," said Washington State University historian Paul Hirt. "We're never going to see the timber industry leave the Northwest, but this decline was inevitable, was predicted. We can't go back to the golden age, and if everyone recognizes that, we can go forward instead of backward."

For timber-dependent communities in Washington, Idaho and Montana, this means recognizing the economic shift to retirement and service industries, which have

Continued: **Timber/A8**

Improving salvage logging plans

Stricter regulations would protect green trees from overzealous harvesting, thus they follow Congress' intent

The recent decision by Agriculture Secretary Dan Glickman to tighten restrictions on salvage logging in America's national forests has caused much fuss over what amounts to relatively minor changes in the rules.

In Western Oregon, for example, the rules are not likely to have any effect on salvage logging. Their biggest impact will be on logging in federal forests east of the Cascades. And that's not talking about a lot of acreage.

Even so, we recognize that the salvage rider remains a hot button for both the forest industry and environmental groups. Indeed, virtually any change in the rules or changes in interpreting them is likely to spark protests from an industry that increasingly is finding fewer opportunities to log the public lands.

On balance, though, Glickman's new rules are justified.

First, they would increase public disclosure of salvage sales, thus reducing public concerns that sales would be scheduled without sufficient notice or public review.

Second, the new rules offer stricter guidelines for cutting green trees. They state that green trees can be cut as part of any salvage timber sale only when needed to provide access to the sale, for safety or to improve the health of a stand.

This is a sensitive and somewhat ambiguous change in language to underscore that the purpose of the salvage logging rider was to target trees stricken or threatened by disease and infestations or pose as fire threats.

Put another way, it was not Congress' intent to allow the salvage rider

to become a license to strip a forest too vigorously of its healthy trees.

Furthermore, the rules state that any salvage sale made up of more than 25 percent green timber will be reviewed at a higher level within the U.S. Forest Service. In terms of protecting the resource, this is necessary because some Eastern Oregon mill operators, who have had a difficult time getting enough lumber to operate, would prefer a more liberal ruling on green-tree harvests.

Third, Glickman's new rules call on the U.S. Forest Service to avoid salvaging timber in areas classified as roadless and also to minimize road construction in all salvage harvests.

This rule could prove troubling if the Forest Service sees it as a marching order rather than a call for using strict, but reasonable judgment. For instance, an inflexible, rigid interpretation of this rule could prompt the agency to cancel arbitrarily some salvage sales proposed for roadless areas that might not be justified if other standards of the rules are met.

Environmentalists, not surprisingly, don't like the rule changes for the opposite reason: Sales won't automatically be pulled or canceled.

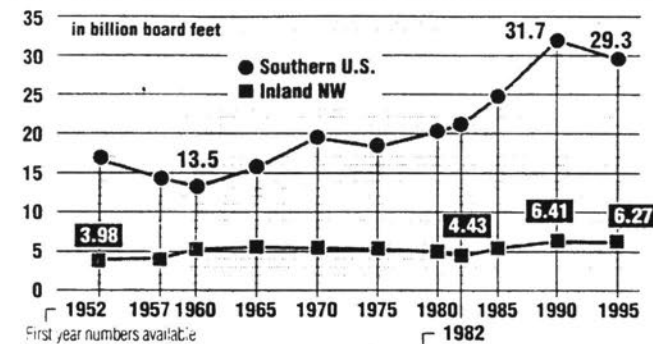
As with any new rules or guidelines sent down by a federal agency in Washington, D.C., but implemented by regional managers who know the local turf, their wisdom awaits a field test as to how well they work or whether they stray at all from the intent of the salvage rider amendment.

But, at first glance, the rule changes to us seem reasonable.

South is the softwood leader

Timber harvests in the Inland Northwest, including Eastern Washington, Eastern Oregon, Idaho and Montana, have grown slowly in the past 40 years. But that growth has been overshadowed by the South, which doubled its logging in the same time and now produces five times as much timber as our area.

Softwood lumber harvest



SOURCE: U.S. Forest Service, Pacific Northwest Research Station

Lowest NW harvest since 1960

Staff graphic: Vince Grippi

Timber: Growth comes mainly in the South

Continued from A1

overtaken the region's economy in recent years.

Going south

The future of the timber industry is thousands of miles away. Last winter, timber giant Weyerhaeuser put 600,000 acres and its sawmills in southern Oregon up for sale. A few months later, it bought 661,200 acres and four sawmills in Louisiana and Mississippi.

This spring, Plum Creek Timber Co., second only to Weyerhaeuser in its private land holdings, advertised the sale of between 80,000 and 100,000 acres of Montana land it deemed more valuable for selling as recreational property than timber. The company almost simultaneously announced it wanted to buy more productive land — in the southeastern United States and on the West Coast.

The Plum Creek acreage in Western Montana likely will be converted to lakefront ranchettes and other subdivisions if conservation groups are unable to buy it for wildlife habitat. If stockbrokers are right, more vacation homes will sprout on timber land. One stockbroker bought a newspaper advertisement saying as much as 200,000 acres of Plum Creek's land is "located in recreational areas or near expanding population centers."

Other timber companies are moving to Canada, Russia, Argentina and even Tierra Del Fuego — at the southern tip of South America.

The migration also is part of a long-term trend of timber companies going south, where trees grow faster, labor costs are lower, and most timber is on private land — unfettered by many environmental regulations.

Not only is this shift expected to continue, it has been occurring longer than most people realize, in part because tax laws and federal agricultural programs encouraged Southerners to switch from cotton crops to trees.

Southern dominance nothing new

By some measures, The Inland

Northwest hasn't been a significant timber player, compared to the rest of the nation, for decades. The Southeast produces nearly five times as much pine and other softwood when compared to the Inland Northwest.

In the last decade, lumber production in the Western United States has fallen nearly 3 billion board feet, from 1986 production of 10.2 billion board feet. The Southeast has more than taken up that slack, now pumping out nearly 15 billion board feet a year.

Tennessee alone lists 50,000 wood products workers, in part because of its furniture trade. Washington state has only 35,000 in lumber and wood products and has little of Tennessee's furniture manufacturing.

The Canadian question

As the South climbed to timber dominance, Canada invaded from the north, capturing a third of the U.S. lumber market. The threat is significant enough to prompt congressional hearings, threats of trade wars, and plenty of rhetoric. A new trade deal signed this spring will levy tariffs on the lumber Canada sends southward, once those exports exceed 14.7 billion board feet.

Tariffs or not, Canada will want to send lumber south as long as a strong dollar beckons. Canada shipped 16.1 billion board feet of lumber to the U.S. last year, enough to build more than 1 million homes.

The Western Wood Products Association expects Canada to send 17 billion board feet this year, three times the Inland Northwest's production.

Keeping what remains

Some argue that keeping what's left of the timber industry depends upon opening much more of the national forests.

"The key is timber availability," said Charles Keegan, director of forest industry research at the University of Montana. Since industry land and private land are running out of logs, "where the industry goes depends upon what the national forest does."

Stan Smith, a small logger who helps run his family's timber land near Plummer, Idaho, also believes more national forest logging is vital

to keeping any timber industry here. But he wants to see a lighter touch on the land.

"They are going to have to open the federal forests and manage them on a true, sustained-yield basis," Smith said. Companies "can't go on with the same version of clear-cutting."

Plentiful trees are only one part of the question, said Haynes, the Forest Service economist.

"The lumber industry wants to tell you the problem is supply," he said. "The other part of the problem is prices never recovered from the recession of 1990-91. It's competitive pressure compounded by low (lumber) prices."

Restrictive regulation not the culprit

Repealing all of the environmental regulations and making every acre of the national forests available for logging won't keep the industry from migrating. It might temporarily delay the inevitable, historians argue.

The bottom line is there's no way to return to the high harvest heydays that stretched from the 1960s to the 1980s. Most of the remaining prime timber is more difficult to reach and more expensive to buy, said Hirt, the WSU historian.

Public attitude will restrict how much of the last old-growth timber from public land in Idaho, Montana and Eastern Washington is turned into plywood and dimension lumber.

"You have to go farther and farther to get more trees, and you have to clear-cut larger and larger blocks to get the same volume," Hirt said. "You have to go to steeper and more unstable country and that's making more and more people angry."

There also is increasing opposition to publicly subsidized timber sales, which comprises the bulk of what comes from the region's national forests, he said.

Personal costs, long-term solutions

Number crunchers, historians and industry experts share one common worry: what happens to the every-day people who still look to the timber industry for their income?

"For people in some rural communities, this is a depression, as bad as the depression of the 1930s," historian Hirt said. Rather than dis-

card timber workers as expendable, "we owe them some consideration, compassion, retraining."

"But we don't owe them something we can't deliver — harvest levels of the 1960s through the 1980s," Hirt said.

Simply put, it's time to deal with the change, economists and historians argue.

If the Inland Northwest refuses to understand the problems that led to the demise of the timber industry in Western Washington and Oregon, the same lesson will be forced upon it, Haynes said.

"The Forest Service and the industry haven't studied the spotted owl wars, so they are doomed to repeat them," he said. "There's a shift in public values, where timber supply isn't the primary focus of the national forests."

"People are going to refuse to recognize the change in social values," Haynes predicted. Sadly, "the only way the Forest Service and the communities are going to get the message is to cut it off."

Staff writer Eric Torbenson contributed to this report.

7-29-96

THE WHITE HOUSE

WASHINGTON

96 JUL 26 PG: 43

July 26, 1996

MEMORANDUM FOR THE PRESIDENT
THE FIRST LADYFROM: KITTY HIGGINS *Kitty*

SUBJECT: Good News

The State Department reports that the translation equipment was in place for today's 9:30 a.m. briefing for the families. The briefing time was reduced from two hours to thirty minutes. At the end of the briefing the families applauded.

State is also assigning two representatives to work with the French and Italian consuls in assisting the families. Finally, arrangements have been made for video conferences so family members in New York can communicate with relatives in France and Italy.

Shan

The New Jobs: A Growing Number Are Good Ones

In a Typical City, Many Posts Pay Above Average

By JUDITH H. DOBRZYNSKI

LAST fall, Kevin J. Mattakat was studying telecommunications and computer science at the University of Wisconsin. In his spare time, he tended bar and did computer work for the college. He earned about \$5,700 in 1995.

Today, at 30, he is making more than \$45,000 a year at a subsidiary here of U.S. West, the regional telephone company, fixing the bugs that inevitably haunt complex computer networks.

"I wasn't even in the market when I got this offer," Mr. Mattakat said, stroking his sparse beard and explaining that he was still a year short of a degree. "This was a job I couldn't pass up."

After years of corporate downsizings, many Americans have a virulent case of the economic willies. But the economy has another, more positive side. It is a story told by the millions of Americans who in the last five years have found new jobs that more than replace the lost ones, in industries as new as the Internet and as old as retailing.

Lately, the plot line has improved: In 1995, the percentage of new jobs that pay above-average salaries was double what it was in 1992, when the nation was just starting to recover from recession.

"The quality of jobs being created is steadily increasing," said Mark Zandi, chief economist at Regional Financial Associates, an economic consulting firm in West Chester, Pa.

In an analysis for The New York Times using Government data, Mr. Zandi found that 45 percent of the jobs created across the country last year paid more than the national average wage of \$29,420. In 1992, that proportion was just 22 percent. Of the new jobs created last year, fully one-quarter paid more than 30 percent above the average. In 1992, only 4 percent of the new jobs paid that well.

These jumps are encouraging, considering that many new jobs are for young people just entering the work force, and they typically earn less than experienced workers.

These statistics indicate that the economy

is churning out better jobs than many Americans might think. As Mr. Mattakat and many other residents of the Minneapolis area demonstrate, many people are now getting "good" jobs — way beyond the proverbial burger-flipping posts. And, writ large, what is happening here reflects the national picture.

"Minneapolis has a highly diverse economy that mirrors the national business mix quite well," Mr. Zandi said.

Mr. Zandi said there were no equivalent figures for past economic upturns, so it is

not possible to compare the 1990's with other periods. But he said the rise in better-paying jobs appeared to be occurring at a somewhat faster pace this time.

"It has a lot to do with the sources of the new jobs," Mr. Zandi said. More than in past recoveries, he said, "we're seeing a lot of job growth in sectors and occupations that are high-paying." Among them are high technology, entertainment and construction.

The Bureau of Labor Statistics, in a June report, agreed. It found that the greatest share of job growth from 1989 to 1995 took

place at the high and the low ends of the pay scale, with the greatest gains in high-paying occupations.

THE PRESIDENT HAS SEEN
7-29-96

THE NEW YORK TIMES
SUNDAY, JULY 21, 1996

The coming months, barring an unforeseen recession, hold even more promise. "We're now in the second phase of expansion," said David A. Wyss, director of research at DRI/McGraw-Hill Inc., an economic forecasting firm. "You will see a general improvement in job quality, and people trading up on jobs." Typically, as an economic expansion matures, the employee pool tightens and companies have to pay a

little more to attract and retain workers.

For all this demand, though, many Americans can still only dream of a better job. They simply do not have the education or the skills to qualify for good jobs. Some are chronically impoverished, while others are white- and blue-collar workers who lost high-paying jobs in corporate downsizings even as new positions have been created elsewhere. They have been unable to find employment with pay and benefits comparable to those of their previous jobs.

Continued on Page 10

Continued From Page 1

Now there may be a new hitch.

The labor market is tighter than it has been in at least six years. Since the United States pulled out of a recession in March 1991, employment rolls have climbed by 11.2 million jobs, a strong 10 percent increase, and unemployment is just 5.3 percent, down from a peak of 7.7 percent in June 1992. With companies competing for employees, some economists are fretting that wages, which are just beginning to outpace inflation after lagging behind it for years, may rise enough to cause a resurgence of inflation. Worse, they fear that many companies will not be able to find enough qualified employees to meet all their expansion needs in the years ahead.

"The labor market is the primary constraint on growth right now," Mr. Wyss said. "Companies just don't have the employees to grow. I expect the labor market to stay this tight for the next four years or so." New jobs, then, could well pay better but be fewer in number.

Geographically, a few areas of the country are still dragging. Most notably, New York, Pennsylvania, Connecticut and Maryland are not adding jobs as fast as the rest of the country. The New York metropolitan area is one of the few places that has failed to replace the jobs lost in the most recent recession.

By and large, however, the job machine is working overtime. Many brand-name corporate giants, no longer slashing staff by the bucket, have joined small and medium-sized companies in actual net hiring — sometimes in large numbers, although usually in small doses.

To fill the slots, companies are going way beyond want ads, employment agencies and executive search firms. Some are holding job fairs, listing on the Internet and using temporary-employment agencies to fill low-end jobs. Increasingly, they are counting on word of mouth — even offering cash and prizes to employees who recruit qualified people.

Many companies are luring new hires from other parts of the country. Some are putting high-school graduates into positions that once required college degrees and dropping experience demands. Others are making temporary workers permanent.

Here in Minneapolis, hiring efforts are sucking in people who would not have dreamed of new posts a few years ago.

"I didn't feel I'd be a hot commodity," said Timothy R. Schmidt, 44, a software developer who felt stuck at his old company, Cray Research, a maker of expensive supercomputers that has downsized. "My experience has been eclipsed by new technologies."

But on one recent Tuesday afternoon, Mr. Schmidt received a job tip from a friend. By Thursday, he had an offer for a job with better pay and more opportunity from Platinum Technologies' fast-growing Viatch Laboratories unit, a computer software company based in Eagan, a southern suburb near the Minneapolis-St. Paul airport.

Age was no barrier to Michael Mackany, either: At 57, he changed industries. After nearly 30 years in the sales and marketing of medical products, he is peddling the financial services of American Express Financial Advisors from Eden Prairie, a suburb 15 miles southwest of downtown.

American Express, which did not care about his relative financial naiveté, expects him to make \$75,000 his first year and more later.

"He had drive," said John Greiber, the vice president for recruiting, who expects to add 40 new financial planners this year. "We teach them how to be advisers."

Mr. Mackany heard about the opening from a friend. "My feeling," he said, "is that if you want a job here, you can find one."

Yet "Boomtown U.S.A. in 1996 is not Minneapolis," said Ken Goldstein, an economist at the Conference Board, a business research group in New York. "That would be Boise, or Salt Lake City or Las Vegas," where high technology, services and gambling businesses are bubbling over in the number of available new jobs.

In a crucial sense, Mr. Zandi said, Minneapolis is a template hinting at the nation's future. As the economy moves further away from jobs in heavy manufacturing and toward service and knowledge industries, Minneapolis is one step ahead.

That bodes well for the country, because the 13-county area ended 1995 with 2.9 percent more jobs than it had a year earlier — slightly ahead of the national job growth rate of 2.7 percent. And 55 percent of the jobs created in the Minneapolis area in 1995 paid more than the area's average wage of \$31,210, compared with 29 percent in 1992.

Set in rich farmland studded with glacial lakes, Minneapolis-St. Paul may be best known for ferocious winters. But the area has also contributed Scotch tape, Betty

Crocker, the Mall of America, Roller Blades and a host of other business phenomena to the commonweal.

Its population, now 2.7 million, is growing by 1.3 percent a year. On the plus side of its economic ledger, it has a diversified economic base, an educated work force and a position as a financial, transportation and distribution hub for the upper Midwest. On the minus side, it saddles businesses with high taxes, labor rates and energy costs.

The Twin Cities area has seen its share of downsizings by the likes of Ceridian and Honeywell. Even Minnesota Mining and Manufacturing, hallowed for its innovative culture, has cut staff.

But in the sparkling downtowns of Minneapolis and St. Paul and in the affluent suburban centers of Edina, Bloomington and the like, unemployment is low. Since 1994, the jobless rate has hovered around 3 percent. Minority groups make up less than 10 percent of the population here, versus nearly a quarter of the national populace, and many of the area's blacks, native Americans and other ethnic groups are partaking of the bounty, too, some people said.

"Minority folks with fairly good skills would be in demand for well-paying jobs," said Wargen McLean, executive director of the Metropolitan Economic Development Association, a business-supported group that provides managerial assistance to minority-owned companies.

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They are actively sought out by some companies. "Until two months ago, I had an all-white, all-male work force," complained David D. Wickhem, a manager at Mr. Mattakat's employer, Interprise Networking Services. "I'm constantly in need of about 20 people who can earn anywhere from \$40,000 to \$85,000 in salary, plus a bonus. Mr. Wickhem has taken to attending meetings of black and Hispanic engineering groups. He recently hired a woman and a black man."

Technology skills may be most in demand at the moment. But good jobs are plentiful, too, in business services, health care, financial services and construction companies. On Sundays, in the hefty help-wanted section of The Minneapolis Star Tribune, job seekers can find everything from four-line ads for plumbers, at starting salaries of \$16 to \$20 an hour, to display ads starring the Pillsbury doughboy in an appeal for entry-level production workers at salaries of \$1,285 to \$28,270 a year.

Sometimes jobs even find workers. Kraig N. Hollingsworth, unemployed but equipped with a new certificate in accounting from a vocational school, was walking down Nicollet Mall downtown in March when opportunity stopped him in his tracks. Bruegger's Bagels had a "help wanted" sign in its window.

Mr. Hollingsworth, feeling not quite ready for the white-collar world, had worked in a bakery before. So when Bruegger's offered him a position as a morning baker, "I snapped it up," he said. "I said I was looking to get into accounting down the road, and my supervisor said that's a possibility."

Probably a good one. Mr. Hollingsworth, who is 30, has already had a 25-cent raise, to \$7.50 an hour, and he is learning to run the registers and make bank deposits. By this time next year, he hopes to ease into an accounting job, where the salaries range from \$20,000 to \$30,000 and more. He would also get health benefits, for which hourly employees must pay extra.

No such job is open now, but in the last year Bruegger's local accounting department has grown from one part-time to three full-time positions. It will undoubtedly increase, given Bruegger's plans to open five stores, with 300 new jobs, in the area by year-end, plus many more by 1998. In the meantime, Mr. Hollingsworth is happy making "a livable wage," he said.

"I'm not scrambling," he added, "and it's a pleasant working environment."

Sarita Wood, also 30, found a job with even more ease. A software developer with a degree in computer science and mathematics, she started looking because her old employer, Cray Research, was shrinking. "It was emotionally tough" to watch, she said. "You learn to keep your options open."

After she went to a Platinum job fair, Viatch offered her a post. She said no.

"I told them what I was interested in, and they came back and made me an offer," she said. "It feels wonderful that they've created a job for me."

Ms. Wood, single with "a dog, a cat and a mortgage," said she took the job because of "its growth opportunities." But her new salary, which exceeds \$50,000, also came with an 8 percent raise.

"My mother and father would be surprised that I am making this much money," she mused. Her father, she added, would "probably ask, 'what are you spending all that on?'"

To Viatch, Ms. Wood is well worth her salary — and benefits. It is one of many small companies that now match health and pension benefits of big rivals.

It has to. Since March 1995, Viatch has gone from 6 employees to 27. The total would be higher if Richard Westgard, the development manager, could find more qualified people.

"A college grad with a year's experience gets \$35,000," he said. "We'd pay \$80,000 for, say, an ex-I.B.M. or Oracle developer with several years of solid experience, a bulletproof background with no gaps."

But such highly credentialed people are not the only ones who are getting good jobs, especially if they know technology. Jeffrey S. Pelkey, a 39-year-old former truck driver, has a new job as Viatch's systems administrator, thanks to two collisions.

The first took place in the early 1980's. Laid up after an accident, Mr. Pelkey was urged by his supervisor to learn more about computers so he could work at home and not need workers' compensation. By reading and taking courses at the Control Data Institute, Mr. Pelkey turned himself into a systems administrator.

The second clash occurred recently, when he and a boss at his old job at a hospital "didn't hit it off," Mr. Pelkey said. There, he was earning \$36,000. But, with a family that includes three teen-aged children eyeing college, he started looking for a new job in January. He set his sights on a salary in the high \$40,000's to low \$50,000's.

"With my skills and experience, that wasn't hard at all," Mr. Pelkey said. He turned down one offer in San Antonio, in favor of Viatch, where he is making \$51,000. One month into it, Mr. Pelkey was enamored of his new employer.

"There's variety — you never know what you're going to do," he said. "The hospital was very political and everyone walked on eggshells. Here you see people walking around barefoot."

"I feel fortunate that I'm in demand," he added. "I crashed into this, or it crashed into me."

A Foot in the Door Leads Up the Ladder

Knowledge of another kind — a love of books, really — got Cindi Dean her new job, and made her a job creator.

Ms. Dean, who is 32, was recently named the manager of a brand-new Barnes & Noble bookstore just north of Minneapolis. She came from a nearby branch, where she had been assistant manager and then store manager. Her new store occupies a big chunk of the Northcourt Commons strip mall.

On this sunny Saturday morning, Ms. Dean is at a cash register, solving the problem of a young man in jeans and Reeboks. She could probably be in her office, back behind the biographies, the cookbooks, the novels. But making sure customers are satisfied is part of what makes the job a good one economically, because a portion of her pay is based on store volume.

Ms. Dean will not disclose her salary, but industry experts suggest it would be at least \$40,000 and may well range into the \$50,000's and perhaps beyond. To maximize it, she wants to make sure all the kinks have been worked out in the systems and with the 42 people she hired.

They are a mixed bunch: half full time, half part time. They come from all races, many directly out of high school and others with college degrees. Barnes & Noble will not say how much the pay is, except that it exceeds the minimum wage. Those who work more than 30 hours a week, on average, are entitled to health, pension and vacation benefits. "We've found we need to have good benefits to be competitive in today's job marketplace," said Michael J. Hejny, Barnes & Noble's Midwest director.

Hiring was not hard. "You have to find the right people," Ms. Dean said, "but there are always people who want to work in bookstores."

Part of the draw, according to Mr. Hejny, is that "two-thirds of the jobs in our company are entry-level, and people go on to other things. We're growing so fast that there are lots of opportunities. Booksellers become supervisory staff, who become assistant managers and then store managers."

Since Barnes & Noble moved into the Minneapolis market in 1990, it has opened 11 superstores, with 300 to 500 new jobs. "We'll probably open a few more in the next few years," Mr. Hejny added.

The new jobs are even more plentiful and varied across town, at the United Healthcare Corporation, the nation's largest health insurer. In the lobby of its office in Edina, seven miles southwest of downtown, sits a 3.5 inch-thick loose-leaf binder of opportunities: customer service representatives, secretaries and nurses as well as the ubiquitous software developers. Starting salaries range from \$10,350 to \$65,350.

Management jobs pay much higher. Last year, Tom L. Anderson got one of them, recruited by a search firm to become United Healthcare's vice president for Medicare programs. His salary, industry experts said, is at least \$250,000 plus a bonus and stock options.

Technically, Mr. Anderson's job is not new. Someone else had the title before. But "the company wasn't committed to it, and the Medicare product went nowhere," Mr. Anderson said. Now the company, which is also a big provider of managed care, wants growth in this area, and it is hiring as that happens.

So Mr. Anderson does much less administering and much more redesigning and marketing of Medicare management. When he joined the company, it managed six Medicare programs for local governments; now it handles 15. "And we have 22 more in the works," he said.

In the process, Mr. Anderson's staff has jumped from 4 to 14. Additional positions are being filled in the cities where the company has sold its services. Base salary ranges, from \$50,000 to \$140,000, plus bonus, options, health care and pension benefits.

"The jobs haven't been open long," he said. "I don't like ads or recruiters, so it's mostly word of mouth."

Health care is growing so fast that industry experience is not necessary; many new employees come from banking, life insurance, retailing and government work.

Mr. Anderson, who is 49, made a big leap into the industry. In the mid-1980's, he had made enough money as a manager at Pepsi and Denny's to retire. Then he got married, and his wife wanted him to work.

"I wanted to do something meaningful," he said. With his mother having health problems, "I went through the Yellow Pages, looking at health maintenance organizations," he said.

"And I did cold calls," Mr. Anderson said, armed with his work record, an undergraduate degree in political science and an M.B.A. from Pepperdine University. "The first interview I had was with FHP International, and they hired me."

He stayed there until United Healthcare called.

The Tribulations of Life On the Ground Floor

For all the bustle, some people are not finding the job market quite so hospitable. Since Dallas Crow graduated from college in 1988 with an English degree, he has toiled in a half dozen bookstores, at a publisher and in graduate school for a year. "I've freelanced, and I've temped, too," he said.

In January, with his wife pregnant, he started sending out résumés. By June, when Hungry Mind Press — a year-old small press in St. Paul — hired Mr. Crow as marketing director half-time, he had just one other offer, in book wholesaling.

He took the Hungry Mind job because he knew one of its founders, and they promised that his job would become full time next January. In the meantime, he is working in the nearby Hungry Mind bookstore 20 hours a week.

"I'd rather not work two jobs," he said. "But I saw this as a chance to get in on the ground floor of something and to make a difference."

He refused to say what he was paid. "People in New York would sneer," he explained.

Mary Dupont, who has a master's degree in English and is the only full-time employee of Hungry Mind Press, makes \$19,000, with no benefits. But she is much happier with her job choice, despite earlier ambitions to teach at the college level.

"That's hard to get without a Ph.D.," she said. "And this is a great job. The company is designed to be nonhierarchical, it's the perfect alternative to being in a cube."

She manages virtually everything for the five owners who make the editorial decisions.

Ms. Dupont believes she could have found a higher-paying post in a bank or ad agency. "If I weren't married, I might think twice about this," she said, noting that her husband's salary from an advertising agency would be enough for a comfortable life even after they have a baby, due in December.

But right now, she said, sitting on a porch outside Hungry Mind's office, "this is how I want to spend my day."

"I don't feel a great desire to be part of the big financial and business complex," she added. "Most of the areas where you can make more money just don't interest me."

The Common Thread In the Career Quilt

Ms. Dupont echoed a common theme. While money is clearly important, what employees do all day weighs heavily on their minds, too. If corporate downsizing has taught them one thing, it is that they are responsible for their own careers. Today, personal growth and opportunity frequently matter more than immediate pay.

Vincent K. Hass, an assistant store manager at Bruegger's Bagels, even took a \$2,000 pay cut when he jumped from a job as a Wendy's general manager in March. Mr. Hass, who is 34, prefers the management style at Bruegger's and believes his opportunities are greater.

And Mr. Mackany, the new financial adviser who had spent his entire career at 3M and retired early only because he had witnessed three rounds of downsizing, was not satisfied taking life easy. He grew bored consulting part time, and though he knew little about investments, he was eager to learn to provide for his own future and that of his teen-age daughter. Now, dressed in a snappy blue suit, Mr. Mackany is primed to do business again, almost bubbling when he said, "I'm really excited about this."

"3M was the only company I ever worked for," he continued, "and I still think it's a great company. I could have stayed. I have no bitterness, and I understand the competitive environment. I felt I wanted an opportunity to grow. At 3M, it would have been all sidestepping." □

7-29-96

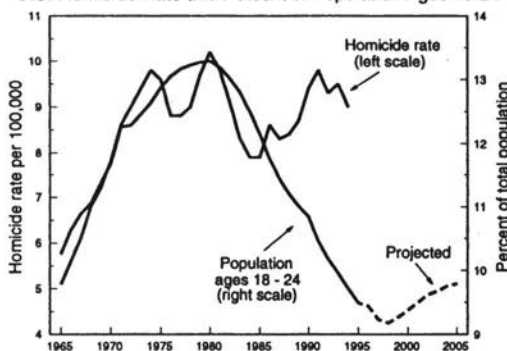
C. Palmer

TREND**Youth and Crime**

Although the national crime rate has shown a welcome downward trend recently, trends in serious crime among youth are disturbing.

Analysis. Violent crime appears to be an activity of the young. The homicide rate, for example, tracked the proportion of the population aged 18-24 quite closely between the mid-1960s and the mid-1980s (see chart). It even showed a modest downward trend as the baby boom matured and the proportion of 18-24 year olds fell in the first part of the 1980s.

U.S. Homicide Rate and Percent of Population Ages 18-24



This trend led many to conclude that a decline in the number of young adults, particularly males, would lead to a decline in crime rates overall. In 1985, however, the homicide rate began to rise rapidly even as the proportion of young people continued to fall. A rough estimate suggests this deviation from trend produced about 65,000 additional homicides between 1986 and 1994.

Juvenile crime and its causes. Homicides committed by 14 to 24 year-olds jumped sharply between 1985 and 1991. Moreover, handgun-related homicides by juveniles have nearly quadrupled since 1985, while the number of homicides using other forms of weapons has remained relatively constant.

Although researchers have identified declines in economic opportunity for inner-city youths, increased financial benefits from crime, lack of supervision, and family histories of child and substance abuse as contributors to this problem, it is unlikely any of these changed dramatically around 1985. But the widespread introduction of crack cocaine beginning about 1985 could be a cause. Some criminologists point to crack dealing and the protection of turf by local drug cartels as bringing about an increase in armed youth gangs and a greater propensity to act violently.

Implications. Even if the rate of violent crime by young people does not rise further, the crime rate may go up as the baby "boomerang" enters their crime-prone years (see chart). A continuing worsening in the violent crime rate among youth would aggravate this demographic effect. Although hard evidence is limited, promoting economic opportunity and reducing the profits from illegal conduct appear to be a necessary component of any policy to ameliorate this trend.

7-29-90

Summary of VA-HUD and summary of Treasury/Postal and D.C. appropriations bills. Leon forwards OMB summaries of the mark-ups of these bills by the Senate Appropriations Committee.

L.A. Times article, "Naysayers Lose One to NAFTA." Via Sec. Kantor. The article notes that California exports to Mexico and Canada are surging this year (a 17.2% increase in the first trimester of 1996).

Joe Duffey letter on Yeltsin's health. The letter mainly concerns "sleep apnea" and Duffey's "strong suspicion" that this is a major cause of Yeltsin's deteriorating health, including feeling tired, and congestive heart condition.

[illegible]



DIRECTOR

96 JUL 25 July 16, 1996 AIP: 04

THE PRESIDENT HAS SEEN

7-29-96

The President
The White House

Dear Mr. President:

By now I had planned to write you a letter about sleep apnea and the joy of discovering how to get a good night's sleep again. And the sudden awareness that rising blood pressure, tiredness, migraine headaches, etc. were not the result of stress or of just growing older but all related to obstructive sleep patterns. And the sudden awareness that this is why my father was depressed and drank himself into a stupor so often at the end of his life, a habit that only makes the condition far worse. And how now I have far more sympathy with what he was going through, coming to understand what his life was like and how he suffered without knowing what was happening to him. And how this new branch of medicine, still struggling for recognition because it is so new, has such incredible possibilities for reducing strokes, congestive heart failure, and several other wide spread diseases which involve much suffering and costly medication. And some ideas about how we could contribute to lowering the cost of health care by acknowledging a condition that affects at least -- at the least -- fifteen percent of older males and many females as well.

That will be another letter. Today, I want to suggest to you that this is the major cause of Boris Yeltsin's deteriorating health. Along with a number of new friends, physicians and researchers across the country, I have a strong suspicion that this is at the center of Yeltsin's problem. Oh there are other problems in advanced stages, and some of them are far advanced. But I suspect that this is a critical cause of feeling always "tired," and of the congestive heart condition. He could find relief with the CPAP (just as, I understand, Helmut Khol did a few years ago)! The problem is that this diagnosis and the CPAP machine are not part of medicine in Russia.

I have been in touch with Andre Kozerev, a friend of many years now, and, at his request, sent along the enclosed article from the New York Times which he

is showing to a few close Yeltsin advisors this afternoon. I have also sent the names of some young Russian doctors I met recently who are setting up the first and a very small sleep medicine and diagnostic clinic in Moscow. I'll let you know what comes of this.

Meanwhile, we send warm wishes to you both. The interview Monday evening on the new Microsoft/NBC network was superb. Anne and I cheered like we were watching an Olympic champion win the gold medal. Good work!

Sincerely,



Joseph Duffey

Bill
diplomacy and
medicine?
well, let's see!
J.D.

New York Times -- Evidence Keeps Mounting of Link Between Apnea and Heart Disease

By SANDRA BLAKESLEE

ONE of these days, it might pay to locate sleep laboratories next to heart catheterization laboratories, some medical researchers say.

The reason is that sleep apnea, a common yet rarely diagnosed problem, is turning out to play a major, insidious role in heart disease, including congestive heart failure, high blood pressure and chest pain. Yet many cardiologists and heart disease patients are not aware of the problem, researchers into apnea have found.

A handful of "small but convincing" studies, all reported within the last five years, point to a strong link between heart disease and apnea, said Dr. James Kiley, director of the National Center of Sleep Disorders Research at the National Institutes of Health in Bethesda, Md. And at least one study suggests the value of a form of treatment for apnea that involves sleeping with a mask over the nose and mouth.

Because the studies are small, involving no more than a few hundred patients, "the link has not yet been proven in a definitive fashion," Dr. Kiley said. But the stakes are high: millions of people could be affected by both problems. So the institutes have begun a five-year, multicenter trial to determine if apnea is a direct



Nancy Siesel for The New York Times

Thomas Klugh, respiratory therapist at Bellevue Hospital, demonstrates breathing device used by patients with obstructive sleep apnea.

A sleeping mask may be the answer.

cause of heart disease or merely an associated symptom.

Apnea, which comes from a Greek word meaning "want of breath," first came to medical attention in 1965 when researchers began putting people into sleep laboratories, measuring their respiration and brain activity throughout the night. It results in brief interruptions of breathing during sleep, which in turn put a strain on the heart. For example, as people stop breathing, the brain initiates a so-called fight or flight response up to 60 times each hour, giving the heart repeated jolts throughout the night. Instead of being restful and restorative, sleep becomes disruptive and dangerous.

This strain on the heart has especially important implications for the 2.5 million Americans with congestive heart failure, said Dr. Douglas Bradley, director of the Research Sleep Laboratory at the University of Toronto. Most of these patients take a large assortment of drugs, yet their condition continues to deteriorate, he said. Many are severely short of breath and cannot walk from the couch to the kitchen without feeling exhausted.

Some studies have shown that a nondrug therapy, using a machine that delivers air to the lungs during the night, can work miracles in some of these patients, Dr. Bradley said. Their blood pressure falls, their fatigue goes away and they can cut back on medications.

One difficulty with making patients aware of apnea, said Dr. John Remmers, a professor of medicine at the University of Calgary, is that most people who have sleep apnea do not realize it. The onset is slow and insidious, and people do not suddenly find themselves in pain, Dr. Remmers said. Doctors also may not connect sleep apnea with the kinds of symptoms seen in their patients, including fatigue, high blood pressure, depression and impotence.

In addition, the method of diagnosis is cumbersome and costly. People need to spend a couple nights in a sleep laboratory, hooked up to machines, at a cost of \$1,000 to \$2,000.

But the problem is huge, Dr. Remmers said. Estimates are that 10 percent of American men and 5 percent of women have sleep apnea. The problem may be less common in women because the hormone progesterone promotes breathing.

There are two kinds of sleep apnea

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There are two kinds of sleep apnea and both are involved in heart disease, Dr. Kiley said. The first, called central apnea, is more common in patients with congestive heart failure. Such patients tend not to snore and many are not overweight, which is a risk factor for apnea. In fact, these patients may develop sleep apnea after having had a heart attack or other cardiac injury, Dr. Kiley said. But once the apnea sets in, it starts a vicious cycle that further damages the heart.

A damaged heart does not pump enough blood to the lungs for oxygenation, Dr. Kiley said. The lungs may fill with fluid and carbon dioxide builds up. During the day, receptors in a neck artery sense the low blood oxygen and send signals to the brain stem, telling the person to breathe. Most heart failure patients hyperventilate all day to get enough air, he said. But when a person falls asleep, Dr. Kiley explained, the brain enters a state that is neurochemically different from wakefulness. When these same receptors detect low oxygen levels during sleep, they delay sending a message to the brain stem and the heart patient stops breathing. After many seconds, an alarm is set off and breathing is resumed — but only after causing some serious trouble.

The alarm both stimulates the brain stem and the higher cortex, which wakes up (usually without awareness) and it overreacts, Dr. Kiley said. In a startle response, it

releases a shot of adrenaline that cause the heart to race. At the same time, the low oxygen level causes blood pressure to shoot up.

This chronic elevation of adrenaline and blood pressure causes irregular heart beats and with elevated blood pressure over time reduces the heart's pumping ability. In such cases sleeping makes heart disease worse.

Doctors give drugs to lower blood pressure but they are treating patients based on daytime blood pressure, not realizing that it may hit peaks at night, Dr. Kiley said. Moreover, some of the drugs interfere with sleep, worsening the apnea and putting a further load on the heart, he said.

The second type of apnea is obstructive. It is most common in people who are overweight with fat necks, said Dr. Shahrokh Javaheri, a professor of medicine at the University of Cincinnati. Muscle tone keeps the throat open during the day, he said, but at night the weight of the oversize neck narrows the airway and the tongue falls back and closes it. The person struggles to breathe.

When this happens, arteries in the lung detect low oxygen and constrict. The heart's right chamber, which

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sends blood to the lungs, has to pump harder to overcome increased pressure, Dr. Javaheri said. With time, the right side of the heart suffers damage. Meanwhile, the brain's oxygen receptors are arousing the cortex, creating havoc with adrenaline.

Virtually all people with obstructive sleep apnea snore but the reverse is not true, Dr. Remmers said.

Among the small studies that have revealed a link between heart disease and apnea is one in which Dr. Javaheri asked 42 patients with heart failure to spend a night in a sleep laboratory. Nearly half of them had severe, undiagnosed apnea.

One study that suggests a possible treatment was conducted by Dr. Bradley in Toronto. He asked eight obese men with obstructive sleep apnea and heart failure of no known cause to use a special breathing device called C.P.A.P., for continuous pneumatic airway pressure. The device uses a face mask to deliver gentle air pressure to the lungs.

"When you apply pressure to the lungs, you also increase pressure to the heart," Dr. Bradley said. "It's like CPR, but it uses the lungs instead of hands. It really reduces the heart's workload, allowing it to rest and recover function."

6

High stakes: Millions of people could be affected.

After one month on C.P.A.P., the eight patients showed striking improvement, far greater than any drugs could bring about, Dr. Bradley said. Then C.P.A.P. was withdrawn. After a week, their former condition returned, he said, leading "us to believe that sleep apnea itself had a good deal to do with the heart disease."

In similar studies, Dr. Bradley found that with C.P.A.P. the patients' quality of life improved greatly. They were able to play golf again and take long walks, and they had a greater sense of emotional well-being and control over their heart disease. In some cases, high blood pressure returned to normal levels.

Encouraged by these results, the national institutes have begun a large study of 6,000 people at risk for heart disease, including factors like family history, genetic predisposition and high blood pressure. Subjects will be divided into those who have existing heart disease and those who do not.

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Each person will have his or her sleep monitored at home, using a special vest worn over the chest. One finger and the forehead are also fitted with electrodes. The equipment records sleep patterns that are later analyzed by computers, looking for central and obstructive apnea.

"If those with apnea have more heart attacks and more severe disease over time, it would be a strong indication that apnea is an independent risk factor for heart disease," Dr. Killey said.

Federal researchers are meanwhile trying to promote awareness of the problem. "Our message is that if you are a heavy snorer, if you've been told you have episodes of stopping breathing, you should not treat this as benign," Dr. Killey said. "You could be putting your heart at increased risk." Individuals can ask their doctors for referral to a sleep laboratory.

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A Blood Pressure Risk

CHICAGO, Dec. 19 (AP) — Men with high blood pressure in midlife are much more likely to have trouble thinking and remembering things when they are old, a study found.

The finding adds yet another reason to control high blood pressure, which is already known to be a risk factor for stroke and heart disease.

The study involved 3,735 Japanese-American men who enrolled in a heart study in the 1960's and were tracked through the early 1990's. Their cognitive function, which includes remembering, thinking abstractly, making judgments and concentrating, was measured when the men were 78 on average.

Public Health and the Environment in the Netherlands. The co-authors were researchers at the University of Hawaii and the United States National Institute on Aging. The study is being published on Wednesday in The Journal of the American Medical Association.

Dr. Kamal Masaki, a co-author, said brain scans performed on the patients since the study was written indicated that many of them suffered tiny "silent" strokes that caused no symptoms but could permanently impair thinking. High blood pressure may also damage the brain in some ways that are not clear to doctors, she said.

Sleep apnea can cause depression

Introduction

Sleep apnea can cause symptoms of apparent clinical depression which may respond quickly to treatment of the sleep disorder. A knowledge of the intellectual and emotional impact of sleep apnea may be important in making a correct diagnosis. Unfortunately, many physicians, psychiatrists, and psychologists may be unaware of this connection. Yet these professions have much to contribute to dealing with this problem and informed individuals can provide essential therapy and support to the patient and the patient's family in the recovery process.

The invisible epidemic of sleep apnea and snoring

The impact of sleep apnea and snoring on sleep and health in the individual and for the public should not be ignored. According the National Commission on Sleep Disorders Research: "Forty million Americans are chronically ill with various sleep disorders... Sleep apnea alone is the cause of excessive daytime sleepiness experienced by almost 20 million Americans... Overwhelming evidence from testimony and specific surveys suggests that the vast majority of Americans with sleep disorders remain undiagnosed and untreated. ... " (*Report of the National Commission on Sleep Disorders Research, Wake up America: A National Sleep Alert, Executive Summary and Report, January 1993.*)(hereafter cited as NCSDR)

What is sleep apnea

"Obstructive sleep apnea is an illness characterized by snoring, partial or complete cessation of breathing during sleep, reductions in blood oxygen levels, severe sleep fragmentation, and excessive daytime sleepiness. Researchers and clinicians have recognized sleep apnea as one of the most common sleep disorders and with perhaps the greatest medical and social impact on society in terms of morbidity and mortality. The syndrome strikes both sexes and all races, ages, socioeconomic strata, and ethnic groups, though it is less common in women prior to menopause, and may be more common in blacks than in whites." (NCSDR)

"The potential consequences of obstructive sleep apnea are significant and include hypertension, coronary heart disease, myocardial infarction, pulmonary hypertension, congestive hear failure, stroke, neuropsychiatric problems, cognitive impairment, sexual dysfunction, and injury due to accidents. Finally the Commission estimates that cardiovascular deaths attributable to obstructive sleep apnea alone may be as high as 38,000 annually."(NCSDR)

"In the United States, 11,845,000 people between the ages of 30-60 are estimated to have obstructive sleep apnea; nearly one-quarter of them (3,029,000) experience the disorder at a moderate or severe level. The prevalence of obstructive sleep apnea may be much higher in specific subgroups. ... For the approximately 31 million Americans who are age 65 and older, the best estimate of obstructive sleep apnea is 7,440,000, with 46 percent at the moderate or severe level." (NCSDR)

Recent studies show that among employed people 30 to 60 years old, at least 2 percent of the women and 4 percent of the men may have treatable sleep apnea syndrome, while 24 percent of the men and 9 percent of the women showed disturbed breathing during sleep. (Terry Young et. al. in the New England Journal of Medicine, April 1993). An editorial by Eliot Phillipson, MD in the same issue of NEJM proclaimed sleep apnea as "a major public health problem."

Diagnosis and treatment for apnea and snoring

Diagnosis is made on the basis of the clinical picture, patient and spouse reports, and an overnight polysomnogram done in the laboratory or even at home. Effective treatment eliminates snoring and apnea. The success of treatment is measured by the reduction of respiratory disturbance to normal levels, by the elimination of symptoms like fatigue and depression, and the patient's subjective feeling of well-being. The "gold standard" treatment accepted by physicians and others trained in sleep disorders medicine is the continuous application of positive air pressure through a mask during sleep (Continuous Positive Airway Pressure--CPAP). The additional air pressure keeps the airway from collapsing. Since this permits normal breathing to continue during sleep, normal sleep patterns emerge, sleep becomes restorative, and the patient feels better. The impact is often immediate and dramatic although the patient may need to continue therapy permanently. Weight loss, surgery and other interventions may also have their place in treatment.

The role of psychologists, psychiatrists, and social workers

Referral

Even a basic understanding of sleep apnea can be the basis for awareness and referral. A patient presenting with fatigue, depression, or problems in social relationships might have a primary problem of sleep apnea. If so, treatments appropriate for depression may miss the mark. If snoring, gasps, or pauses in breathing during sleep are reported, referral to an expert in sleep disorders for evaluation may be appropriate. A simple questionnaire may be all that is needed to pinpoint suspicious symptoms.

Role in Treatment

Psychologists and psychiatrists can play an important role in the treatment of sleep apnea. With appropriate training in sleep disorders, they can play a part in the sleep laboratory or in the clinic.

The patient with sleep apnea faces tremendous social and emotional challenges in accepting therapy. A significant number of patients fail to comply with treatment, sometimes because they may lack appropriate emotional support and are unable to adjust to their new status. Family members and colleagues may not understand or accept the positive changes in the patient's personality. And the patient and those close to him or her must come to grips with the loss of functioning for years before treatment. Finally, if symptoms of depression occur in a patient with known sleep apnea, appropriate treatment may require looking at both the treatment for sleep apnea--is it effective?--and at the possibility of depression. While there are support groups and patient-centered organizations which can be very important to patients and their families, professional intervention and support may also be needed.

The therapeutic skills of the psychologist, psychiatrist, social worker or other helping professional can assist the patient and family to succeed in treatment and achieve a full rehabilitation.

© 1995 Jerry Halberstadt and New Technology Publishing, Inc. An earlier version of this article was published in December, 1994 in *The InterPsych Newsletter*, a monthly Internet publication from INTERPSYCH -The Internet Mental Health Organization, whose aim is promoting international scholarly collaboration on inter-disciplinary research and intervention efforts in the field of psychopathology. It is republished by agreement with Interpsych.

- **Lightweight Auto:** DOE's Oak Ridge Lab in TN, and Thompson Aluminum Casting in Garfield Heights, OH, have joined with a major U.S. automaker for the commercial production of aluminum vehicle and motor parts. Reducing the weight of automotive parts substantially improves fuel consumption of automobiles and will reduce U.S. dependence on imported oil.
- **FL Defense Conversion:** On July 14, two new companies signed leases furthering DOE's efforts to privatize the Pinellas Plant. While one company will manufacture heavy equipment and parts for the paper industry, the other will produce electronic components. By meeting the challenge to convert defense production facilities to private business and reinvigorate the local economy, DOE is sharing its manufacturing and high technology development expertise with the public and industry.
- **Secretary's Schedule:** On July 31-August 2, Secretary O'Leary will lead the U.S. delegation to the Hemispheric Energy Ministers Meeting in Santa Cruz, Bolivia. The meeting will be an opportunity for the ministers and private sector representatives from the hemispheric region to assess progress and recommend the next steps for energy cooperation, as you initiated at the 1994 Summit of the Americas. The ministers will sign a communiqué outlining the next steps and their recommendations for the agenda of the Summit on Sustainable Development planned for December in Santa Cruz, Bolivia.

DEPARTMENT OF EDUCATION

Handwritten notes: We on PTA, need a back to school strategy

Back To School: Secretary Riley is planning the *1996 America Goes Back To School: Get Involved!* initiative, which will be co-chaired by Mrs. Gore, National PTA President Joan Dykstra, Southern Illinois University President Ted Sanders, and Bo Jackson. Secretary Riley has written to Cabinet Members, Members of Congress, and Governors to encourage their participation. The Department is sending every school information on how to organize an *America Goes Back to School* event.

Secretary's Schedule: On August 9, Secretary Riley is scheduled to travel to New Mexico to join Senator Bingaman in an event to focus on hispanic education issues.

ENVIRONMENTAL PROTECTION AGENCY

- **Project XL Reinvention Project:** On July 24, EPA and DoD announced a pilot project to improve environmental performance at the Vandenberg Air Force Base in Santa Barbara, CA. This project is part of EPA's Project XL and DoD's reinvention

7-29-96

- **Poultry "Fresh" Labeling:** The CA Poultry Industry Federation and the National Broiler Council recently reached agreement on use of the term "fresh" in labeling raw poultry products and requested that Congress adopt the agreement. USDA adopted a "fresh" labeling rule in 1995, but the 1996 Agriculture Appropriations Act blocked its implementation.
- **Community Food Projects Grants:** On July 24, the Cooperative State Research, Education, and Extension Service announced that \$1 million in grants is being made available for community food projects designed to meet food needs of low-income people.
- **NC Hurricane Damage:** Governor Hunt has requested disaster assistance for NC producers following an estimated \$188 million in crop damage caused by Hurricane Bertha. The Farm Service Agency is assessing the situation on a county-by-county basis.

DEPARTMENT OF ENERGY

- **Spent Nuclear Fuel:** In IN, Michigan Power Company v. DOE, various utilities and a group of states sought a ruling from the U.S. Court of Appeals for the D.C. Circuit to obligate DOE, under the Nuclear Waste Policy Act (NWPA), to begin disposing of utilities' spent nuclear fuel (SNF) by January 31, 1998. On July 24, the Court agreed with the utilities, holding that the NWPA obligates DOE to start disposing of SNF no later than January 31, 1998. DOE is reviewing the Court's ruling to determine what steps it should now take.

VP/GS/NDL

R&D-100 Awards: The 1996 winners of the R&D-100 Awards sponsored by *R&D Magazine* have been announced and DOE won one-third of the awards. The awards recognize the year's 100 most commercially significant new technologies. DOE's Labs in IL, NY, NM, CA, TN, WA, CO, and SC won the coveted awards for breakthroughs in science and technology research and development. These achievements highlight the significant benefits that DOE's National Laboratories provide to the U.S. economy.

✓ **GAO Report on Hanford, WA:** On August 2, the GAO will submit a report to House Oversight Subcommittee Chairman Barton on DOE's efforts to privatize the tank waste clean up at its Hanford facility. Chairman Barton has been very critical of DOE's privatization efforts. The report findings are expected to recognize the effort as a positive change in DOE's contracting practices, noting major uncertainties related to cost as well as technical and regulatory obstacles.

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Sec. Cisneros follow-up on homeownership strategy. Following the strategy he described to you recently -- breaking down good economic news by markets and by target constituencies -- he and Laura Tyson discussed the latest homeownership increase in a conference call to reporters in 30 key markets. Sec. Cisneros also forwards clips FYI.

Summary of VA-HUD and summary of Treasury/Postal and D.C. appropriations bills. Leon forwards OMB summaries of the mark-ups of these bills by the Senate Appropriations Committee.

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Letter from CEOs of Continental, Delta, Northwest, Tower, TWA, and United Airlines. Letter concerns negotiations over an "open skies" agreement with the UK. Specifically, they are worried about potential anticompetitive effects of the proposed British Airways-American Airlines deal, which DOJ is now investigating. They argue that without a clear understanding of these effects, an "open skies" agreement with the UK could result in serious decrease in competition. They believe DOT is wrongly trying to press ahead with negotiations now, as the UK wants. They argue instead that substantive discussions with the UK on a new air services agreement should be deferred until DOJ has fully examined the proposed agreement in the context of the BA-AA alliance.

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L.A. Times article, "Naysayers Lose One to NAFTA." Via Sec. Kantor. The article notes that California exports to Mexico and Canada are surging this year (a 17.2% increase in the first trimester of 1996).

(H)

Joe Duffey letter on Yeltsin's health. The letter mainly concerns "sleep apnea" and Duffey's "strong suspicion" that this is a major cause of Yeltsin's deteriorating health, including feeling tired, and congestive heart condition.

cc: Blair
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P. 105

Naysayers Lose One to NAFTA

California exports to Mexico and Canada are surging this year

Ever since the North American Free Trade Agreement went into effect on Jan. 1, 1994, its detractors have declared it a failure. Two and a half years later, with a solid 17.2% increase in California exports to Mexico and Canada in the first trimester of 1996, the pronouncement seems not only premature but silly.

NAFTA involves a long-term process of removing trade barriers between Canada, the United States and Mexico. The idea is that the free flow of goods will enhance the productivity, profitability and competitive position of the whole region. Even before NAFTA's implementation, trade among the three countries was on the rise.

A series of unexpected problems in Mexico—the Chiapas uprising, two political assassinations and the peso devaluation, all in 1994—created doubt for many about whether NAFTA would have a positive effect. This doubt persisted in some quarters even as the volume of trilateral trade was increasing.

In the first four months of this year, California sold goods to Mexico and Canada worth about

\$5.1 billion. Canada is now the state's second-largest national commercial partner (after Japan) and Mexico is in fourth place (after South Korea).

California is selling computers, electronic components, industrial machinery, chemical, rubber and plastic products and many other manufactured goods to Mexico. These products have created well-paying jobs here, returning revenues to the Golden State.

Although economically battered, Mexico still registered a 20.4% jump in exports from California during the first three months of 1996, compared with 1995. Just think of what the gain might have been had Mexico not been reeling from a financial crisis.

Last year, California's exports to Mexico amounted to \$7.3 billion, which is nothing to sneeze at. Exports from Texas to Mexico were a staggering \$21.8 billion. The numbers serve as an important reminder: The trade relationship with Mexico is of key financial importance to this state, and, as the Texas experience shows, it can be even more lucrative.

THE PRESIDENT HAS SEEN
7-29-96

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GS/Prigyn

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cc: Baker / Spitzer / Stubbins
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THE PRESIDENT HAS SEEN

7-29-96

July 22, 1996

96 JUL 22 P3:16

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

Dear Mr. President:

Our six companies are among the most efficient and aggressive airlines in the world. Each of us has expressed our ardent support for liberal "open skies" air services agreements and we have praised the achievements of your administration in securing such agreements with much of Europe. While we are all anxious for the United Kingdom to be added to the list of "open skies" regimes, the pace and circumstances of negotiations with Great Britain cause us great concern. In short, we are worried that the U.K. is seeking to use the allure of the term "open skies" to maneuver the U.S. into an agreement which, in practice, will prove to be far less than "open".

In the field of international trade, tigers do change their stripes, but they seldom do it overnight. For years the United Kingdom and its flag carriers have insisted upon the most restrictive interpretation of one of the most restrictive aviation agreements in existence. Suddenly, to secure U.S. approval of an immunized alliance between their largest flag carrier and American Airlines, they profess a willingness to abandon completely their protective policies. The question that immediately comes to mind is whether this is an actual philosophical conversion or whether the British believe they can manipulate circumstances to maintain an even more protective environment under the false banner of "open skies." We are also concerned that ratification of open skies by the U.K. would be linked to a U.S. grant of antitrust immunity to the BA-AA alliance.

To its credit, your Department of Justice has begun its investigation into the effects on competition of a British Air-American Airlines alliance. In that investigation, the Department will undoubtedly identify and analyze the significant barriers to competition that would exist with the BA-AA alliance even under a liberal air services agreement with the U.K. Those obstacles are significant and varied. They include significant and long-term operating and capacity constraints at London Heathrow Airport, including the lack of significant numbers of operating slots at London's Heathrow Airport as well as at New York and Chicago in the U.S.; the availability of on-airport gate and terminal facilities at Heathrow, as well as at constrained airports in the U.S.; local traffic rights beyond the U.K.; and the right to code-share with carriers of other countries over these routes. Without these and the other competitive issues being identified and understood, an "open skies" agreement with the U.K. could

The Honorable William J. Clinton
July 22, 1996
Page 2

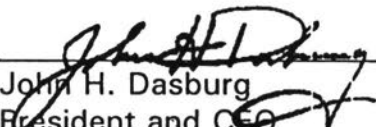
result in a serious decrease in competition as BA and AA would have the ability to shift flights from their large cache of over 3,000 Heathrow slots to the U.S.-Heathrow market. There does not exist any mechanism to assure that U.S. carriers could secure slots and facilities needed to initiate new competitive services.

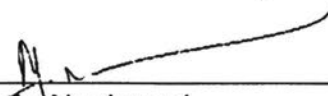
We are concerned because the U.S. Department of Transportation seems to be of the view that it should negotiate the agreement now -- just as the U.K. wants -- and worry about these competitive details later. While the Department's enthusiasm is understandable, it is, we believe, being relied upon by the British to cloud U.S. judgment. Moreover, before the Department even begins to consider open skies negotiations, the Department should, consistent with its own policy, perform an economic analysis to determine whether competitive barriers prevalent at Heathrow - the most important overseas airport -- would preclude a meaningful open skies environment. History has shown that when we conclude an air services agreement with the U.K., reopening that agreement to remove competitive constraints as they later emerge is an extremely frustrating experience.

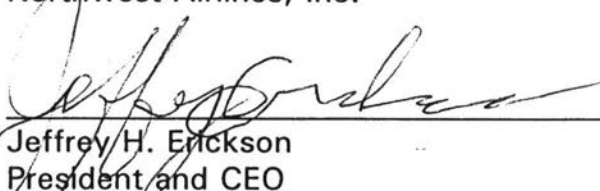
For these reasons, we would strongly urge you to defer substantive discussions with the U.K. on a new air services agreement until your Department of Justice has fully examined the matter in the context of the BA-AA alliance, approval of which will be a U.K. prerequisite to any new agreement. Any other course, we fear, would be following a path laid out by the U.K. government and designed to reach that government's particular objective.


Gordon M. Bethune
President and CEO
Continental Airlines, Inc.


Ronald W. Allen
Chairman, President and CEO
Delta Airlines, Inc.


John H. Dasburg
President and CEO
Northwest Airlines, Inc.


Morris Nachtomi
Chairman and CEO
Tower Air, Inc.


Jeffrey H. Erickson
President and CEO
Trans World Airlines, Inc.


Gerald Greenwald
Chairman and CEO
United Airlines

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cc: Travis / SPB / STU / WORTH
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THE PRESIDENT HAS SEEN

7-29-96

U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
THE SECRETARY
WASHINGTON, D.C. 20410-0001

96 JUL 23 P6:42

July 23, 1996

MEMORANDUM FOR: President Clinton

FROM: Henry G. Cisneros *Henry Cisneros*

SUBJECT: HOMEOWNERSHIP STRATEGY

Following the strategy I described to you last week of breaking down good economic news by markets and by target constituencies, Laura Tyson and I yesterday communicated the latest homeownership increase to reporters in thirty key markets via a conference call. The attached clips are the results in local papers across the nation.

1000 10:01

New Homeownership Hits Record 66.1 Million in Second Quarter

From Times Staff and Wire Reports

About 700,000 individuals and families became new U.S. homeowners during the April-June quarter, boosting the number to a record 66.1 million, the Clinton administration said Monday.

Secretary of Housing and Urban Development Henry G. Cisneros said the 0.3% increase resulted in a 65.4% homeownership rate, a 15-year high.

"It's still the best investment people can make," Cisneros said in a telephone interview. "For most Americans, the largest source of net worth they have is tied up in the equity in their home."

Laura D'Andrea Tyson, chairwoman of President Clinton's National Economic Council, attributed the growth to the administration's economic policies that have cut the federal deficit by half while creating more than 10 million jobs.

"The president's strong deficit reduction has helped keep mortgage rates relatively low, even as

the economy has strengthened and job growth has boomed," she told reporters in a telephone conference call with Cisneros.

Tyson acknowledged that rising mortgage rates are having an effect, but she said the rates have averaged 7.8% during Clinton's presidency, "a level we haven't seen since President Johnson occupied the White House" in the 1960s.

As a result, she said, "housing affordability will remain quite favorable."

Cisneros called the increase "a powerful engine of economic growth, creating jobs in the construction industry and in businesses that sell building supplies, appliances and home furnishings." He said the increase was broad-based and that 47% of all home sales since 1992 were by first-time buyers.

The homeownership rate in the second quarter was just 0.4% less than the 65.8% record set in the second quarter of 1980. Since Janu-

ary 1993, the number of homeowners has risen by 4.4 million.

The goal of the administration's National Homeownership Strategy is to create 8 million new American homeowners by 2000, for an ownership rate of 67.5%.

During the two years ended in June, the homeownership rate grew 1.6%, the fastest since the quarterly statistics were first compiled in 1965. It represented a 2.5%—or 3.3 million—increase in homeownership.

It included a 3-percentage-point increase in the Midwest, to 70.5%; 2 percentage points in the South, to 67.2%; and 1 percentage point in the Northeast, to 62.3%. The rate in the West was virtually unchanged at 59.8%.

The rate for whites rose 1.8 percentage point to 71.7%; for African Americans, 2 percentage points to 44%; for Latinos, 2.8 percentage points to a record high of 43.9%; and for all others, 1.9 percentage points to 50.4%.

BOSTON GLOBE JUL 23 1996 BEST COPY AVAILABLE

Number of homeowners sets mark

Clinton administration credits low interest rates

C-2 ASSOCIATED PRESS

WASHINGTON - About 700,000 individuals and families became new US homeowners during the April-June quarter, boosting the number to a record 66.1 million, the Clinton administration said yesterday.

Secretary of Housing and Urban Development Henry G. Cisneros said the 0.3 percent increase resulted in a 65.4 percent homeownership rate, a 15-year high.

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He said the increase was broad-based and that 47 percent of all home sales since 1992 were by first-time buyers.

The homeownership rate in the April-June quarter was just 0.4 percent below the 65.8 percent record set in the second quarter of 1980.

Since January 1993, the number of homeowners has risen by 4.4 million. The goal of the administration's National Homeownership Strategy is to create 8 million new American homeowners by the year 2000 for a 67.5 percent rate.

During the two years ended in June, the homeownership rate grew 1.6 percent, the fastest since the quarterly statistics were first compiled in 1965. It represented a 2.5 percent - or 3.3 million - increase in homeownership.

It included a 3 percentage point increase in the Midwest, to 70.5 percent; 2 points in the South, to 67.2 percent, and 1 point in the Northeast, to 62.3 percent. The rate in the West was virtually unchanged at 59.8 percent.

688

Homeownership up 700,000 in quarter

The 0.3 percent increase gave the U.S. a record 66.1 million owners. The ownership rate hit 65.4 percent.

By John D. McClain
ASSOCIATED PRESS

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The rate for whites rose 1.8 percentage point to 71.7 percent; for African-Americans, 2 points to 44 percent; for Hispanics, 2.8 points to a record high of 43.9 percent; and for all other Americans, 1.9 points to 50.4 percent.

Chicago Tribune JUL 23 1996

Americans home in on ownership record

Lenders, government promote programs that help boost buying at lower incomes

By J. Linn Allen
TRIBUNE STAFF WRITER

3/1

Shirley Gray, a customer administrator for Xerox Corp., just closed on a newly rehabbed \$87,000 condominium in the West Garfield Park neighborhood.

She had moved to a cheaper apartment two years ago to save money for her first home purchase, but help with \$4,500 in down payment and closing costs from her employer and First National Bank of Chicago gave her the jump-start she needed.

"Even with the money I'd saved, I wouldn't have been buying for another year or two," said the 45-year-old single mother of two.

Programs like those of Xerox, which gives employees a portion of the down payment, and First Chicago, which put up \$1,500 in a pilot program for first-time buyers in designated empowerment zones, are helping boost the national homeownership rate to near its all-time high.

Federal officials said Monday the rate in the second quarter reached 65.4 percent, within striking distance of the 65.8 percent record from the second quarter of 1980.

Housing and Urban Development Secretary Henry Cisneros said the rate has climbed by 1.6 percentage points in the last two years, a record growth pace. The rate also was up sharply from the 65.1 percent reported in the first quarter this year.

Cisneros was quick to make election-year hay out of the fig-

The increases in homeownership stretch over most regions of the country and over all racial categories, age groups and income levels.

ures, attributing them to strong job growth and moderate interest rates stemming from President Clinton's economic policies.

He also cited a "housing partnership" program the administration started two years ago to bring together housing industry players such as builders, real estate brokers and lenders in a concerted effort to raise the homeownership rate, which had been languishing since 1980.

That program, along with federal pressure on lenders to make loans available to minorities in inner cities, has helped generate a wave of loan assistance and flexible-loan plans.

Cisneros also said technology has reduced costs in the mortgage process and noted that the Federal Housing Administration by this fall will have cut its mortgage insurance fees by an average of \$1,000 per mortgage since Clinton took office.

Presidential economic adviser Laura D'Andrea Tyson said the homeownership rate could be

SEE HOMES, PAGE 3

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708

expected to continue to rise, despite an increase in mortgage interest rates, because continuing jobs and earnings growth will enable more people to afford homes. But she said higher rates will likely have some effect, after a lag time.

The new rate means that there are 66.1 million American homeowning households, the highest level in history, Cisneros said. The second-quarter increase added 700,000 new homeowners, he added.

The increases stretch over most regions of the country and over all racial categories, age groups and income levels, he said.

The government said homeownership rates stand at all-time highs for Hispanics, at 43.9 percent, and the elderly, at 78.9 percent. And over the last two years, the Midwest homeownership rate has increased by 3 percentage points, to 70.5 percent, tops

among all regions of the country.

Also in the last two years, the rate for householders under 35 is up 2.5 points, to 39.3 percent; for African Americans it is up 2 points, to 44 percent, and for families with less than the median income it is up 1.2 points, to 49.2 percent.

Cisneros said the administration's goal is to raise the rate to 67.5 percent by 2000, with the next plateau being to surpass the record 65.8 percent rate for a single quarter.

Increases should come mostly among minorities and lower-income levels, he added.

But he said he isn't concerned that the homeowner-ship push might be allowing prospects with a high risk of mortgage default to buy homes.

Extensive counseling is part of most public and private programs providing low down payments, buyer assistance or lending flexibility, he pointed out.

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THE WHITE HOUSE
WASHINGTON

96 JUL 23 P4:40

July 23, 1996

MEMORANDUM TO THE PRESIDENT

From: Carol H. Rasco

Subject: Weekly Report: July 13 - July 19, 1996

UPDATES ON KEY INITIATIVES

FAMILY FRIENDLY WORKPLACES

Follow-up to Family Reunion -- At the Vice President's Family Reunion, the President signed a Memorandum to Agency Heads directing them to review their plans to make their workplaces family friendly and to report to the DPC within 120 days on their progress. We have been working with the Vice President's Office to ensure follow-up to that Memorandum. We met this week with Jim King of OPM, Faith Wohl of GSA, and other key staff to develop working plans for follow-up. We will be scheduling a meeting of the Domestic Policy Council in September on this topic.

HEALTH CARE

MSA Discussions -- Closure on Kassebaum/Kennedy may be imminent. Staff discussions on the design and structure of medical savings accounts are proceeding extremely well. Assuming that we have closure in the next 48 hours on this issue, staff will need to review the rest of the health insurance reform legislation to ensure that other issues of concern are addressed. In particular, staff would hope the compromise language: (1) retains mental health parity for lifetime and annual caps; (2) provides adequate individual market protections; (3) removes a provision directing HHS and Justice to publish advisory opinions on provider activities that constitute fraud; and (4) ensures that sufficient disclosure protections exist for consumers of Medigap insurance. Staff also need to review the bill for technical drafting concerns. We hope to have closure on the entire bill this week.

CHILD WELFARE

Discussion Series -- On Thursday, we held the first of what will be several small discussion sessions on the state of the country's child welfare system. We brought in experts from around the country drawn from the legal, academic, advocacy, practitioner, and think tank communities to share with us their views on the problems within the child welfare system and what role the federal government should play in addressing those

problems. Over the next few months we are planning to meet with several more groups and begin to craft a comprehensive definition of the problems and set of policy solutions to address the problems.

Participants Thursday were Marylee Allen of the Children's Defense Fund; Conna Craig of the Institute for Children; Kathleen Feely of the Casey Foundation; Mark Hardin of the Child Welfare ABA Center on Children and the Law; Dr. Alfred Kahn of Columbia University School of Social Work; Jane Spinak of the Juvenile Rights Division/Legal Aid Society; and representatives from the DPC, OMB, and HHS.

HIV/AIDS

Grandmothers Project -- The AIDS Policy Office has launched an effort to address the issue of guardians for children of parents infected with AIDS. Grandmothers are most often caregivers for children, but face obstacles to establishing custody. As a result, children may unnecessarily be placed in foster care. Our goals are to help ensure parents with AIDS can arrange for the orderly and legal transfer of custody.

ENERGY AND ENVIRONMENT

Pesticide/Food Safety Legislation -- The House voted unanimously today to pass legislation reforming the way we regulate pesticide residues in food. The bipartisan bill -- crafted by Congressmen Dingell, Waxman, and Bliley -- repeals the Delaney Clause for pesticides and establishes a uniform, strong health-based standard. The legislation is very close to your proposal, and the Vice President issued a statement July 17th that "The Committee bill meets goals President Clinton set forth early in his Administration" including "enhanced protections for infants and children." Given the fragile nature of the agreement, the bill's sponsors are seeking to move it quickly through the Senate. DPC is working with CEQ and Legislative Affairs to shepherd the bill forward.

Human Radiation Experiments: The Interagency Working Group on human radiation experiments has recommended the President issue an Executive Order addressing informed consent in classified research. DPC will work with HHS to prepare a draft.

Kisatchie National Forest: DPC staff, along with OMB and the relevant agencies, are working to resolve whether the Administration should support legislation that would transfer land in the Kisatchie national forest in Louisiana to the Army for training purposes (as opposed to proceeding administratively). The issue is, in part, whether the legislation would waive the normal environmental decision-making process to the possible detriment of local property owners. There has been significant local press on this issue--mostly opposed to the legislation.

Yucca Mountain Interim Storage: The cloture vote on interim storage of radioactive waste in Nevada is planned for Thursday. White House offices, EPA, and DOE are working to contact Senators to urge their vote in support of the President's position.

New York / New Jersey Dredging: After intense discussions with the New Jersey delegation, a consensus with environmental and economic interests looks possible. Harold Ickes met with members of the delegation and environmentalists Thursday to help bring the issues to a close. We have little room, however, to compromise the few remaining issues; but we are continuing to look for solutions.

EXTERNAL ACTIVITIES

MEETINGS

Wednesday, I was the keynote speaker at the Effective Employment Strategies for Individuals with Disabilities Conference that took place here in Washington, DC. I also attended the Partnership Steering Committee Meeting and attended the Women's Leadership Forum reception.

THE PRESIDENT HAS SEEN

7-29-96

THE WHITE HOUSE

WASHINGTON

96 JUL 26 P5:22

C.O.S.

July 26, 1996

MEMORANDUM TO

THE CHIEF OF STAFF

FROM

RAHM EMANUEL

SUBJECT

WEEKLY REPORT

CRIME/DRUGS: On Thursday, the Senate passed the Gramm/Biden National Registry for Sexual Predators. As you know, the Justice Department is preparing a report for the President on such a registry. I have talked to Justice about picking up the pace of this report.

The Justice report serves as a follow-up to the President's radio address in Cleveland. It will also show that we can have a national registry up and running within six months. It is my goal to beat the legislation.

I held a meeting with Treasury to follow up on the ATM proposal. Now that Secretary Rubin is involved I think we have a good chance of producing an acceptable guide. A guide should be ready in the next three weeks.

This week I talked to Secretary Cisneros about putting out the 'One Strike and You Are Out' regulations. It is important to have this published before the event in Newark. I have talked to HUD about the event in Newark and I think if we have a clear idea of what we want to communicate, it could be a great event.

Justice is working on a proposal to hold parents responsible if their children commit crimes with a handgun. This is modeled on a similar program that exists in Michigan. We could announce our support while in California where the Police have endorsed such a concept on hand gun safety. If everything worked right, it could also be the day that the Attorney General released the new juvenile crime numbers.

I conducted a search of which cities are looking into expanding or adopting a curfew or a school uniform policy based on the President's endorsements. I have given the list to Marcia to inquire with mayors in each city. This list should be helpful for the fall.

Last week the Chicago Sun-Times ran a two part series on the drug problem in their prisons. As you know Pennsylvania, Florida, and

Mississippi have similar problems. I am having Justice draft a letter for all 50 governors concerning their prison grant money and this drug epidemic in their prisons.

IMMIGRATION: Today INS released a report on deportation and announced 15 new prosecutors for San Diego. We will probably receive positive coverage in affected markets.

Next week Doris is going to Florida to appear at a press conference with the Governor who will be signing an Executive Order on state contracts and firms that are found to employ illegal aliens. The Executive Order is similar to the one the President signed a couple of months ago.

Doris will then release a letter to all governors stating the INS's desire to assist them in drafting a similar executive order for their state.

The week of the fourth INS will sign an agreement with 20 poultry companies to bring them on line with the worker verification pilot. The press conference will be held in Georgia before the GOP convention.

As I have said before, we have a looming problem at INS. Doris is not fully engaged, she has a weak staff, the GOP is on the attack, and regardless of the above initiatives we are on the defense on a number of fronts.

The GOP is trying to discredit the INS. They are trying to show that it is nothing but a political arm of the White House. The Citizenship USA program will be the main point of attack. They will argue that the President and First Lady were directing the INS to register more citizens as a way to pick-up votes in California.

On the legislative front it looks like the immigration conference will reach an agreement. The Gallegelly compromise will include either a prospective ban or a tuition charge. I need guidance on this issue. We need to send a clear message to Democrats and cops about our position. I also think a very public fight against the immigration bill while welfare reform is on the floor would send a strong message to the Hispanic community.

WELFARE: We worked this week with Senator Lieberman on his Op-Ed for the New York Times. He presented a strong argument for signing the welfare legislation.

Last week John Hilley, Bruce Reed, HHS Legislative staff and I met to prepare options for the Hill. Our goal is to force them to stay as close to the Senate Bill as possible and use the argument for children as leverage.

I am concerned that some are talking about the Wisconsin waiver as an alternative to national legislation. I do not want to be in

the position of having said I told you so, but this will not wash. If this is the course we wanted to pursue, we should have granted the Wisconsin their waiver a week ago.

RESEARCH: I continue to prepare the Administration's record on crime, welfare, drugs, immigration, and the economy. This week Gene and I met with the chief of staffs from the economic team to fan them out to targeted markets on the 31st. They will point to our accomplishments and the economic benefits of our plan.

7-29-96

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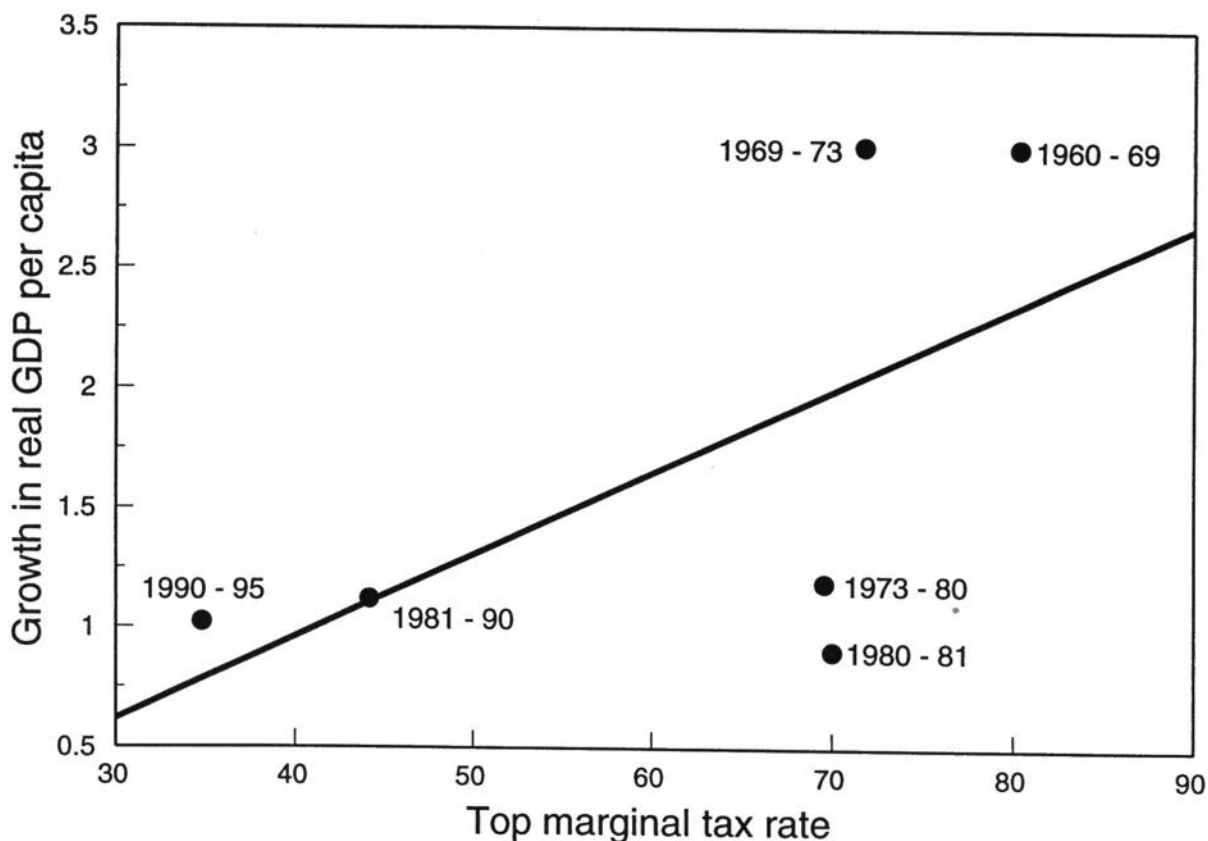
WEEKLY ECONOMIC BRIEFING OF THE PRESIDENT OF THE UNITED STATES

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

July 26, 1996

CHART OF THE WEEK

Any Relationship between Marginal Tax Rates and Growth?



Note: Data are averages over the business cycle.

Tax cut advocates sometimes use simple charts purporting to show that cutting taxes boosts economic growth. This simple plot of top marginal tax rates against per capita GDP growth suggests such "analysis" is hardly definitive. Taken literally, the upward-sloping line providing the "best fit" to these data suggests that a rise in the top tax rate has a mildly positive effect on economic growth (in fact, both growth rates and marginal tax rates have drifted down over time, without one necessarily causing the other). More to the point, simple correlations cannot prove how taxes affect growth.

THE PRESIDENT HAS SEEN

7-29-96

THE WHITE HOUSE
WASHINGTON

July 26, 1996

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MEMORANDUM FOR THE PRESIDENT

FROM: KITTY HIGGINS *Kitty*
SUBJECT: Summary of Cabinet Weekly Reports
July 19 - July 26, 1996

cos.

DEPARTMENT OF TREASURY

- **Miami Cocaine Seized:** On July 10-11, DEA and U.S. Customs, acting on an intelligence report, seized over 1000 pounds of cocaine from a cargo trailer at Miami Port. The trailer arrived in Miami, aboard an Ecuadorian flagship cargo vessel, that contained a shipment of legitimate produce cloaking the contraband.
- **Operation Zip Code:** On July 9, using examination criteria developed under "operation zip code" which strategically analyzes the addresses of parcels, Customs Inspectors seized about 100 pounds of cocaine in a Federal Express shipment manifested as six cases of soda.
- **Secretary's Schedule:** On July 29, Secretary Rubin will deliver a speech at a Town Hall meeting in Los Angeles, highlighting your Administration's efforts to bring capital to America's inner cities. Secretary Rubin will also announce new mortgage data showing significantly increased lending to African-American, Hispanic, and low-income persons, and will announce a new foundation-led Brownfields initiative for Los Angeles. On July 31, Secretary Rubin will announce the Community Development Financial Institutions (CDFI) award winners at a press conference.
- **IRS Restructuring Commission:** On July 29, the second meeting of the IRS Restructuring Commission will take place. The agenda for the meeting includes the adoption of the rules for the Commission, a report on staff and other organizational matters, and panel discussions on the history of the IRS and tax collection.
- **Electronic Funds Transfer:** On July 25, the Treasury Department put into effect the first phase of Financial Management Service implementation of the mandate to pay recipients of federal payments electronically.

DEPARTMENT OF COMMERCE

- **Economic Indicators for the Next Two Weeks:**

New One-Family Houses Sold and For Sale (June 1996)	July 30
Employment Cost Index (June 1996)	July 30
Gross Domestic Product (2nd quarter 1996)	August 1
Revised Estimates (1st quarter 1993 through 1st quarter 1996)	August 1
Value of New Construction Put in Place (June 1996)	August 1
Personal Income and Outlays (June 1996)	August 2
Manufacturers' Shipments, Inventories, and Orders (June 1996)	August 2
Employment Numbers Report (July 1996)	August 2
- **Secretary's Schedule:** On July 29-August 3, Secretary Kantor and Under Secretary Good will host Natan Sharansky, the new Minister of Industry and Trade for Israel at the U.S.-Israel Science and Technology Commission (USISTC) dinner and meeting. On August 5, Secretary Kantor will open the U.S.-Mexico Infrastructure Conference in San Antonio, TX, a follow-up to the 1993 U.S.-Mexico Border Infrastructure Finance Conference. Several hundred senior business executives and members of the Mexican and U.S. Cabinets are expected to attend the Conference to discuss economic growth policies that will benefit both countries.
- **Endangered Species Listing:** On July 13, DOC listed as endangered the Umpqua River cutthroat trout in OR. The National Marine Fisheries Service (NMFS) was mandated by the OR District Court to complete this determination by July 31. NMFS has been working closely with Governor Kitzhaber who is supportive of the efforts. NMFS was also mandated by the OR Court to make a determination on the proposed listing of west coast steelhead salmon which would affect WA, OR, ID and CA. Public hearings on salmon will take place over the next year. CEQ, DOI, and USDA have all been involved in discussions on both of these actions.

DEPARTMENT OF LABOR

- **G.I. Bill for the American Worker:** Senator Kassebaum has completed a partisan conference. The bill contains no concessions on the Administration's concerns or priorities. Opposition to the bill continues to mount from Democratic senators, mayors, local officials, and governors. Kassebaum expects to file the report next week.
- **Equal Employment:** On July 31, the Secretary will deliver the keynote address to the Equal Employment Conference in Washington, D.C. His remarks will focus on affirmative action.

- **DeCoster Egg Farm:** As a result of recent actions taken by DOL against DeCoster Egg Farm, two major New England supermarkets announced that they will no longer carry DeCoster eggs. DOL recently announced a \$3.6 million fine against DeCoster for violations of Occupational Safety and Health laws as well as wage and hour laws.
- **Occupational Safety and Health Administration:** On July 18, the Sixth Circuit issued an adverse decision in Reich v. General Motors Corp., holding that OSHA's "lockout-tagout" standard permits an employer to use visual and audible warnings instead of lockout-tagout procedures when workers service hazardous equipment. General Motors was cited for permitting workers to service equipment without de-energizing it and locking the energy sources.
- **Secretary's Schedule:** On July 31, Secretary Reich will gather a roundtable of reporters to release a report on the status of health care costs.
- **Business and Professional Women:** On July 30, Secretary Reich will deliver a speech on pension security to the Business and Professional Women's meeting in Washington, D.C. Secretary Reich will also discuss the gender gap in retirement savings.
- **Collective Bargaining Update:** Four of the five unions involved in disputes covered by three Presidential emergency boards have reached tentative agreements with the nation's major freight railroads. The fifth union, the Brotherhood of Maintenance of Way Employees (BMWE), has come to terms with all the carriers except Conrail. The BMWE has pledged to refrain from self-help actions for an additional seven days while making efforts to resolve its differences with Conrail over the applicability of a job stabilization recommendation. On July 23, the Transportation-Communications International Union reached a tentative agreement.

DEPARTMENT OF TRANSPORTATION

- **TWA Crash:** The search for bodies and debris continues as does the investigation into the cause of the crash. Your visit was extremely well received both locally and by the media.
- **Passenger Manifest:** The Department is drafting a Notice of Proposed Rulemaking which would implement the requirements in the Aviation Security Improvement Act regarding passenger manifests for international travel.
- **AR Speed Limit Increase:** On July 17, the AR Highway Commission passed a general resolution to raise the speed limit for cars on rural interstate highways to 70 mph. The speed limit for trucks will remain at 65 mph.

- **Maritime Loan Guarantees:** The Maritime Administration is finalizing a Title XI loan guarantee commitment for Rowan Companies, Inc. of Houston, TX. The guarantee of \$153 million over twelve years will finance the construction of a drill rig for operation in the North Section. The rig will be built by Le Tourneau, Inc. in Vicksburg, MS.
- **NY Port Dredging:** On July 24, the Vice President and Secretary Peña announced your Administration's commitment to a three-point plan regarding the dredging of the Port of NY/NJ which will be presented this week. The plan provides a balanced approach to the continued growth and vitality of the port, protective regulation of ocean disposal, and a stronger partnership with the states in protecting the health of the Port and the marine environment.
- **Intermodal Surface Transportation Efficiency Act:** On July 31, Secretary Peña will testify before the Senate Environment and Public Works Committee on the prospect of legislation next year to reauthorize DOT highway construction, highway safety, and transit programs. The Committee will focus on the roles of the federal, state and local governments in supporting these programs.

FEDERAL EMERGENCY MANAGEMENT AGENCY

- **Disaster Activities:** On July 24, you declared disasters in eleven IL counties. NC received a Presidential major disaster declaration due to severe storms, high wind, flooding, and related effects of Hurricane Bertha. MI also received a Presidential major disaster declaration due to severe storms and flooding. Preliminary Damage Assessments (PDAs) are being conducted in IL.
- **Arson Prevention Initiative:** Over the last week, a number of meetings have occurred in support of the National Arson Prevention Initiative. FEMA met with representatives of your Crime Prevention Council, the major fire service organizations, and leaders of national church, religious, and voluntary organizations to encourage and inspire their involvement in arson prevention activities. A mailing promoting the initiative was sent to each of the 35,000 fire departments in the country, as well as to the U.S. Governors and Members of Congress. A communications strategy for this initiative is under development, along with a strategy to enhance outreach for the Clearinghouse, a national arson prevention and information program. Meetings with the insurance industry and educational constituents are also planned in the near future.

DEPARTMENT OF JUSTICE

- **Whitewater Deposition Videotape:** The government will file a brief in appeals involving the videotape of your deposition. The appeals are from an order denying the public and the news media access to a videotape of your deposition testimony. Appellants, several news organizations and a group known as Citizens United, claim a right to copy the videotape, invoking the First Amendment and the common law right of access to judicial records. On June 11, the Eastern District Court of AR held that neither the First Amendment nor the common law warranted dissemination of the videotape. The AR Court of Appeals has expedited the briefing and argument of these appeals. On July 26, DOJ's brief on your behalf is due. Oral arguments are scheduled for August 12.
- **Boeing Peace Shield Litigation:** In its complaint filed in 1991, Boeing alleged that the Department of the Air Force improperly terminated, for default, a major portion of its contract to deliver the computer and communications equipment for an air defense system for the Kingdom of Saudi Arabia. Under the terms of the settlement the Saudi government will pay the agreed upon settlement amount, and the U.S. will have no liability to Boeing if Saudi Arabia fails to provide the agreed upon funds.
- **Baltimore Tobacco Advertising:** A Baltimore ordinance prohibits most "publicly visible" forms of advertising for cigarettes, such as billboard advertisements, in order to discourage smoking by minors. The Fourth Circuit Court originally rejected a First Amendment challenge to the ordinance. On July 1, the Supreme Court vacated the Fourth Circuit's decision and remanded for further consideration in light of 44 Liquormart, Inc. v. RI, which invalidated a state ban on liquor price advertising. The U.S. has now filed an *amicus* brief, which emphasizes the differences between this case and 44 Liquormart and urges the Fourth Circuit not to depart from the First Amendment standards that it used in its original decision. The Fourth Circuit's decision may have a bearing on pending and future legal challenges to the FDA's proposed restrictions on tobacco advertising.
- **NY Police Tax Fraud:** On July 17, 15 NY City police officers were arrested on tax charges. These officers were among at least 600 city employees who are suspected of failing to pay federal and state income taxes. Some of the officers raised "tax protester" arguments in a hearing following their arrests, stating that they did not recognize the authority of the NY district court and were not citizens as defined by the Internal Revenue Code. Two of the officers were charged with recruiting their colleagues into the scheme. These officers allegedly sold "how-to packages" for up to \$2,000 that assisted in the evasion of taxes.

- **Klansmen Charged in SC Church Burning:** Gary Christopher Cox and Timothy Adron Welch, members of the Christian Knights of the Ku Klux Klan, have been charged with burning the Mt. Zion AME Church in SC. The men face up to twenty years in prison if convicted.



- **Heroin Trafficker Convicted:** On July 9, Malik Ghul Bahadar, believed to be one of the largest suppliers of Southwest Asian heroin, was convicted in the Middle District of PA, on charges including conspiracy to import and distribute heroin and money laundering. Bahadar, previously convicted of importing heroin, conspired to import up to 400 kilograms of heroin into the U.S. from Peshawar, Pakistan, through Russia, England, and Canada. When Bahadar went to collect more than \$1 million dollars in drug proceeds, he was taken into custody by the DEA. Due to his prior conviction, Bahadar will receive life in prison in addition to a possible \$4 million fine.
- **AR Sheriff Money Laundering Case:** James Carl Poteete, the Sheriff of Conway County, AR, has been indicted on charges of money laundering and causing a financial institution to fail to file a currency transaction report. Allegedly, Poteete purchased real property on behalf of Willard Alford Burnett, who has been indicted on charges including conspiracy to manufacture and distribute approximately 30 kilograms of methamphetamine.
- **Episcopal Church Embezzlement:** Ellen F. Cooke, Treasurer of the U.S. Episcopal Church for over eight years, was sentenced to five years in prison for embezzling more than \$2 million in church funds and federal income tax evasion. Cooke, who resigned from her position in January 1995, previously pled guilty to interstate transfer of stolen money and tax evasion. Cooke claimed she suffered from a significantly reduced mental capacity that caused her to steal the funds. The NJ federal district court departed upward from the sentencing guidelines because of the severe abuse of trust and the crime's impact on the Church.
- **Egypt Air Flight Hijacking:** A federal jury in Washington, D.C., convicted Omar Mohammed Ali Rezaq of air piracy in the hijacking of an Egypt Air flight to Malta in November 1985. Rezaq, a member of the Abu Nidal terrorist organization, admitted that he shot five passengers in the back of the head, but claimed that his upbringing in the war-torn Middle East had driven him mad. Two of the passengers died, while the other three survived because Rezaq fired faulty ammunition and because the victims pretended to be dead. Rezaq was arrested by FBI agents in Nigeria after his sudden release from a Malta prison, where he had served seven years of a 25 year sentence for murder and unlawful taking of hostages in connection with the Egypt Air incident. Rezaq is scheduled to be sentenced on October 7.

- **Canadian Citizens Face U.S. Death Penalty:** On July 12, the Canadian Justice Minister ordered the surrender of Canadian citizens Atif Ahmad Rafay and Glen Sebastian Burns to King County, WA, to face aggravated murder charges in the deaths of Rafay's parents and sister. This is the first time the government of Canada has surrendered Canadian nationals to face a potential death penalty in the U.S.



Major CA Crack Cocaine Indictment: On July 12, in the Northern District of CA, a thirteen-count superseding indictment was unsealed charging 18 defendants with various charges, including conspiracy to distribute both powder cocaine and crack cocaine and money laundering.

- **FL Immigration Plan:** On August 1, INS Commissioner Meissner will travel to FL, to follow up on the FL Immigration Plan announced by Attorney General Reno and Governor Chiles. On August 1, in Tallahassee, the Commissioner and Governor Chiles will announce the signing of a FL State Executive Order barring companies holding state contracts from hiring illegal workers. Another press conference will tentatively be held in Orlando to announce the FL hotel, restaurant, and resort industry signing to participate in the INS Employment Verification Pilot program developed to ensure that industry jobs are filled by legal workers.

DEPARTMENT OF HEALTH AND HUMAN SERVICES

- **TN Welfare Demonstration Update:** On July 25, the Vice President announced that HHS has approved "Families First," the statewide welfare demonstration project in TN.
- **HHS Approves Amendments to UT Welfare Demonstration:** On July 25, Secretary Shalala approved amendments to UT's Single Parent Employment Demonstration welfare reform project. The amendments require pre-school children to be immunized and to attend school.
- **BSE ("Mad Cow") Prevention:** Next month, HHS will publish a proposed rule to ban ruminant protein in feed intended for cows, sheep, goats, deer, and bison. This action will follow-up on advance recommendations from an April 1996 meeting of international experts assembled by the World Health Organization, to minimize the risk of BSE being spread among ruminants via feed containing ruminant protein. Our proposal will ask for comment on two options: 1) a partial ban on specified beef parts known to be potentially infective and on protein-containing parts of all other ruminants; or 2) a complete ban on any ruminant proteins in ruminant feed.

- **Aetna To Withdraw As Medicare Contractor.** On July 25, the Aetna Life Insurance Company announced that it is not renewing its contracts to administer the Medicare Part A and Part B fee-for-service program. This is the result of a recent corporate decision to enlarge its Medicare managed care business. Aetna is the largest commercial contractor doing business with Medicare. There will be significant interest in the Aetna withdrawal by providers and Congress.
- **MS Abortion Clinic Restrictions.** The MS Board of Health has approved some of the most stringent requirements for abortion clinics in the nation. Effective July 1, a facility that performs 10 or more abortions in a month or more than 100 in a year must be licensed as an abortion clinic. On August 9, abortion clinics may not be located within 1,500 feet of a church, school, or playground; physicians will be required to inform patients personally of the risks of and alternatives to abortion; and after 16 weeks of pregnancy, abortions must be performed in a hospital.
- **WA State-Supported HIV Treatment:** Low-income people with HIV will no longer be eligible for state assistance to pay for medications in WA. Department of Health officials stated that a rising number of people seeking financial assistance and the high cost of new drugs have forced WA to stop accepting new applications for the drug program. The 835 people currently enrolled will continue to receive treatment.
- **Head Start Fellows Program.** On July 25-26, the inaugural class of Head Start Fellows, selected last month by a distinguished national commission, was in D.C. for an orientation program sponsored by HHS and the Council for Early Childhood Professional Recognition.
- **Welfare Reform.** On July 23, the Senate approved the reconciliation bill that included welfare reform. During the debate, the Senate approved an amendment to maintain current Medicaid eligibility standards regardless of a state's welfare eligibility requirements. Additionally, the Senate amended the bill to eliminate a provision that would have allowed states to accept Food Stamp funds in a block grant. However, the Senate failed to approve measures that would have provided vouchers to families that lose welfare benefits. The Senate also defeated efforts to remove stringent eligibility restrictions for legal immigrants and refugees.

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

- **Homeownership:** On July 30, Mayor Murphy will join Secretary Cisneros in hosting the Pittsburgh Regional Homeownership Summit. Thus far the regional summits have been very successful, drawing 500-700 participating partners. On August 1, Secretary Cisneros will announce a new effort to democratize data on local and national lending patterns. Early next week, the Federal Reserve, in

accordance with the Home Mortgage Disclosure Act, will release data that will demonstrate that while mortgage loans to minorities have increased, the rate of rejections of minority applicants has also increased. The approval rate for loan applications for African-Americans is still 50 percent of the approval rating for Caucasians.

- **Public Housing Demolitions:** Dilapidated public housing developments in Chicago, Boston, Baltimore, Stamford, and Puerto Rico, will be demolished this week, bringing your Administration closer to its goal of tearing down 30,000 units of run-down public housing by the end of the year. The 2,000 units of public housing to be torn down this week will be replaced with attractive townhouse apartments built at their respective sites throughout the cities.
- **Newark Public Housing:** On August 3, Secretary Cisneros and Mayor James will join you to kick off the demolition of Scudder Homes in Newark, NJ. Newark has embarked on the nation's most ambitious effort to transform its worst public housing developments. The demolition of Scudder Homes will mark the half-way point in Newark's goal to tear down and replace all of their high-rise developments.

OFFICE OF NATIONAL DRUG CONTROL POLICY

- **Detroit Trip:** On August 1-2, Director McCaffrey will travel to Detroit, MI, to join Mayor Archer and Congressman Conyers in addressing the "Public Meeting of Congregation-Centered Community Organizations," a regional faith community effort comprised of 56 congregations aimed at developing anti-drug and anti-violence initiatives. Director McCaffrey will also address 400 youth at a local Boys and Girls Club and meet with local law enforcement officials.
- **Southwest Border Hearing:** On July 30, the Senate Judiciary Committee has scheduled a hearing on the Southwest Border. Senator Biden has requested that Director McCaffrey testify.

VETERANS AFFAIRS

- **Vietnam Veterans' Children with Spina Bifida:** When the FY97 appropriations bill is on the Senate floor, possibly this week, Senators Daschle and Rockefeller may propose an amendment providing health care and monetary entitlements for Vietnam Veterans' children with spina bifida. They may use this bill as an offset legislation to overturn the Gardner v. Brown decision. In the December 1994 Gardner decision, the Supreme Court upheld a decision that stated any veteran who died or was disabled after receiving medical care from VA could receive compensation, regardless of whether the injury was a result of negligence. The proposed

legislation would restore VA's prior interpretation of the statute, resulting in considerable savings, and an interpretation believed to be more consistent with congressional intent.

- **Health Care Contract Authority:** John Sturdivant, the President of the American Federation of Government Employees, has expressed to Secretary Brown his concern that VA's proposal to broaden its health care contract authority would make it possible for VA to contract out services that employees are currently providing. VA is considering a modification that would provide employees protection where contracting out would not be economically justified.
- **Outpatient Care Program:** VA health care is increasingly becoming an ambulatory activity. On July 16, a VA directive to field activities set forth a policy encouraging medical center clinicians to treat veterans on an outpatient basis whenever possible and medically appropriate.

SOCIAL SECURITY ADMINISTRATION

- **Social Security Board of Trustees Hearing:** On August 2, Commissioner Chater will testify before the Senate Committee on Finance Subcommittee on Social Security and Family Policy on the 1996 Social Security Board of Trustees Annual Report released on June 5.
- **GAO Draft Report on Prisoner Benefits:** GAO is expected to release the draft report in response to a request by Representatives Johnson and Shaw of the House Committee on Ways and Means. The report will indicate that GAO found that individuals whose prisoner status made them ineligible for benefits were continuing to incorrectly receive benefits because of SSA's failure to regularly obtain information on prisoners from correctional institutions. Rectifying problems relating to these erroneous payments to prisoners has been a high priority of Commissioner Chater. All 50 states are now providing SSA with complete inmate census data and 3,500 local and county correctional institutions across the country have agreed to provide SSA with prisoner information on an ongoing basis.

DEPARTMENT OF INTERIOR

- **NM Gaming:** On July 24, Governor Johnson announced that he will call a special session of the legislature only if Judge Vasquez denies the tribes' motion for a stay pending appeal and all class III gaming closes down. Governor Johnson specifically noted that he expects U.S. Attorney Kelly to shut down the casinos if they are not voluntarily closed on July 27. All but two of the tribes are expected to voluntarily shut down. Several of the Pueblo Governors have been seeking DOI's assistance in avoiding a forced shutdown pending a special session of the legislature. Governor

Lucero has told Assistant Secretary Deer that the Bureau of Indian Affairs has a responsibility to tell Attorney General Reno to stop the shutdown. DOJ has been reluctant to interfere with Attorney Kelly's exercise of his discretion and the Governor's letter appears to make closure inevitable without a stay from the court. DOI is working with the DOJ and officials in NM, to insure that the possibility of violence is minimized.

- **Arctic Slope Land Exchange:** In the Presidio Parks Bill, another controversial section has been added. This section authorizes Secretary Babbitt to acquire by exchange with the Arctic Slope Regional Corporation, approximately 1,270,000 acres of selected or conveyed lands for addition to the Gates of the Arctic National Park and Preserve. Federal lands for the exchange are authorized to come from within the National Petroleum Reserve-Alaska. A coalition of environmental groups has opposed the exchange because of potential damage to fragile wildlife and wildlife habitat and a substantial financial loss to the public.
- **Grand Canyon Overflights:** DOI, DOT, and OMB have worked to refine a proposed rule governing sightseeing flights over the Grand Canyon. This proposal contains several elements including an expansion of the flight-free zones, a redefinition of the flight corridors, a proposed curfew on flights, and an interim cap on the number of flights. The final rule is scheduled to be publicly announced by the end of the year. On July 26, Secretary Babbitt announced the draft rule in AZ, with a simultaneous announcement by Secretary Peña in Washington, D.C.
- **Pilot Fee Project Update:** DOI is in the midst of planning the pilot fee project program, a demonstration project that will allow new or increased fees at federally administered lands. Sites have not been selected and work remains to be done on the supporting financial systems. During the summer, superintendents will be informally meeting with their communities to discuss the opportunity and ask for their advice. During the fall, DOI will be inviting additional public input from tour and bus operators. The new fees will be fully implemented for the 1997 season.

UNITED STATES DEPARTMENT OF AGRICULTURE

- **Cattle Industry:** On July 24, Secretary Glickman announced the USDA is purchasing about 3.9 million pounds of frozen ground beef worth \$3.6 million for distribution to the National School Lunch Program and other federal food assistance programs. The purchase represents your continued commitment to combating record-low prices for cattle producers. To date, USDA has purchased 26 million pounds of beef worth \$23 million.

7-29-96

- **Poultry "Fresh" Labeling:** The CA Poultry Industry Federation and the National Broiler Council recently reached agreement on use of the term "fresh" in labeling raw poultry products and requested that Congress adopt the agreement. USDA adopted a "fresh" labeling rule in 1995, but the 1996 Agriculture Appropriations Act blocked its implementation.
- **Community Food Projects Grants:** On July 24, the Cooperative State Research, Education, and Extension Service announced that \$1 million in grants is being made available for community food projects designed to meet food needs of low-income people.
- **NC Hurricane Damage:** Governor Hunt has requested disaster assistance for NC producers following an estimated \$188 million in crop damage caused by Hurricane Bertha. The Farm Service Agency is assessing the situation on a county-by-county basis.

DEPARTMENT OF ENERGY

- **Spent Nuclear Fuel:** In IN, Michigan Power Company v. DOE, various utilities and a group of states sought a ruling from the U.S. Court of Appeals for the D.C. Circuit to obligate DOE, under the Nuclear Waste Policy Act (NWPA), to begin disposing of utilities' spent nuclear fuel (SNF) by January 31, 1998. On July 24, the Court agreed with the utilities, holding that the NWPA obligates DOE to start disposing of SNF no later than January 31, 1998. DOE is reviewing the Court's ruling to determine what steps it should now take.

VP/GS/NDP

R&D-100 Awards: The 1996 winners of the R&D-100 Awards sponsored by *R&D Magazine* have been announced and DOE won one-third of the awards. The awards recognize the year's 100 most commercially significant new technologies. DOE's Labs in IL, NY, NM, CA, TN, WA, CO, and SC won the coveted awards for breakthroughs in science and technology research and development. These achievements highlight the significant benefits that DOE's National Laboratories provide to the U.S. economy.

✓ **GAO Report on Hanford, WA:** On August 2, the GAO will submit a report to House Oversight Subcommittee Chairman Barton on DOE's efforts to privatize the tank waste clean up at its Hanford facility. Chairman Barton has been very critical of DOE's privatization efforts. The report findings are expected to recognize the effort as a positive change in DOE's contracting practices, noting major uncertainties related to cost as well as technical and regulatory obstacles.

- **Lightweight Auto:** DOE's Oak Ridge Lab in TN, and Thompson Aluminum Casting in Garfield Heights, OH, have joined with a major U.S. automaker for the commercial production of aluminum vehicle and motor parts. Reducing the weight of automotive parts substantially improves fuel consumption of automobiles and will reduce U.S. dependence on imported oil.
- **FL Defense Conversion:** On July 14, two new companies signed leases furthering DOE's efforts to privatize the Pinellas Plant. While one company will manufacture heavy equipment and parts for the paper industry, the other will produce electronic components. By meeting the challenge to convert defense production facilities to private business and reinvigorate the local economy, DOE is sharing its manufacturing and high technology development expertise with the public and industry.
- **Secretary's Schedule:** On July 31-August 2, Secretary O'Leary will lead the U.S. delegation to the Hemispheric Energy Ministers Meeting in Santa Cruz, Bolivia. The meeting will be an opportunity for the ministers and private sector representatives from the hemispheric region to assess progress and recommend the next steps for energy cooperation, as you initiated at the 1994 Summit of the Americas. The ministers will sign a communiqué outlining the next steps and their recommendations for the agenda of the Summit on Sustainable Development planned for December in Santa Cruz, Bolivia.

DEPARTMENT OF EDUCATION

*Wesley Miller
Muller
Back to School
Strategy*

Back To School: Secretary Riley is planning the *1996 America Goes Back To School: Get Involved!* initiative, which will be co-chaired by Mrs. Gore, National PTA President Joan Dykstra, Southern Illinois University President Ted Sanders, and Bo Jackson. Secretary Riley has written to Cabinet Members, Members of Congress, and Governors to encourage their participation. The Department is sending every school information on how to organize an *America Goes Back to School* event.

Secretary's Schedule: On August 9, Secretary Riley is scheduled to travel to New Mexico to join Senator Bingaman in an event to focus on hispanic education issues.

ENVIRONMENTAL PROTECTION AGENCY

- **Project XL Reinvention Project:** On July 24, EPA and DoD announced a pilot project to improve environmental performance at the Vandenberg Air Force Base in Santa Barbara, CA. This project is part of EPA's Project XL and DoD's reinvention

program. This project is the first federal agency proposal to be selected for inclusion in Project XL. Vandenberg Air Force Base will cost-effectively reduce air and water pollution through prevention made possible by regulatory flexibility.

 **Food Safety:** On July 23, the House unanimously passed the Food Quality Protection Act under suspension of the rules. The full Senate adopted the bill later in the day, clearing it for your signature. The legislation strengthens standards to limit the health risks of pesticide exposure, includes new provisions to protect children, and expands the consumer's "right-to-know" about pesticide risks.

- **Press Activities:** There continues to be significant media interest in the progress on Food Safety legislation. On July 24, *The Washington Post* interviewed Administrator Browner for a feature article on Food Safety legislation that will run on July 28.
- **Administrator's Schedule:** On July 29, Administrator Browner is traveling to MI for several clean water related public events with Representative Dingell. On July 31, Administrator Browner is traveling to Louisville, KY, for a Brownfields event with Mayor Abramson.

UNITED STATES INFORMATION AGENCY

- **Bosnia:** On July 22, USIA, the State Department, DoD, private sector contractors, and USIS Sarajevo departed the U.S. for Sarajevo bringing 56,000 pounds of equipment to upgrade five independent television stations and create an independent broadcast network in Bosnia and Herzegovina. The upgrades will enable the independent stations to maximize television coverage of the pre-election campaign period in Bosnia and Herzegovina, allowing more objective exposure of the candidates and their platforms, and assuring multi-party access to the airwaves.

DEPARTMENT OF STATE

- **DPRK Update:** On July 23, the North Koreans in a meeting in NY reiterated to the State Department that they expect food aid and lifting of economic sanctions before they will receive a joint U.S.-ROK briefing on the Four Party talks. The North Koreans specified that they want one million tons of rice and threatened to stop the spent fuel canning operation if the State Department does not lift economic sanctions.
- **Burundi:** On July 25, the Defense Minister announced that former President Buyoya has been named interim president and that the National Assembly has been suspended. The armed forces prevented President Ntibantunganya from leaving the U.S. Ambassador's residence. His safety has been assured by the armed forces, as

has the safety of the 72 Americans in Bujumbura. Ambassador Hughes is meeting with Buyoya. The State Department is instructing him to reiterate to Buyoya U.S. opposition to governments which come to power by force, urge him to guarantee the safety of Americans and Ntibantunganya, restore the National Assembly, and negotiate with the insurgents.

- **Iraq:** Twice last week, Baghdad prevented UN inspectors from examining sites deemed "sensitive" by the Iraqi government. Such blocks violate Iraq's obligations under UN Security Council resolutions. The State Department is working with the British in NY to pass a Council statement finding Iraq in "material breach" of its cease-fire obligations and threatening a ban on travel by Iraqi officials and a suspension of the Council's bi-monthly review of sanctions.
- **CTBT:** U.S. diplomatic efforts to build support for the June 28 Ramaker text have made some progress. As noted above, Russian FM Primakov told Secretary Christopher in Jakarta that Russia supports the Ramaker text without change, and the together they issued a public statement urging the CD to transmit the text to the UN. Chinese FM Qian, however, declined to endorse the Chairman's draft and asked for further discussion on verification issues. The State Department is working for final agreement from the British, French, and Russians to join the U.S. in issuing coordinated, high-level public statements of support this week. There are mounting indications that India is serious in threatening to block approval in Geneva.

DEPARTMENT OF DEFENSE

- **F-2 Contract:** On July 19, DoD reached an agreement with Japan on an F-2 production MOU. After extended negotiations, the F-2 agreement is good news for both the U.S. and Japan. It achieves the necessary U.S. 40 percent workshare, amounting to over \$4 billion over the next 12 years for U.S. firms. It further allows Japan licensed production of parts of the engine while protecting key U.S. engine technologies. On July 30, a formal signing is scheduled in Tokyo. Until that time, JDA has asked that DoD keep the agreement confidential. Otherwise, DoD risks getting out in front of the political process in Tokyo. DoD has provided key Hill staffers with a confidential status update and will offer full briefings after the signing.
- **Secretary's Schedule:** Secretary Perry is travelling to Australia and Saudi Arabia and will return July 31. While in Australia, he will join Secretary Christopher and General Shalikashvili for U.S.-Australian Ministerial talks.
- **Press Inquiry:** *USA Today* contacted the Air Force, asking for Congressional delegation travel records on Senator Dole and his staff for 1995 and 1996.

- **FOIA Request:** *NBC News* requested all correspondence DoD has received from Senator Dole and Representative Gingrich during the past five years.

UNITED NATIONS

- **Burundi:** On July 24, the Security Council adopted a Presidential Statement on Burundi that condemns the recent massacres of civilians and any attempt to overthrow the present government. On July 25, the Security Council was informed of the so-far bloodless coup.
- **Cuba:** The Council is considering a U.S.-sponsored resolution on the February 24 Cuban shootdown of two civil aircraft piloted by the Miami-based exile group "Brothers to the Rescue." The U.S. Mission is working to gain the strongest possible resolution with the broadest possible support, deploring Cuba's action and continued threats to shoot down unarmed aircraft.
- **UN Budget and Finance:** The UN provided an updated forecast on the organization's financial situation. On July 31, the regular budget goes into deficit and the deficit is forecast to increase each month until February 1997.

CENTRAL INTELLIGENCE AGENCY

- **Jeremiah Panel:** The Jeremiah Panel, commissioned by the Acting Director of the National Reconnaissance Office (NRO), has completed its review and made recommendations on the nature and role of the NRO in the 21st Century. Led by Admiral David Jeremiah, the panel concluded that the NRO was the right organization to answer the nation's future space reconnaissance needs. The Acting Director will develop options for the implementation of the recommendations.

cc:

The Vice President
Leon Panetta
Harold Ickes
Evelyn Lieberman
George Stephanopoulos
Alexis Herman
Carol Rasco
Maggie Williams

Michael McCurry
Doug Sosnik
Marcia Hale
Don Baer
Ron Klain
Rahm Emanuel
John Hilley

THE WHITE HOUSE
WASHINGTON, D.C. 20500

DATE: 7-29

TO:

Wick - Radd

FROM: Staff Secretary

This looks OK
to me for weekend
winners. I'm not
sure if it'll continue
to work beyond
that. What do you
think? Tish

OLYMPIC LETTER 1 (AFTER BOMBING)

THE WHITE HOUSE
WASHINGTON

Single -
1st medal



^D

^C

United States Olympic Team
Olympic Village
1996 Olympic Avenue
Atlanta, Georgia 31190-0001

Dear ^C:

Congratulations on winning the ^C Medal for ^C at the Centennial Olympic Games in Atlanta. I am so proud of your performance in the aftermath of Saturday's tragic bombing. By refusing to allow terrorism to overshadow the true spirit of the Olympics, you have set an example of courage and perseverance that inspires us all.

You have triumphed among the world's finest athletes, a thrilling reward for years of hard work and perseverance. For years to come, you can share your well-deserved pride and incomparable memories with your family members, coaches, and friends who have supported your dedicated pursuit of athletic excellence. You also have a unique opportunity to show America's youth that determination and sacrifice can help them achieve goals they set for their own lives.

Your accomplishment is a source of pride for our country and an inspiration to the world. On behalf of all Americans, I commend you for your outstanding achievement.

Sincerely,

BC/^C (7PGRP^C)
(olympic1.pfb)

OK for weekend
winner & only
~~don~~

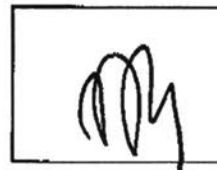
BRAZILIAN EMBASSY
3006 Massachusetts Ave., N.W.
Washington, D.C. 20008

FAX: (202) 745-2827

96 JUL 29 AIO: 18

TELEFAX TRANSMITTAL PAGE

N° of Pages Including this Cover Sheet 2 Date 7.27.96



From
Ambassador Paulo Tarso Flecha de Lima

Phone
(202)745-2717

To
Mr. Thomas McLarty
Special Assistant to the President
The White House

Fax

my dear world,

I transmit, herewith, a message from my President to President Clinton, regarding the terrorist act in Atlanta.

Best regards,

Paulo Tarso

*C should go
to NSC
for reply*

T.



BRAZILIAN EMBASSY
3006 Massachusetts Avenue, N.W.
Washington, D.C. 20008

It was with horror and consternation that the Brazilian people learned about the terrorist act perpetrated in the city of Atlanta, site of the Centennial Olympic Games, which constitutes an act of aggression against all of mankind. The people and the Government of Brazil condemn most vehemently this act of violence which contravenes the Olympic Spirit and all the principles of freedom and democratic coexistence. We hope and expect that the criminals responsible will be identified and punished as an example to others.

The people and the Government of Brazil most firmly repudiate terrorism and the use of violence, and we stand together with those countries and peoples that are afflicted by it.

In my own name, and also on behalf of the Brazilian people, I ask that you accept our most sincere expressions of sympathy and friendship, as well as our wishes that - as the Olympic Games in Atlanta continue - in the spirit of concord, harmony and friendship that guides them, the international community, and especially the American people, will offer the firm and contemptuous response that this and all terrorist acts deserve.

Yours Sincerely.

FERNANDO HENRIQUE CARDOSO

President of the Federative Republic of Brazil

THE PRESIDENT HAS SEEN

7/29/96

THE WHITE HOUSE

WASHINGTON

96 JUL 23 P12 : 10

July 22, 1996

MEMORANDUM FOR THE PRESIDENT

FROM: ALEXIS HERMAN

CC: LEON PANETTA, BRUCE REED, AND RAHM EMANUEL

SUBJECT: CONSTITUENT REACTION TO WELFARE REFORM

Knowing of your strong desire to sign an "acceptable" welfare reform bill reflecting the principles of work, family, and responsibility, and that is consistent with your commitment to balance the budget, this memorandum summarizes some of the comments we have received from our base groups about H.R. 3734 ("Welfare and Medicaid Reform Act of 1996.") As you will note, the bill has generated strong reaction from advocacy groups. Many of the groups we have been working with for the past three and half years -- seniors, women, African American, Hispanic, religious, people with disabilities, and service providers representing families and children -- strongly recommend that we reject the Republican welfare proposals outright, while others are working aggressively to support amendments that would improve the bill. Similar comments have also been made about the Wisconsin (W-2) waiver proposal and most of the letters and statements we have received refer to the W-2 and the welfare legislation as one effort. These sentiments are not just limited to Washington - based organizations, but are coming from state and local organizations as well.

There is general acceptance that we need to reform the current welfare system, but there is deep concern about the direction the welfare reform bill is taking, and its consequences to the poor and women with small children. So prevalent is this belief, many groups have taken to holding press conferences denouncing the Republicans and have taken out full-page *New York Times* advertisements. Leaders of the top religious and charitable organizations (National Council of Churches, Second Harvest, Bread for the World, Religious Action Center of Reform Judaism, Congress of National Black Churches, and others) held a press conference on Capitol Hill on Thursday, July 18, expressing their opposition to the welfare bill and requested an urgent meeting with the President. The National Council of Churches and others are also mobilizing their constituency to call their Senators and the White House in massive numbers on Monday, July 22, 1996 as part of a national call-in day protesting the welfare reform legislation.

A broad range of concerns have been raised by these groups about the Republican bill, but the main issues are:

- Preserving a safety net for when women and children fall on hard times

- Providing adequate, affordable child care and nutrition
- Providing training and transportation
- Providing adequate wages (not sub-minimum wages) and health care
- Providing benefits to children and the immigration provisions
- Providing exceptions for battered women from time requirements.

✓ In addition, women groups are asking that the White House publicly verbalize our understanding of women's vulnerabilities and the impact these proposals will have on women. They want to hear the Administration articulate our concern for vulnerable families. They also want us to come out loud and clear on exceptions for battered women by: (1) supporting Senators Wellstone and Simon and Representative Roybal-Allard's concurrent resolution calling for a continued safety net for battered women, and (2) announcing a DOJ and HHS study of the correlation between domestic violence and poverty and of battered women's needs for a safety net.

The Senate in their final deliberations may produce a bill more acceptable to these organizations and that can serve to help moderate the House bill when it goes to conference. In the event a bill is eventually passed that you plan to sign, we will need to think carefully how we roll-out our decision and provide advance notification to our major groups who may not support our decision. Bringing the key groups in to meet with Leon would be extremely helpful. In the attachment to this memorandum, I have listed some of the quotes from the many letters we have received.

....[T]he Catholic Bishops' Conference has long supported genuine welfare reform that strengthens families, encourages productive work, and protects vulnerable children. However, we oppose abandonment of the federal government's necessary role in helping families overcome poverty and meet their children's basic needs. Simply cutting resources and transferring responsibility is not genuine reform. For these reasons, we have major concerns about the legislation moving through the Congress and the Administration's apparent willingness to sign such legislation.

-- Most Reverend William S. Skylstad, Bishop of Spokane
United States Catholic Conference

"All of us support a sensible and sensitive reform of the present welfare system....

Parents who are encouraged to work must be assured of adequate day care for their children, training for meaningful and gainful work; adequate health insurance for family, and in every instance be afforded courtesy and dignity.

There must be no compromise on these issues. Such a compromise will cast shadows of disillusionment on folks already disillusioned, and will have an impact on the voter turnout."

-- Joseph E. Lowry, Founding President
Southern Christian Leadership Conference

"On behalf of 165,000 members, I urge you to veto the welfare bill because it wipes away the safety net for women and children in poverty. AAUW believes that this welfare bill is not fundamentally different from the welfare reform bill that you vetoed last January. This bill does not address the underlying problems of welfare -- such as violence against women, lack of decent paying jobs, tracking women in low-paying jobs, pay inequity, and health care security."

-- Jackie DeFazio, President American Association of
University Women

"Both the Republican welfare bill and the Wisconsin plan would shred the federal safety net for women and children. . . These plans are unacceptable not just to all our groups but unacceptable under the very principles you have enunciated over three and a half years. Mr. President, we know that you will keep in mind that for millions of children and their families who need this assistance the federal safety net is the only protection that keeps them from absolute destitution. Without this net, they are helpless.

-- Coalition on Human Needs
Forty-six co-signing organizations including the key children's leadership as the NEA, Children's Defense Fund, Child Welfare League of America, National Black Child Development Institute and National Association of Child Advocates.)

"....[M]embers of the disability community are gravely concerned about the drastic consequences of the pending welfare reform legislation on children and adults with disabilities and their families.... Our most serious objections to the bill are... [m]ajor reductions in the children's Supplemental Security Income (SSI) program...[,] most legal immigrants with disabilities, including those who became disabled long after coming to this country, will lose access to SSI and food stamps [, and]...[u]nprecedented cuts in the food stamp program will curtail access for people with disabilities who depend on them for basic assistance.... We urge you to veto the welfare bill because it will significantly harm people with disabilities."

-- Rhoda Schulzinger
Bazelon Center for Mental Health Law
Washington, D.C.

"We are a member of Catholic Charities USA and are concerned about the upcoming vote on welfare reform. Your leadership is crucial in this important arena.

- 1) Please veto any welfare bill that would abolish the federal safety net for children.
- 2) Please preserve our country's federal nutrition safety net.
- 3) Please veto any bill that would block grant or make deep cuts in Food Stamps.
- 4) Please veto any bill that bars assistance to immigrants."

-- Paul Buckmaster, Executive Director
Catholic Social Services, Inc.
Atlanta, Georgia

-- Todd Alan Graff, Diocesan Coordinator
Catholic Charities
Winona, Minnesota

"As a representative of 80,000 working women nationwide, BPW knows what it takes to get women into jobs -- skills, training, education, and support mechanisms like quality child care. Instead of helping women become self-sufficient, the welfare proposals would simply punish them for being poor.

I grew up with a single working mom. My mother and I pieced together a living on our minimum-wage jobs. Had I not been able to work during high school, we would have ended up at the welfare office. My mother and I were not lazy. We were not afraid to work. The most important thing for us was that we knew that help was there if we ever needed it. We never thought the safety net would be yanked away -- why should it? We lived in the United States of America, the richest country in the world. We can certainly afford to spend one percent of our federal budget to provide a modest safety net for women and their children."

-- Audrey Tayse Haynes, Executive Director,
Business and Professional Women/USA

"In all, about \$8 billion will be cut while approximately 315,000 children with severe disabilities will either lose benefits or be found ineligible over the next six years. The Arc believes that by enacting more moderate reforms, Congress could restore public confidence in the program without undercutting a critical safety net for so many children with disabilities and their families."

-- Marty Ford
The Arc and Consortium for Citizens With Disabilities
Washington, D.C.

"The need for welfare reform still remains of the type that the President initially advocated. He put forward a powerful vision of providing better for our poorest families by helping them improve their ability to provide for themselves. Unfortunately, there is nothing of that original vision in this current legislation."

-- Heidi Hartmann, Institute for Women's Policy Research

"All we ask is that he acknowledge -- just acknowledge -- that there are many women who wind up on welfare not because they are dependent, but because various things in their lives have been undependable -- like an abuse in their relationship, or a partner who walks out or dies, or the lack of health insurance or child care."

-- Ellen Bravo, 9to5, National Association of Working Women)

"Women struggling to get off welfare want what all of us want: a decent job, health insurance and child care. The Wisconsin waiver plan undermines the Administration's own positions on (1) raising the minimum wage and (2) Earned Income Tax Credit. ... I'm particularly concerned to read the President may soon sign W-2.... The sub-minimum wage needs to be resolved. This is a huge issue. How could this Administration support a sub-minimum wage?

I just don't want there to be a situation where 9to5 has to have a press conference denouncing the President. It's not that we will vote for Dole, but women simply will not be energized to help in 1996.

When Clinton gives his speech, all we ask is that he would acknowledge -- just acknowledge -- that there are many women who wind up on welfare not because they are dependent, but because various things in their lives have been undependable -- like an abuse in their relationship, or a partner who walks out or dies, or the lack of health insurance or child care. If the President could just make the point -- somewhere, somehow in all this -- that there are many people who end up on AFDC precisely because they are trying to be responsible for their families. It would be nice if someone once would make this acknowledgement."

-- Ellen Bravo, Executive Director, 9to5, the National
Association of Working Women

"The Wisconsin welfare waiver request shreds Wisconsin's safety net for women and their children. It fails to provide a safety net for those who play by the rules, and does nothing to protect children. When recession hits, impoverished families in Wisconsin could be denied any assistance to get back on their feet from a state overwhelmed by requests."

-- Coalition on Women and Job Training (Twenty two labor unions and religious, women's and civil rights groups, including AFSCME, National Council of La Raza, NOW Legal Defense & Education Fund and United Methodist Church General Board on Church and Society)

"We are tired of raising our voices against these drastic proposals -- only to be ignored. We should not risk the health and safety of millions of children, by forcing their mothers into low-wage jobs with no guarantees of decent health care and child care. Mr. President, we appeal to you to preserve the federal government's entitlement to poor mothers and their children."

-- Susan Bianchi-Sand, Chair, Council of Presidents of 100 Women's Organizations (representing more than six million women)

"We know that a large proportion of the women on welfare are there because of violent relationships. Without a means to support themselves and in a state of terror, women can risk the lives of themselves and their children and stay in the violent situation. Cutting the entitlement is to shred their only hope."

-- Eleanor Smeal, Feminist Majority

"The President must be a defender of children, families, women. Don't lose that. We need the gender gap. There cannot be a blurring of the lines with Republicans."

-- Betty Friedan, noted author

"The need for welfare reform still remains of the type that the President initially advocated, reform that would encourage work more and provide education, training, child care and public service jobs. He put forward a powerful vision of providing better for our poorest families by helping them improve their ability to provide for themselves... Unfortunately, there is nothing of that original vision in this current legislation."

-- Heidi Hartmann, Executive Director
Institute for Women's Policy Research

"Without entitlement program funding, states may be forced to refuse assistance to families who qualify, regardless of how abject their poverty. Time limits for recipients of welfare benefits not only penalize women for their inability to find employment, but also penalize their children by denying them benefits."

-- Julia R. Scott, President
National Black Women's Health Project

"The Republican idea of welfare reform is backward, punishing, and intrusive in the lives of poor families. This 'Catch 22' legislation will send mothers with substantial child-rearing responsibilities into makework jobs that pay sub-minimum wages, with no future for advancement. It is an immoral plan that will condemn millions of women and children to dire, hopeless poverty.

Domestic violence is one of the major contributors to the cycle of poverty. We know that at least 50 percent of women on public assistance face violence. When women seek to become more independent through education or employment, the beatings escalate. The promise of the Violence Against Women Act is seriously compromised by these harsh welfare 'reform' policies."

- Patricia Ireland, President, National
Organization for Women

"The President has at least got to show he's a kinder, gentler welfare reformer. Our instinct is to protest -- how can we support a party that doesn't support us?

The women and men of this nation who support you (and right now, that's a comfortable majority) are not all 'loony lefties' but just average decent people, and they do not want you to sign a bill that will hurt poor children and is potentially lethal to their moms. If you welcome and sign a welfare bill that resembles one drafted by Newt and Dole, you will lose much of the goodwill that you have built up with your support of Family Leave, reproductive rights, fighting harsh budget cuts and promoting the promises of the women's conference in Beijing.

Battered women are often running for their lives, and that makes it hard to get or keep jobs. Without this safety net, women will die. A joint resolution asks Congress to look at violence before they pass a welfare bill. The resolution is now an amendment which will be offered by Senators Simon and Wellstone. We need your support for this amendment."

-- Pat Reuss, Senior Policy Analyst
NOW Legal Defense and Education Fund

"We urge your unwavering opposition to Senate and House welfare block grants that will result in greater poverty and illness for millions of American women and children. The current legislation, like that you previously vetoed, contains, in the words of your veto message, 'excessive program cuts in human terms -- to working families, single mothers with children, abused and neglected children, low-income legal immigrants, and disabled children' and 'threatens the national nutritional safety net.'

Mr. President, do not become the President history will remember as the one who dismantled a 60-year federal safety net for poor families."

-- Nancy Duff Campbell, co-President
National Women's Law Center

"Current proposals to reform welfare severely curtail parents' access to education and job training services enabling them to compete for jobs that pay a family wage. These proposals, combined with job training consolidation, substantially diminish poor mothers' opportunities. Women recognize that their education and training needs have not been a priority for the Administration. Support for the welfare reform bill only reinforces that message."

-- Rubie Coles and Jill Miller,
Co-Executive Directors
Women Work! The National Network for Women's
Employment

"The welfare bill does not protect children or mothers who 'play by the rules.' The welfare bill does not ensure women who work a minimum wage, protection from sex discrimination, or the protection of the Family and Medical Leave Act. The welfare bill does not guarantee child care. The welfare bill threatens to add millions of poor women to the ranks of the uninsured. The welfare bill eliminates the nutrition safety net. The welfare bill puts battered women and their children at greater risk. Millions of women will lose the health care benefits for themselves and their kids they now receive under AFDC.

The welfare bill violates the principles that this Administration has stood for concerning welfare reform, health care reform, women's rights, civil rights, and workers' rights. We call on the President to veto it."

-- Judith L. Lichtman, President
Women's Legal Defense Fund

"Every woman knows her husband or partner could walk out, anytime, and every woman knows that domestic violence can happen. They need a safety net -- and it is no net if it is not guaranteed.

The gender gap is only there if there is a difference in the way that the two Presidential candidates deal with women's issues. Though not true two years ago, today welfare is a women's issue. The women's vote -- particularly its enthusiasm -- will in part ride on this. Basic political motto -- 'dance with them that brung ya.'"

-- Diana Pearce, Director
Wider Opportunities for Women -
Women and Poverty Project

"...[W]e urge the Administration to veto the welfare reform bill...and, in negotiating any compromise welfare legislation, to ensure that there are no restrictions on any child's access to education and related services, regardless of immigration status."

-- Antonia Hernandez, President and General Counsel
Mexican American Legal Defense and Educational Fund

"On behalf of the 180 national organizations that comprise the Leadership Conference on Civil Rights, the nation's oldest and most broadly-based civil rights coalition, we write to raise our concerns about the welfare reform measures currently under consideration by Congress and their impact on basic civil rights protection for families struggling to escape poverty.

....[A]ny final welfare reform legislation must guarantee the fair, nondiscriminatory granting of benefits based on need; maintain civil rights, due process, and labor law protection; prohibit the discriminatory denial of benefits based on circumstances of birth; and assist families to achieve economic independence. Unfortunately, many of the federal welfare reform proposals being considered by Congress fall far short of these fundamental principles."

-- Wade J. Henderson, Executive Director
 -- Dorothy I. Height, Chairperson
 Leadership Conference on Civil Rights

"For families with children who have high medical needs, including families who have fallen into deep poverty trying to meet the needs of such children, this position is cruel and potential deadly."

-- Office for Church in Society,
 United Church of Christ on behalf of 25 member
 organizations

"If the program is cut many of us will not be able to continue to serve nutritious food the children need. . . Their parents will have to pay for the food, which will cause many of them to quit their jobs. It will have a devastating affect on their lives and ours."

-- Julie Boettcher
 Licensed Family Day Care Provider, Minnesota

"On behalf of the 55,000 children in Minnesota who go hungry every day, I urge you to veto any bill that blocks grants or cuts child nutrition programs. Hungry children cannot learn, they suffer from headaches, irritability, dizziness, weakened immune systems, have shorter attention spans, and are prone to behavior problems."

-- Mary Wilcox, MSW
 Child Nutrition Coordinator,
 Minnesota Food Share

"[it is] vitally important that we in Wisconsin do not see families , and particularly our state's children, plummeting deeper and deeper into the depths of poverty because of a hasty decision at the federal level."

-- Ethel Dunn
 Wisconsin Resident

"I am asking you to do what is right for children, their families, and day care home providers by preserving Senate Bill 1120 as it affects the CACFP. Please do not support the devastating provisions in HR 3507."

-- Thora Cahill
Illinois Child Care Bureau

We believe all work should be rewarded with wages adequate to ensure that the workers and his or her dependents can lead lives of dignity.

--Wisconsin Conference of Churches 19 co-signing church leaders

"While the 'new' welfare plans contain both a few improvements and some further steps backward, they pose the same dangers to children as the bills vetoed by the President. These measures still abandon the basic federal assurances of aid for poor children and families, make Medicaid for parents and older children who lose their AFDC benefits, provide inadequate child care funding for parents who are required to work, and eliminate almost all help for legal immigrants in need. There is no more justification for adoption or acceptance of these bills in their current form than there was for the President to sign the welfare plans sent to his desk six months ago."

-- The "New" Republican Welfare Plan
Childrens Defense Fund

"We... strongly urge you to veto any welfare legislation that would....abolish the federal safety net for children[,] ...places a mandatory "family cap"[,] ...block grant or make deep cuts in Food Stamps[, or] ...bars assistance to immigrants."

-- People's Resource Center
Wheaton, Illinois

"I urge you to veto any welfare legislation that will bring great harm to our most needy -- women and children.Our women are trying to get off welfare -- they just need this chance. Don't allow this legislation to destroy their hopes!"

-- Ruth Mulligan, Case Manager
Mercy Hospice
Philadelphia, Pennsylvania

"On behalf of the [twenty] religiously affiliated organizations we represent, we are writing to urge you to veto the welfare provisions contained in H.R. 3507 and S. 1795.... We are concerned that these bills would deny desperately needed assistance to families simply because they have been unable to support themselves through employment and reach the designated time limit.... In addition, we oppose the deep cuts in the Food Stamp Program proposed in these bills."

-- Mary Anderson Cooper
National Council of Churches
Washington, D.C.

"On behalf of the 155,000 members [nationwide] of the National Association of Social Workers, I am writing to express our serious concerns with the Wisconsin Works (W-2) waiver request.... We do not believe that Wisconsin's reform proposal will help welfare recipients become self-sufficient. Most families unable to attain unsubsidized employment will remain deep in poverty. In many cases, families working every available hour under program rules will be poorer than they are under current law. In addition, many families will lose child care assistance and health care coverage."

-- Robert J. Cohen, Executive Director
National Association of Social Workers
Washington, D.C.

"Favorable comments you have made about the Republican welfare bill and the Wisconsin welfare waiver request over the last two weeks have caused the gravest concern among our [forty-six] groups. Your administration has been tough when it comes to welfare reform, but never heedless of the consequences to children and families.... Both the Republican welfare bill and the Wisconsin plan would shred the federal safety net for women and children. Of additional concern to us is the removal of Medicaid coverage for AFDC participants, the waiver of the guarantee of child care for all those who require it, the subminimum wage, and the inflexibility of the work requirements in the Wisconsin and Republican plans."

-- Jennifer A. Vasiloff, Executive Director
Coalition on Human Needs

"We respectfully request that careful scrutiny be given to the W-2 Wisconsin Waiver Request before final approval is rendered. While all thinking parties agree that the goal of welfare reform is to move families out of poverty and into work there is a question whether granting these waivers, as proposed, will serve that aim."

-- Ethel Dunn, Executive Director
Grandparents United for Children's Rights, Inc.
Madison, Wisconsin

"As spiritual and moral leaders in our state, we are concerned with how this program will affect the poor.... Like our colleagues in the Wisconsin Catholic conference...we believe...W2 weakens the safety net in a number of ways."

-- Heads of the Judicatories
Protestant and Anglican denominations
Wisconsin of Churches

"There are many problems with Wisconsin Works (W-2) that will have a very negative impacts on low-income people. Several are listed below. Any one of these problems would justify opposition to the legislation. In a state that has been experiencing a sharp drop in the number of welfare recipients there is no justification for such a harsh and unjust treatment of those in need."

-- Pat Conover
United Church of Christ
Office for Church in Society

"We urge you to veto the current welfare "reform" package. Our representatives have worked hard over the past year and a half to try to assist members of Congress to craft meaningful welfare reform, which truly assists people in moving from welfare to work. We view the current package as failing to meet that objective."

-- Richard S. Mockler, Executive Director
Catholic Charities of California
Sacramento, California

....[T]he Republican...[welfare] bill is terrible news for hungry and poor people. It would allow states to dismantle national standards and make deep cuts in food stamps and would end the right to cash assistance for poor children and families through Aid to Families with Dependent Children (AFDC)."

-- David Beckmann, President
Bread for the World
Silver Spring, Maryland

"This is an urgent plea.... Mr. President, sign a bill that supports genuine welfare reform, not this devastating legislation. This bill simply reduces resources and reallocates responsibilities without protecting children and helping families overcome poverty. It attacks poor children, hungry families, and immigrants, not poverty."

-- Sr. Joan Pytlik, Social Action Director
Fr. Jim Brockman, Director of Hispanic Ministries
Diocese of Little Rock
Little Rock, Arkansas

"Last year over 11 million people in need came to us for food, shelter, counseling, refugee resettlement, job training, and refuge from domestic violence.... The welfare reform proposal before you reflects ignorance and prejudice far more than the experience of this nation's poorest working families and welfare families. This bill would end the basic guarantee of protection to our neediest families and, in the words of Milwaukee's Archbishop Rembert Weakland, OSB, nullify 'America's 60-year covenant with its poor children and those who nurture them.'" ...Please stop this so-called "welfare reform"...

-- Fred Kammer, President
Catholic Charities, USA
Alexandria, Virginia

"Changes must be made in the W-2 waiver request before it can be approved. The guarantee to coverage must be restored. No child should lose coverage or benefits. Families should not lose coverage. Premiums should be prohibited. Medicaid funds must be spent on medical assistance only. Without these changes, the most vulnerable Americans will be denied care that is available to them now. "

-- Ron Pollack, Executive Director
Families USA Foundation
Washington, D.C.

"The precipitous fall in SSI child allowance rates to 30% in 1996 from a 1991 high of 70% shows how severely SSA has restricted eligibility for children....The child rate shows how unnecessary it is to make any major changes in the legislation, especially the abolition of the IFA [individual functional assessment test], currently in bi-partisan bills."

-- Jonathan M. Stein
Community Legal Services
Philadelphia, Pennsylvania

"A vote to support the Medicaid ban and deeming of legal immigrants will effectively render 830,000 people uninsured in California -- an increase from 6.6 million to 7.4 million. If taken, this action will have the disastrous result of a cost shift from the federal government to state and local entities and to health care providers."

--Mark Lowman, Vice President
California Healthcare Association
Sacramento, California

"It is one thing to change the rules of the welfare system. It is quite another thing to say, even if you play by the rules, society will not help you. This is not welfare reform but welfare repeal. Such a message may be politically attractive in this election year; it is not morally justifiable."

--Archbishop Rembert Weakland
Archbishop of Milwaukee

THE PRESIDENT HAS SEEN

7-29-96

THE WHITE HOUSE

WASHINGTON

July 24, 1996

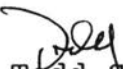
MR. PRESIDENT:

In the attached memo, Jack Quinn recommends that you grant an ethics waiver to Mickey Kantor with respect to his interest in a real estate partnership, MPRT realty.

Under the applicable law, 18 U.S.C. § 208, Sec. Kantor could not participate in any matter having a direct and predictable effect on the financial interests of any of his 80 general partners in MPRT, including the firms and companies they work for.

Jack believes this broad a disqualification is unnecessary. Instead, he lays out, on the one hand, the matters that Sec. Kantor should and will disqualify himself from, and, on the other, the matters that would be covered by a waiver. Note that the alternative option of divestiture is not a good one because it would create severe tax implications for Sec. Kantor.

The waiver itself is attached as the third page of Jack's memo. If you concur with his recommendation, please sign the "grant" line and date it.


Todd Stern

7-29-96

THE WHITE HOUSE

WASHINGTON

July 11, 1996

96 JUL 12 AM 11:27

MEMORANDUM FOR THE PRESIDENT

THROUGH: LEON E. PANETTA
CHIEF OF STAFF

FROM: JACK QUINN *Jack Quinn*
COUNSEL TO THE PRESIDENT

KATHLEEN M. WHALEN *KMW*
ASSOCIATE COUNSEL TO THE PRESIDENT

SUBJECT: Request for Waiver under 18 U.S.C. §208(b)(1) from Secretary Michael Kantor

Secretary Kantor has requested a waiver under 18 U.S.C. §208(b)(1). Under §208, a federal employee may not participate in an official capacity in a particular matter having a direct and predictable effect on his financial interests, including any financial interest of the employee's general partners of which the employee has knowledge. Section 208 has no automatic exception for de minimis interests, but §208(b)(1) permits the appointing official to waive the restrictions of this prohibition when the financial interest in a matter is not so substantial as to be deemed likely to affect the integrity of the services which the Government may expect from the official.

Secretary Kantor holds a general partnership interest in a California real estate partnership, MPRT Realty. Although the value of the Secretary's partnership interest is small, there is a large potential liability associated with the interest. Under §208, as it has been interpreted by the Office of Government Ethics and the Department of Justice, Secretary Kantor would be prohibited from participating in any matter that could have a direct and predictable effect, not only on the Secretary's financial interest in MPRT Realty, but also on any financial interest of any partner in MPRT Realty. There are approximately eighty other general partners; some are partners in the Secretary's former law firm of Manatt, Phelps and Phillips; others are now at other law firms or companies. Without a waiver, the Secretary would have to recuse himself from matters that affect the financial interests of those other firms or companies.

The Department of Commerce has a very broad mandate and most law firms of any size may at some time represent clients in particular matters before the Department. The Secretary should have to, and will, disqualify himself from matters having a direct and predictable effect on MPRT Realty and from particular

matters involving specific parties in which the firm of Manatt, Phelps and Phillips or any other partner of MPRT Realty is or represents a party or otherwise has a financial interest (of which the Secretary is aware). In addition, the Secretary should and will have no communications with any MPRT Realty partner on any matter in which the Secretary is participating or may participate in his official capacity.

This disqualification policy will resolve all meaningful conflicts of interest that might arise in connection with this holding. It is, of course, possible that other matters might arise in which a partner in MPRT Realty might have an interest. A recusal covering all such matters would be very broad and would hinder the Secretary's effective performance of his duties. In these circumstances, and because the Secretary's interest in MPRT Realty is limited, the nature of MPRT Realty's business is limited and the market value of the Secretary's interest is negligible, a waiver is appropriate for matters that, while they might fall within the terms of §208, have little or no direct impact on the Secretary's financial interest.

Matters covered under this waiver would be all particular matters of general policy, including all non-party particular matters. The waiver will also cover particular matters in which an MPRT Realty partner's law firm is or represents a party, provided that the MPRT Realty partner himself is not acting in the matter. The waiver will not extend to particular matters that would have a direct and predictable effect on MPRT Realty or in which a partner of MPRT, including Manatt, Phelps and Phillips, is directly involved, and Secretary Kantor will continue to disqualify himself from participation in such matters, as described above.

We would be prepared to recommend similar waivers in comparable situations involving other federal officials.

Secretary Kantor has considered the possibility of divesting this interest, rather than seeking a waiver. This financial interest, however, is not likely to be significant in the policy matter that would be covered by the waiver, and divestiture would create severe tax implications for Secretary Kantor.

The Designated Agency Ethics Official of the Department of Commerce has recommended that Secretary Kantor's waiver be granted, and the Office of Government Ethics has approved this recommendation.

Recommendation

We recommend that you grant Secretary Kantor's request for a waiver, by signing the appropriate line granting the waiver on the attached memorandum to you from Secretary Kantor.



THE SECRETARY OF COMMERCE
Washington, D.C. 20230

JUN 24 1996

MEMORANDUM FOR THE PRESIDENT

FROM: Michael Kantor *[Signature]*
SUBJECT: Request for Waiver

As the Secretary of Commerce, I may be called upon to act on a wide range of matters. However, I am also required by 18 U.S.C. § 208(a) to recuse myself from any particular matter in which I or other specified individuals or organizations with whom I have some affiliation have a financial interest. Subsection (b)(1) of section 208 contains a waiver provision for matters in which the disqualifying financial interest is not so substantial as to be deemed likely to affect the services I will provide the Government. The waiver must be granted in writing by the individual responsible for my appointment. Consequently, I am requesting a waiver from you pursuant to this authority and am outlining the basis for the waiver and its contents below.

I am a general partner of MPRT Realty ("MPRT"), a California general partnership. The other general partners of MPRT were, at the time MPRT was created, partners of the law firm which is now known as Manatt, Phelps, and Phillips ("MPP"). Many of those MPRT general partners are still partners of MPP, although not all.

I understand that pursuant to 18 U.S.C. § 208(a), I am disqualified from officially participating personally and substantially in any particular matter in which a general partner of mine has a financial interest. For example, those partners in MPRT who are also partners in law firms, have a financial interest in all matters in which their law firms are or represent a client. Consequently, without a waiver, to the extent that I know that an MPRT partner is also a partner in a law firm, I may not take any action in a particular matter in which I know the law firm is or represents a client. The same might be true for any corporation which I know an MPRT partner is a CEO or other officer of the company and would be true if I knew him or her to be a stockholder of a company that would be affected by a matter before me.

The Department of Commerce has a very broad mandate and most law firms of any size may at some time have particular matters before the Department in which they represent clients. Also, most corporations have an interest in matters before Commerce. Those matters will range from broad policy matters, such as regulations affecting entire industries, to very specific matters involving parties, such as litigation and contracts. MPRT partners may have financial interests in these matters which are unrelated to MPRT, but, if known to me, would require my disqualification

under 18 U.S.C. § 208, even though I or my spouse would have no personal financial interest in the matters.

I have been informed that, given the large numbers of matters that could arise in which MPRT general partners have a financial interest, a recusal from all such matters would be impractical, and, furthermore, would impair my ability to carry out fully my responsibilities.

The substantiality of financial interests of MPRT partners in particular matters which are disqualifying to me should be considered in light of the general partnership relationship that creates the disqualification requirement. MPRT's sole holding is a 38% interest in Trident Centers Limited Partnership which, in turn, owns an office complex in Los Angeles, California. While the Trident Center office complex is of considerable value, the structure of the MPRT general partnership is such that I receive no partnership distributions from MPRT and have no expectation of receiving any further partnership distributions from MPRT; if the office complex or MPRT were sold now, I would receive no distribution from the partnership as the proceeds of any such sale would, under the partnership agreement, be insufficient to result in any distributions to me. However, extinguishment of my interest in the partnership would result in the realization of substantial taxable income in respect of my negative capital account, and forgiveness or extinguishment of the partnership's liability for qualified nonrecourse financing would also result in the realization of substantial taxable income.

Because my liabilities associated with MPRT (except for potential tax liabilities) are limited, because the nature of MPRT's business is limited and because the market value of my interest is negligible, there is only a minimal financial relationship between myself and the general partners of MPRT. Therefore, I believe it would be reasonable to determine that for those matters that would come before me in which I have no personal financial interest and which are more particularly described in the language of the actual waiver being requested, the interests of my general partners in MPRT in those matters will not be so substantial as to affect the integrity of the services that the Government may expect of me.

I have set forth below the actual waiver I am requesting, as limited by the language thereof. Please indicate your decision by signing the appropriate space.

* * *

Given the facts outlined above and subject to the limitations set forth below, I have determined for all particular matters of general policy, including all non-party particular matters, the interests of Secretary Kantor's MPRT general partners are not so substantial as to be deemed to affect the services of Secretary Kantor as Secretary of Commerce in those matters. In addition, this determination extends to particular matters involving specific parties in which a law firm in which an MPRT partner is a partner (other than MPP) represents a client, if the MPRT partner is not personally acting as an attorney in the matter.

This waiver does not extend to the following activities: participation in particular matters having a direct and predictable effect on MPRT Realty; participation in particular matters involving specific parties in which MPP is a party or represents a party or in which an MPRT general partner is a party or represents a party or otherwise has a financial interest (of which Secretary Kantor is aware); and communications with any MPRT partner on any matter in which Secretary Kantor is participating or is likely to participate in his official capacity (other than a declination of an invitation to communicate on the matter).

Granted: W J Clever Date: 7-29-96
Denied: _____ Date: _____



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

THE PRESIDENT HAS SEEN

7-24-96

July 26, 1996

96 JUL 26 P 9:39

MEMORANDUM FOR THE PRESIDENT

FROM: KATHLEEN A. MCGINTY

CC: LEON PANETTA

RE: CEQ WEEKLY REPORT

HEADWATERS

We are continuing our efforts to effectuate a land exchange with Charles Hurwitz for Headwaters Forest in northern California. We have focused so far on acquiring 4,500 acres of Headwaters, as well as 9,600 adjoining acres of secondary growth owned by Red Emerson, a portion of which would serve as a buffer zone for marbled murrelets and coho salmon, with the rest to be harvested in an effort to preserve timber jobs. John Garamendi, the Deputy Secretary of the Interior, met this week with the Mayor of San Francisco, Willie Brown, who expressed an interest in including Treasure Island as part of a land exchange.

Your California trip this week triggered quite a bit of press coverage on Headwaters, including the Treasure Island angle, most of which was based on leaked information. In addition, a coalition of environmental groups placed a full page ad in the West Coast edition of the New York Times, urging the Administration to acquire all 60,000 acres of Headwaters. We have made it clear that as complicated as our current discussions are, a 60,000 acre acquisition is impossible, due to the extreme financial and legal complexities. Attached for your review is a positive Los Angeles Times editorial dated July 26. There is still a far way to go on this issue; I would currently say odds are 70/30 against successful completion of a deal.

TUNA-DOLPHIN LEGISLATION

The House will consider H.R. 2823, the International Dolphin Conservation Act, on Wednesday morning. Although the Administration supports H.R. 2823 -- along with Greenpeace and other environmental groups -- there is opposition, including the Sierra Club. The Vice President sent a letter to House Democratic Caucus today reiterating his strong support for the legislation. While we expect the vote to go our way in the end, it will not be without controversy and emotion with the result that we are not likely to garner as much Democratic support as we would like.

ANIMAS-LA PLATA WATER PROJECT

The House voted 221-200 to delete all fiscal year 1997 funding from the Energy and Water Appropriations bill for the Animas-La Plata water project in Colorado and New Mexico. The project, generally regarded as the last major western water project on the drawing boards, is strongly opposed by local, regional and national environmental groups, national taxpayer organizations, the New Mexico Attorney General, and a variety of local interest groups. The project is vigorously supported by two Colorado Indian tribes, local water development interests, Senator Pete Domenici (R-NM) and Senator Hank Brown (R-CO). The project is vigorously opposed by environmentalists and several other Indian tribes.

The Administration has walked a fine line on the project. During confirmation processes related of some Department of the Interior officials, we supported funding of preliminary, pre-construction activities (including the funds struck by the House yesterday). However we have recognized that many grave economic and environmental faults plague this proposal, and consequently have also insisted on resolution of a considerable number of difficult environmental and fiscal issues prior to initiation of construction. The Environmental Protection Agency (EPA), Fish and Wildlife Service, and the Bureau of Reclamation are wrestling with significant interagency disagreements regarding the project. Reflecting concern about the environmental problems, Governor Roy Romer (D-CO) recently announced his intent to convene a stakeholder roundtable to discuss alternatives to the project.

The environmental community considers the House action to be a major victory. Though we may agree as a matter of substance, we are not in a position to say so publicly without contradicting our prior statements. On the other hand, if we oppose the House action, we risk significant negative reaction from the environmental community. Given these considerations, the Administration's strategy at the moment is to try to remain silent. The Senate is expected to take up the issue shortly. CEQ is consulting with OMB, the Department of the Interior, EPA, and Governor Romer's office to determine whether we might design a more robust approach.

ELWHA DAM REMOVAL

✓ Senator Slade Gorton (R-WA) is opposing the Administration's budget request to fund removal of the Elwha River dams. He is being pounded in the Seattle-area press for his opposition (editorial attached). As a symbol of our support for the river's restoration, CEQ is working with Interior to secure some emergency funding for protection of native Elwha salmon stocks. Because of drought on the Olympic Peninsula, there is a significant risk that, without immediate help, the already rare returning salmon will have no adequate spawning areas. We should be in a position to announce availability of the funds early next week. I believe that an announcement of the emergency funding should coincide with criticism of Senator Gorton's actions by a senior Administration official and a renewed call on Congress to fund the Elwha restoration. Overall, a very nice opportunity for us and tough spot for Senator Gorton.

NEW WORLD MINE

✓ The government negotiators made an offer to the Canadian gold mine company that owns a proposed mine near Yellowstone National Park. We have reached an agreement on the basic terms upon which they would abandon the permitting efforts. The Department of Justice is drafting a written agreement, and negotiations over the language of the agreement will take place in the coming week. We are still on target for you to make an announcement in Yellowstone on August 12. However, the press is now aware that there are negotiations going on and will continue to try to sniff out the story. While there remain significant issues to work through, and the deal could fall apart, our biggest challenge at the moment is keeping the agreement under wraps until you can announce it.

AUBURN DAM

California and Sacramento area newspapers have editorialized extensively on the Auburn Dam following the House Transportation Committee vote against funding the project. We have seen no support for the dam in any of the editorials. Even those editorialists who had been the most strident supporters of the dam have, in effect, thrown in the towel, conceding that fiscal and environmental constraints require Sacramento to focus on basic flood control measures instead of a massive, multi-purpose dam and reservoir. This view is entirely consistent with the Administration's position, and if it sticks, is very good news for us.

DREDGING

✓ On Wednesday, the Vice President announced a dredging plan for the Port of New York and New Jersey. The plan will end dumping at the Mud Dump site off the New Jersey shore and begin dredging in the port. This was a major victory for us. This issue has divided interest groups for more than a decade and was growing into a major threat to the economic viability of the port. Tens of thousands of jobs were at stake. Equally important, the New Jersey shores were threatened by the century-old practice of dumping contaminated materials offshore. Our plan gives relief to the port in the short term while ensuring an end to dumping. The Vice President was joined in the announcement by Representatives Bob Torricelli (D-NJ), Frank Pallone (D-NJ), Robert Menendez (D-NJ), Jerrold Nadler (D-NY), longshoremen, port companies, environmental groups, fishermen and shore communities. I have attached an article for your review.

TIMBER RIDER

✓ In a victory for the Administration, the Ninth Circuit Court of Appeals denied the industry's motion to reconsider our recent victory that permits us to withhold about 255 million board feet of environmentally sensitive timber sales in the Pacific Northwest.

✓ This victory, plus the Secretary Glickman's new salvage directive, has begun to moderate the sharp criticism from some parts of the environmental community. In particular, environmental activists in the northern Rocky states are very thankful that timber sales in

certain roadless areas are not going forward. However, the Forest Service has yet to determine what sales to withdraw in California, and we continue to get sharp criticism there. Additionally, Senators Larry Craig (R-ID) and Frank Murkowski (R-AK) are sharply critical of the Secretary's actions and have scheduled a hearing this coming week to accuse the Secretary of "political interference" with the Forest Service.

ENVIRONMENTAL GROUPS

I have attached for your information a summary of efforts currently underway by environmental groups to target certain anti-environmental members of Congress. The environmentalists have marshalled significant money and media for this purpose.

LOS ANGELES TIMES EDITORIALS



Saving California's Giants

Deal to preserve old-growth redwoods is step in right direction

The big trees have survived for centuries, some scorched by fire or damaged by insects. With trunks 10 feet thick, they tower to nearly 300 feet. But their days may now be numbered.

A loophole in state logging laws, similar to a federal exemption approved by Congress last year, could permit the logging of these majestic trees in Northern California's Headwaters forest by mid-September. That should not happen. These trees are in the last substantial grove of ancient redwoods in private hands.

A Clinton administration land-swap proposal could save the trees, but the president will need to act quickly. At the same time, the grove's owner, Pacific Lumber Co.—now controlled by financier Charles Hurwitz—will have to acknowledge that intact and standing, these trees are infinitely more valuable to Americans than they would be if cut up into lawn furniture and hot tub decking. Indeed, they are priceless.

The state and federal salvage loopholes exempt a substantial amount of timber-cutting operations in national and privately owned forests from environmental challenges. Salvage logging is intended to remove dead, diseased or

dying trees to prevent the spread of forest fires. In practice, however, some loggers have interpreted the rules to permit the cutting of many green, healthy trees and the destruction of some wildlife habitat—to create fire breaks, for example. Pacific Lumber's planned operations in the Headwaters grove, near Eureka, could include cutting down old-growth redwoods and would be largely free from court challenge under the salvage exemption.

The Clinton proposal would keep many of these trees out of the reach of chain saws. Under discussion is a land swap; Hurwitz would exchange a 7,000-acre Headwaters parcel for federal forest land elsewhere in Northern California and surplus military land with commercial real estate potential in Texas and other areas.

Some environmentalists criticize this deal, arguing that saving 7,000 acres still leaves far too much of Headwaters forest's 76,000 acres at risk. True enough, but the choice now is between watching these trees become \$200,000 worth of lumber each or watching the clouds move above their tall branches.

Slade just doesn't get it on Elwha River dams

SEN. Slade Gorton's newest attempt to sugar-coat his obstructionism to the dismantling of two salmon-killer dams on the Elwha River is no easier to swallow than his past positions.

Gorton says the state should decide if it wants to remove the dams and pay for it — not the federal government. The Elwha River predominantly is part of Olympic National Park. There is a clear federal responsibility.

The 1992 Elwha Act directed the federal government to purchase the two dams for \$29.5 million and allowed the federal government to remove them at an estimated cost between \$110 million and \$200 million.

Getting \$200 million appropriated for dam demolition is a monumental — but not impossible — task. Instead of fighting for funding, Gorton, chairman of the Senate Interior Appropriations Subcommittee, has been a roadblock.

Is \$200 million too much to restore one of the great wilderness rivers of the West? Is such a project worth as much, say, as a new \$320-million outdoor ball park for baseball in Seattle?

Rep. Rick White, 1st District Republican, supports demolition. So does Democratic Sen. Patty Murray. Dam removal has been urged by the Clinton administration and the Interior Department.

The two dams — one built in 1911, the other in 1926 — are a legacy of another era, when environmental consequences were ignored. They were built without fish ladders and decimated the Elwha's rare five-species salmon runs, including legendary giant king salmon that exceeded 100 pounds.

An Interior Department environmental-impact statement says a free-flowing river could produce 400,000 salmon annually — compared with about 4,000 now. It would be a recreation and tourist magnet for an economically hard-hit area.

Republican Gorton initially supported a compromise agreement to remove the two dams, then changed his position. He says it's too costly — that there are less-expensive ways to rebuild runs. He has included \$270,000 in the 1997 interior appropriations bill for fish restoration. It is a limp alternative.

Congress has a rare opportunity to reverse an injustice to nature by removing the dams, which provide a small amount of cheap power for a paper mill in Port Angeles. Reasonably priced power is available without the dams.

Gorton says: "The reality is the federal government cannot afford the high costs of dam removal anytime in the foreseeable future. My amendment will allow the people in our state to determine for themselves whether or not dam removal is a priority on which they are willing to spend their money."

Under a provision Gorton included in the Interior bill, once the dam purchase with federal funds is complete, the state would be allowed to purchase the dams for \$1 each if it submits a binding proposal to take out the dams.

That cavalierly kisses off federal responsibility for a river in a national park. Gorton should be fighting for dam removal, not proposing new ways to ensure

The Sacramento Bee

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ELEANOR McCLATCHY, *president 1936-1978*

C.K. McCLATCHY, *editor, 1974-1989*

PETER SCHRAG, *editorial page editor*

Moving beyond the dam

The dam is dead. Despite \$12 million in federal engineering studies confirming that a dam at Auburn offered the best bet for flood protection, and despite a strong, bipartisan effort by the area's congressional delegation that included tireless campaigning by Reps. John Doolittle and Bob Matsui, the proponents of Sacramento's flood-control plan couldn't muster the votes to move it out of its first committee in Congress.

There's no enthusiasm for trying to revive the fight now, nor should there be. Doolittle suggested the outcome might someday be different under an administration less hostile to such a project. But that's not at all clear; the reluctance of the House leadership to resist the environmental and fiscal opposition to the Auburn dam counted at least as much in the final outcome. As a result, it's difficult to imagine what combination of circumstances would produce a congressional majority in support of any size dam at Auburn in the foreseeable future.

But there is another important outcome of this debate: the broad, bipartisan coalition of interests that formed to fight for the flood plan. For the first time, downstream interests in flood control have been linked actively to upstream concerns for water supply, long-standing political differences were set aside and what emerged is the basic structure for arguably the most dynamic regional effort yet to deal with the kind of multijuris-

dictional issues that will increasingly shape the future of the metropolitan area.

Keeping that coalition vital is the first priority. It won't be easy defining a plan that combines flood protection with additional water for the foothills as effectively as the dam would have. But this defeat did not splinter the coalition in Congress or dissolve into an ugly display of finger-pointing at the local level. Doolittle and Matsui have already announced plans to meet with the other area congressmen, Vic Fazio and Richard Pombo, to begin discussing what steps they should take together next.

It's too early to suggest what those steps should be. While it appears likely the community will receive the \$57 million in levee improvements that the Clinton administration proposed, that's no substitute for a long-term plan for flood protection. And it's not clear whether developing such a plan is going to take another year, a decade, a generation or (worst of all) the impetus of a devastating flood to complete. The immediate concern for area representatives in Congress, therefore, must be establishing a reasonable set of conditions for flood operations during the interim that now looms indefinitely ahead — while doing all that they can to keep the community focused on the fact that these problems still need a solution.

For Immediate Release
July 22, 1996

Contact:
Diane Dulken (202)289-2405
Greg Wetstone (202)289-2409

NRDC RADIO ADS AIRING THIS WEEK URGE 16 LAWMAKERS TO CHANGE ANTI-ENVIRONMENTAL STANCE

Local Ads Are Part of NRDC's Long-Running Campaign To Press Congress To Vote For Environmental Protection

With a number of crucial environmental decisions remaining in this Congress, the Natural Resources Defense Council is informing the public about the anti-environmental voting patterns of 16 lawmakers in radio ads that will run from July 24th to July 30th. NRDC, a leading national environmental organization, is urging constituents to press these legislators to change their anti-environmental voting pattern.

"These elected officials voted not once, but three times, to allow more pollutants into our air and drinking water, and even to limit the public's right to know about toxic chemicals entering the environment," said Greg Wetstone, NRDC Legislative Director.

"We hope that a more informed public will compel congressional representatives to vote for our health and the environment instead of for polluters' profits," Wetstone added.

In the 60-second spots, NRDC refers to three votes by the House of Representatives on a funding bill for the Environmental Protection Agency. In each of those votes, (on July 28th, July 31st, and November 2nd) the lawmakers decided to retain 17 provisions, or riders, that would severely curtail the EPA's ability to protect the public. The radio spots highlight three of those 17 riders:

- A provision that would have allowed oil companies to continue releasing cancer-causing pollution into the air by exempting them from Clean Air Act standards. U.S. refineries emit more than nine tons of toxics in the air every hour nationwide.
- A provision that would have limited the public's right to know about the toxic chemicals that big corporations release into the air and water. This provision would have prohibited EPA from expanding the Toxic Release Inventory, a nonregulatory program that requires companies to disclose toxic discharges into the environment.
- A provision to bar the EPA from issuing standards to limit the carcinogens arsenic and radon in drinking water. EPA does not have any standards for radon now, and the arsenic standard was set in 1942, before it was known that the chemical causes cancer.

After months of controversy, including three government shutdowns, and growing public alarm over Congress's environmental direction, Congress finally passed a 1996 EPA funding bill in April without those harmful riders. But many crucial votes remain in the coming months of this Congress, including vitally important decisions on public lands and public health protections.

The 60-second radio spots are part of NRDC's long-running effort to press Congress to adopt strong environmental safeguards. The ads air in the following areas and refer to the following lawmakers:

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96 JUL 29 18:28

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His Excellency
William J. Clinton
President of the
United States of America
c/o Mrs. Nancy Herrreich
United States of America
The White House
Washington, D.C., 20500

IHR ZEICHEN:

IHR SCHREIBEN:

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MÜNCHEN, den July 22, 1996

UNSER ZEICHEN:

TW/cp

Dear Mr. President,

on recommendation of your German friend Rudy Löwe I like to draw your attention to a request which has been known to the „United States Information Agency“ for some time and is apparently in no way decided so far. Perhaps you find it feasible to let your „Office of Agency Liaison“ check the present situation. I would appreciate it immensely.

It concerns a site of approx. 185 acres owned by the United States of America which until a few years ago served the Voice of America for a transmitting station.

Because this land is located near the Munich Airport and for other reasons, the transmission from this place was given up. The land is only used for agricultural purposes now.

I am interested in leasing or purchasing this property for the purpose of building a golf-course. The main wish is to open the first German-American Golf and Country Club to intensify the good relationship between our two countries. The Golf and Country Club is planned to open for players of both nations as well as business people and students.

So I have therefore been in contact with Mr. James W. Durham, Chief, Construction and Engineering Division, Office of Contracts, USIA (see the enclosed copies of correspondence). Mr. Gordon John Dickey, Assistant General Counsel at the USIA is also informed.

A proposed meeting in Bavaria with a team of USIA/VOA officials was cancelled in October 1995 „due to an international reorganization which assigned this project to another organizational element“ (so Mr. Durham on Oct. 6, 1995). After a reminder, I only heard from Mr. Durham again on July 5, 1996 and received a very vague answer.



96 JUL 29 A 8: 28

GEBR. ROSSIUS · OBERFÖHRINGER STR. 123 · 81925 MÜNCHEN

OBERFÖHRINGER STR. 123 · 81925 MÜNCHEN
SAMMEL-RUF-NUMMER (089) 95 10 23
TELEFAX (089) 95 7 91 58

His Excellency
William J. Clinton
President of the
United States of America
c/o Mrs. Nancy Herrreich
United States of America
The White House
Washington, D.C., 20500

MÜNCHEN, den July 22, 1996

IHR ZEICHEN:

IHR SCHREIBEN:

UNSER ZEICHEN:

TW/cp

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I understand that the Voice of America wanted to decide on its options in regard of this site near Munich in fall of 1994 already.

One additional information which may be new to USIA and VOA: The Community, in which this property is located, thinks of building a street right through the property, which would dramatically diminish its value for everyone.

The District President, Mr. Pointner, however told us that the District's Council would welcome a golf-course as described. In this case, the street would not become built.

A few personal data:

As one of the oldest development companies in Munich starting in 1872, we are responsible for more than 1 billion DM of investment in the last 30 years. We are specialized in office buildings for insurance companies and communities and we have built some sports centers.

Of course, I shall be pleased to come to Washington for personal discussions with your authorities in order to advance the matter in our mutual interest.

In any case I like to express my gratitude for all your help and understanding.

*With kind regards
most respectfully yours,*



ge. Rolf Rossius

Enclosures: 1 brochure



JOHANN BÖHM
PRÄSIDENT DES BAYERISCHEN LANDTAGS

Lehly

7-29-96
original sent
to HSC

96 JUL 29

Maximilianeum, 24.07.1996
81627 München
Tel. (089) 41 26-22 04
Telefax (089) 26-11 70

His Excellency
Bill Clinton
President of the
United States of America
The White House

Washington D.C. 20500
U.S.A.

7-29-96

Send to WSC for action?

Yes ☒

No ☐

Dear Mr. President!

1996 feiern wir 50 Jahre bayerisch-amerikanische Freundschaft und denken dabei an die Hilfe, die unser Land nach dem Krieg von den Vereinigten Staaten erhalten hat. 1996 werden auch die Bayerische Verfassung und der Bayerische Landtag 50 Jahre alt. Aus diesem doppelten Anlaß präsentiert der Staatliche Hofkeller Würzburg einen Jubiläumswein in blauen Bocksbeuteln. Auf der Rückseite der Flaschen ist in 24 Karat Gold die Fassade des Maximilianeums abgebildet, in dem der Bayerische Landtag seit 1949 seinen Sitz hat.

Ich darf Ihnen eine Kostprobe dieses Sonderweines zukommen lassen und verbinde damit die herzliche Einladung an Sie, sehr geehrter Herr Präsident, bei Ihrem nächsten Aufenthalt in Bayern den Bayerischen Landtag zu besuchen und unser Gast zu sein. Es wäre uns eine besondere Ehre und Freude, wenn Sie unsere Einladung annehmen.

Bis dahin wünsche ich Ihnen und Ihrer verehrten Gattin viel Freude an dem "guten Tropfen" aus Bayern. Eine passende Gelegenheit für unseren Jubiläumswein bietet vielleicht schon Ihr bevorstehendes persönliches Jubiläum am 19. August.

Mit herzlichen Grüßen und besten Wünschen

Ihr Johann Böhm

THE WHITE HOUSE
WASHINGTON

cc: Tyson

July 24, 1996

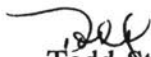
MR. PRESIDENT:

Bob Reich has presented two "sweatshop" options to the NEC. NEC Principals and Deputies strongly endorse Option 1 and Laura seeks your approval to move forward on it.

Option 1 -- an industry-led, voluntary labeling initiative. This option would allow you to demonstrate leadership on this issue quickly, would build on your corporate responsibility message and would avoid the criticism of being heavy-handed and regulatory.

Option 2 -- voluntary labeling plus legislation. The legislation would hold retailers and manufacturers responsible for their subcontractors' labor practices, while creating a safe harbor for companies that established monitoring programs. Runs risk of antagonizing garment industry and could lead to charge that we violated international trade agreements.

Approve Option 1 ☒ Disapprove ☐ Discuss ☐


Todd Stern

THE PRESIDENT HAS SEEN
7-29-96
THE WHITE HOUSE
WASHINGTON

96 JUL 23 P1:42

July 22, 1996

MEMORANDUM TO THE PRESIDENT

From: Laura Tyson *LT*
Subject: Proposed Garment Labeling Initiative

Background: During the last three years, the Department of Labor has been working tirelessly to eradicate sweatshops in the garment industry. This problem has gained significant media attention in recent weeks with the revelation that some of the items sold under talk show host Kathie Lee Gifford's clothing line were made in a NYC sweatshop. Just last week, Secretary Reich held a forum at which representatives from all aspects of the fashion industry discussed how to eradicate sweatshop conditions. And a recent survey indicates that sweatshops are an issue about which Americans care deeply, with more than eighty percent of the respondents indicating that they would be willing to pay more for a garment if it were guaranteed to be made in a legitimate shop.

Capitol Hill Initiatives: Interest in the sweatshop issue has grown on Capitol Hill, and there are a variety of related legislative initiatives that members have introduced or plan to introduce. Some of these initiatives would mandate labels indicating the labor conditions under which garments were produced, while others would simply ban the import of products made with child labor. (The latter approach was proposed in the Families First Agenda and was raised in discussions in the Democratic Platform.) Most, if not all, of these legislative approaches would probably provoke a serious challenge in the World Trade Organization.

Although it is unlikely that any of the legislative approaches will move very far during the remaining days of this Congress, they are causing growing concern among the business community. At the same time, business leaders have also become concerned about the unfavorable publicity that results from selling products that are found to be produced under sweatshop conditions.

Recommended Administration Initiative: Secretary Reich has brought to the NEC two options for you to consider. We have reviewed them at both the deputy level and principal level at the NEC with involvement from NEC staff, USTR, Treasury, Commerce and Labor. The first option is an industry-led, voluntary labeling initiative. The second option couples the labeling initiative with legislation to hold retailers and manufacturers responsible for their subcontractors' labor practices and to provide a safe harbor to companies that put monitoring programs in place.

Last week the NEC principals held a meeting on both of these options and unanimously agreed to recommend to you that we move forward quickly on the first option. This option has many desirable features: it allows you to demonstrate your leadership on a compelling issue without waiting for legislative action; it builds on your corporate responsibility message; and it allows you to postpone or avoid top-down regulatory or legislative remedies--such as the ones now under consideration on the Hill--that will antagonize and split the garment industry and that threaten to violate our international trading agreements.

While it is possible that some in the unions or on the Hill will be disappointed that we have not called for a legislative action, we can say that we wanted to first give an industry self-monitoring solution a chance and then, if the industry did not meet this challenge, legislative solutions would be considered.

The NEC Principals are very enthusiastic about Secretary Reich's voluntary labeling option, and our staffs have already begun to speak to CEOs to see if we can get the groundwork necessary for its announcement ready in the next few weeks. Please let me know if you want us to move forward on Option 1 and if you have any suggestions about how to improve it.