

Chris

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10/9/94

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THE PRESIDENT
HAROLD ICKES (42)

cc: Mike Cohen

THE WHITE HOUSE
WASHINGTON

October 9, 1996

MEMORANDUM FOR THE PRESIDENT

FROM: LEON PANETTA 
SUBJECT: MILWAUKEE SCHOOL VOUCHER PLAN

It is likely that the Milwaukee school voucher plan may come up in the Vice Presidential Debate tonight, or again in your debate next week. I wanted to make sure you had a complete understanding of how that plan is financed, and how this relates to the statement agreed to with Secretary Riley.

Financing Vouchers in Milwaukee

When a student participates in the Milwaukee voucher program, the state pays the private school an amount equal to the Milwaukee Public Schools' state equalization aid payment per pupil (at present, roughly \$3,200 per student). This constitutes full tuition for the student, regardless of what the private school normally charges. The state then reduces Milwaukee's aid by the same amount. Payments to the private schools are made from a separate appropriation; however, they are offset completely by reductions in state aid to the Milwaukee Public Schools. Consequently, the only cost to the state for the voucher program is what would have normally been paid to the public schools. The voucher program therefore transfers public funds from public schools to private schools.

Secretary Riley's Statement

As you know, on Monday Secretary Riley issued a clarification of your comments during the debate. This statement said, in part, that, while you support the right of states and local communities to make their own decisions on this issue, you "...personally would not support a voucher plan that...would shift funds from public schools to private schools."

According to this criteria, you would be opposed to the Milwaukee plan, though some have interpreted your comments about Milwaukee as an endorsement of that approach.

The Debate Tonight

If the Vice President is pressed tonight to explain your position on Milwaukee, I suggest he take the following approach: *

- The President has had a clear and consistent position on vouchers, before the debate, during the debate and after the debate: He is unalterably opposed to the use of federal funds for vouchers for private schools. He supports the right of states and local communities to work through a decision on vouchers on their own. And he personally opposes state or local voucher plans that are unconstitutional or that shift funds from public schools or otherwise undermine public education.

- The President also believes very strongly in state and local control of education. He has also been a leader in education reform since his days as Governor of Arkansas, and has always been strongly in favor of innovative, new ideas and creative thinking and experimentation in education. States and local school districts should always be free to try innovative approaches.
- The President believes that Milwaukee ought to be free to try its own approach. However, it is clear that the Milwaukee plan shifts funds from public schools to private schools. This is something the President is concerned about.

10/6/96

Transcript

I don't fault the president or the vice president for sending their children to private schools or better schools; I applaud them for it. I don't criticize them. But why shouldn't everybody have that choice? Why shouldn't low-income Americans and low/middle-income Americans?

I'm excited about it. It's going to be a big, big opportunity for a lot of people.

CLINTON: Let me say first of all, I'm all for students having more choices. We've worked hard to expand public school choice. In my balanced budget bill, there's funds for 3,000 new schools created by teachers and parents, sometimes by businesspeople, called charter schools, that have no rules. They're free of bureaucracy and can only stay in existence if they perform and teach children. The ones that are out there are doing well.

What I'm against is Senator Dole's plan to take money away from all the children we now help with limited federal funds and help far fewer. If we're going to have a private voucher plan, that ought to be done at the local level or the state level. But Senator Dole has consistently opposed federal help to education. He voted against student loans; he voted against my improved student loan plan; he voted against the national service Bill; against the Head Start bill. He voted against our efforts in Safe and Drug-Free Schools. He has voted against these programs. He does not believe it.

That's the issue. Ninety percent of our kids are out there in those public schools, and we need to lift their standards and move them forward with the programs like those I've outlined in this campaign.

DOLE: I—I'd better correct the president here. I don't know what time it is, but it's probably getting late. But I want to correct the—all these things I voted against, they were probably part of some big package that had a lot of pork in it or a lot of things that we shouldn't have had and we probably voted no. I've supported all the education programs. I've supported Head Start. I think we ought to look at it. So I don't want anybody out there to think that we've just been voting no, no, no. Let's give low-income parents the same right that people with power and prestige have in America and let them go to better schools. Let's not—let's help—let's turn the schools back to the teachers and back to the parents and take it away from the National Education Association.

①

School Choice Proposal

Mr. President, what's wrong with the school choice proposal?

CLINTON: I support school choice. I support school choice. I have advocated expansions of public school choice alternatives and, as I said, the creation of 3,000 new schools that we are going to help the states to finance. But if you're going to have a private voucher plan, that ought to be determined by states and localities where they're raising and spending most of the money.

I simply think it's wrong to take money away from programs that are helping build basic skills for kids—90 percent of them are in the public schools—to take money away from programs that are helping fund the school lunch program, that are helping to fund the other programs that are helping schools to improve their standards. Our schools are getting better, and our schools can be made to be even better still with the right kind of community leadership and partnership at the school level.

I have been a strong force for reform, and Senator, I remind you that a few years ago, when I supported a teacher testing law in my home state, I was pretty well lambasted by the teachers' association. I just don't believe we ought to be out there running down teachers and attacking them the way you did at the Republican convention. I think we ought to be lifting them up and moving our children forward.

And let me just say, that budget you passed that I vetoed would have cut 50,000 kids out of Head Start. It would have eliminated the AmeriCorps plan. And it would have cut back on student loans and scholarships. Now, it would have. That's a fact. That's one of the big reasons I vetoed it. We need to be doing more in education, not less.

DOLE: Well, the AmeriCorps program, I must say, if that's one of your successes, I wouldn't speak about it too loudly. It's cost about \$27,000 to pay people to volunteer. We've got 4 million young people volunteering every year. The number hasn't gone down. And you pick out 20,000, whether they need the money or not, they get paid for volunteering. I like young people. I like teachers. I'm a product of public schools. You attended a private school for some time in your life.

I like teachers, but let's—you're not for school choice. You can't be for school choice, because this is that special interest money again. When you get 99.5 percent of the money—we don't know what happened to the other .5 percent; we're looking for it; somebody got it. But it all went to Democrats, and this is part of that liberal establishment—one of those liberal things that you just can't do.

(2)

can't do.

You're for school uniforms and curfews, and you're opposed to truancy. Now, that's not reform, Mr. President. Why can't Landell Shakespeare in Cleveland or Pilar Gonzalez in Milwaukee give their children an opportunity to go a better school? Some schools aren't safe. Some schools aren't even safe. And your choice is nothing. Let's give them a real choice, the kind of choice you have and the kind of choice a lot of people have in America. If we want to stop crime and teenage pregnancy, let's start with education.

CLINTON: First of all, Senator Dole, let's set the record straight: I was able for two years when I was a very young boy to go to a Catholic school, but I basically went to public schools all my life. And I've worked hard for a long time to make them better. Ninety percent of our kids are there.

It's amazing to me, you are all for having more responsibility at the local level for everything except schools. Where we don't have very much money at the federal level to spend on education, we ought to spend it helping the 90 percent of the kids that we can help. If a local school district in Cleveland, or anyplace else, wants to have a private school choice plan, like Milwaukee did, let them have at it. I might say the results are highly ambiguous.

But I want to get out there and give a better education opportunity to all of our children, and that's why I vetoed the budget that you passed with \$30 billion in education cuts. It was wrong—

Mr. President?

CLINTON: —and my plan for the future's better.

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THE WHITE HOUSE

WASHINGTON

THE PRESIDENT HAS SEEN

10/9/96

October 9, 1996

95 OCT 9 PM 2:50

MEMORANDUM TO THE PRESIDENT

FROM: STEPHANIE STREETT & ANNE HAWLEY

SUBJECT: SCHEDULING DECISIONS

CC: EVELYN LIEBERMAN

ACCEPT

Date of Event:

Description of Event:

10/17/96

Proclamation Singing Recognizing Filipino Veterans of WWII, California TBD

10/18/96

Meeting With Lebanese Prime Minister Hariri

10/18/96 or 10/19/96

Free TV Tapings (3-4 hours), White House

11/11/96

Veterans Day Events:

- White House Breakfast
- Arlington National Cemetery

11/11/96

White House Dinner For the General Election Legal and Compliance Fund (GELAC)

tbd

Photo With the National President of the Reserve Officers Association

tbd

Photo With the Leadership of the Senior Army Reserve Commanders

tbd

Secret Service Departure Photos

PENDING

Date of Event:

10/11/96

Description of Event:

AIDS Quilt (on the Mall)

Both the VP and Mrs. Gore are scheduled to attend the opening of the event. If you choose to go, we would treat it as an "off the record."

10/12/96

Photo-Op With Italian American Leaders

10/21/96

Speech Promoting Peace & Democracy With a Focus on NATO, Cleveland, Ohio

after election

White House Reception to Thank the Women's Leadership Forum (WLF) For Their Support

12/11/96

DLC Leadership Dinner & Gala, Washington, DC

REGRET

Date of Event:

10/9/96

Description of Event:

Signing Ceremony For the Securities Reformation Act

10/9/96

Signing Ceremony For the Railroad Unemployment Insurance Act

10/9/96

(Photo Op With the President of Kiwanis International

10/17/96

Southwest Voter Registration Dinner, Chicago

It is likely that the VP will attend in your place.

10/17/96

Africare Dinner, Washington, DC

We are currently working on finding a surrogate for this event. You will be in California on this day.

10/17/96

Drop By the Arms Control Disarmament Agency's
(ACDA) 35th Anniversary Celebration, White
House

You will be in California.

THE WHITE HOUSE
WASHINGTON, D.C. 20500

DATE: 10-9

TO: Jack

FROM: Staff Secretary

Assume you
approve?

Please
advise ASAP.

cc: Leon

Jack



EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF MANAGEMENT AND BUDGET
WASHINGTON, D.C. 20503

October 7, 1996

THE DIRECTOR

96 OCT 7 P3:42

MEMORANDUM FOR THE PRESIDENT

SUBJECT: Enrolled Bill H.R. 3166 - False Statements
Accountability Act of 1996
Sponsors - Rep. Martini (R) New Jersey and 3 others

Last Day for Action

October 11, 1996 - Friday

Purpose

To restore the penalty for making false statements to the
Legislative and Judicial branches of the Federal Government.

Agency Recommendations

Office of Management and Budget	Approval
Department of Justice	Approval
Department of the Treasury	No objection (Informally)
Office of Government Ethics	No objection (Informally)
Administrative Office of the United States Courts	No comment (Informally)

Discussion

H.R. 3166 restores the Government's ability to prosecute
false statements made to the Judicial and Legislative branches
of the Federal government. It is based, in part, on a proposal
transmitted to the Congress by the Department of Justice in
1995.

-- False Statements Statute

In May 1996, in the case of Hubbard v. United States, the Supreme Court held that the false statements statute (18 U.S.C. §1001) applies only to statements made to Executive branch officials. H.R. 3166 would restore the application of this statute to the Legislative and Judicial branches.

The enrolled bill includes two exceptions to the application of the false statements statute. The judicial function exception provides that the statute does not apply to statements submitted to a judge in a judicial proceeding by a party or the party's counsel. According to the House Judiciary Committee's report on H.R. 3166, this exception "is intended to codify the judicial function exception which has long been recognized by many Federal courts as necessary to safeguard from the threat of prosecution statements made in the course of adversarial litigation."

According to a statement made on the Senate floor, the false statements statute would apply to statements made to the Judicial branch when it is exercising administrative authority. For example, false legal bills and false statements in applications for membership in the bar of a court would be punishable.

The legislative function exception limits the statute's application in Legislative branch matters to:

- administrative matters (e.g., claims for payments, personnel matters, financial disclosure statements, and filings under the Lobbying Disclosure Act); and
- investigations conducted pursuant to the authority of a congressional committee, subcommittee, commission, or office.

According to a statement on the House floor, this limitation would "guard against creating an intimidating atmosphere in which all communications made in the legislative context -- including unsworn testimony and constituent mail -- would be subject to section 1001's criminal penalties."

-- Other Provisions

H.R. 3166 contains three other provisions related to statements and testimony before the Congress, as described below.

Section 3 of the bill would define the term "corruptly" in 18 U.S.C. §1505, one of the obstruction of justice statutes. In reversing the conviction of former National Security Advisor John Poindexter, a U.S. Court of Appeals held that the term is "too vague to provide Constitutionally adequate notice that it prohibits lying to the Congress." H.R. 3166 would define "corruptly" to mean "acting with an improper purpose, personally or by influencing another, including making a false or misleading statement, or withholding, concealing, altering, or destroying a document or other information."

Section 4 would amend the statute that allows courts to enforce Senate subpoenas issued to officers or employees of the Executive branch. A current exception in the law provides that the courts may not enforce subpoenas when the person subpoenaed asserts a claim of privilege. This exception is intended to prevent the courts from resolving disputes between the two political branches. H.R. 3166 would clarify this exception by requiring the privilege asserted to be a governmental privilege authorized by the Executive branch and not a personal privilege.

Section 5 would allow the Congress to compel testimony in depositions and other contexts "ancillary to" congressional proceedings from witnesses who have been granted immunity from prosecution. According to a statement made on the Senate floor, this provision is intended to make clear that the power to compel immunized testimony is not limited to public hearings. As Justice advises, the provision allows the authority to compel testimony in such matters as depositions that are conducted in the course of a Congressional hearing or investigation.

Conclusion and Recommendations

The Department of Justice recommends approval of H.R. 3166, noting that it is based in part on an Administration proposal.

We join Justice in recommending approval of H.R. 3166, which passed the House and Senate by voice votes.

A handwritten signature in black ink, appearing to read 'Franklin D. Raines', is positioned above the printed name.

Franklin D. Raines
Director

Enclosures

THE WHITE HOUSE THE PRESIDENT HAS SEEN
WASHINGTON 10/9/96

September 16, 1996

RECOMMENDED TELEPHONE CALL

96 SEP 16 PM 03

TO: Mrs. Vivian Figures (wife)
334/457 9027 or 334/457 9008

DATE: September 16, 1996 (any time)

RECOMMENDED BY: Alexis Herman *OK*

PURPOSE: To offer condolences to Mrs. Figures,
whose husband State Senator Michael
Figures died from a massive stroke.

BACKGROUND: Alabama State Senator Michael Figures,
who was also President of the Senate,
passed on Friday, September 13. Senator
Figures lived in Mobile, Alabama and was
a childhood friend of Alexis Herman. The
burial is tomorrow at 10 am (see attached
Obit).

TOPICS OF DISCUSSION:

1. Offer condolences to Mrs. Figures and family. She is a member of the City Council as well as a member of the DNC.
2. Mr. and Mrs. Figures were both in Chicago as Delegates. They were featured prominently as the only husband and wife team. Mr. Figures was also a C-G delegate in 1992 as well as 1996. He was an early supporter.
3. Indicate Senator was a leader in the Alabama Senate and a rising star in politics.
4. He would have been 49 years old next month.

CONTACT PERSON AND
TELEPHONE NUMBER:

Ruby G. Moy (x66666)

ACTION: _____

Handwritten note:
Main Sen
Fig's invited to
B'ham where we
can go to see her -

THE PRESIDENT HAS SEEN

10/19/96

THE WHITE HOUSE

WASHINGTON

① Ch - govt memo, see p. 4
for 1 question -

96 OCT 2 P6:14

October 2, 1996

MEMORANDUM FOR THE PRESIDENT

FROM: to Carol H. Rasco
Frank Raines

② Leon - you should
have met if you haven't
already -

SUBJECT: Update on Welfare Reform Implementation

Be

We are continuing to work to coordinate the Administration's efforts to implement the new welfare law. We will be providing periodic updates on key issues for you, as well as answers to questions you raise.

PROCESS

Domestic Policy, OMB, Counsel's office, and Intergovernmental are working closely together on all aspects of implementation. We have the following process in motion:

- o DPC chairs bi-weekly meetings of 11 federal agencies and all White House offices.
- o A subgroup of key agencies and offices meets more regularly on nuts-and-bolts implementation issues.
- o We are meeting weekly with the National Governors' Association, the National Conference of State Legislatures, and the American Public Welfare Association.
- o We met with the League of Cities, the Conference of Mayors, and the counties and promised them ongoing input and consultation.

TANF BLOCK GRANT IMPLEMENTATION

The entitlement to AFDC ended on October 1. States can elect to take advantage of the new TANF block grant as of that date, but they must enter the new program by July 1997. The first states to send in state plans were Michigan and Wisconsin, and their plans were approved by HHS on September 30. As of October 1, about 11 states had filed state plans with HHS.

Determining "Completeness" of Plans -- HHS's role in state plans is merely to certify that they are "complete" -- a far different role than they have had in the past. We have worked with HHS to pare down their list of what is required for a plan to be complete. As a result, they produced draft guidance for the states at the NGA conference last month that was quite brief -- and praised by the states as a result.

Regulations -- The law provides only limited authority to regulate the TANF block grant. You asked in our last memo whether we can require states to use TANF funds as wage subsidies. This is one of the permissible uses of the funds and one way states can provide work. HHS will be working with states to promote this as a model, but it will not be able to require that states adopt any particular approach to meeting the work requirement.

Grandfathering Waivers -- Counsel's office advises that the welfare law allows states to continue to operate waiver programs that have time limits and work requirements that vary from the terms of the new law (unless the waivers were granted after the new law passed). We will, however, be making it clear in our guidance to states that the Administration believes that all state programs should comply with the law's provisions regarding time limits, work participation rates, and exemptions and extensions. We will also indicate that if states do not bring their programs into line with the law, there will almost certainly be Congressional action (which we would support) to limit the grandfathering provision.

Wisconsin Waiver -- We have resolved Wisconsin's welfare and Medicaid waiver request. On September 30, in its letter approving Wisconsin's new TANF state plan, HHS informed the state that it no longer needs waivers to implement the welfare reform portions of its "W-2" program. Wisconsin still plans to impose a 60-day residency requirement before families can begin to collect benefits, which HHS believes is unconstitutional. The law in this area is unsettled, and the provision will definitely be brought to the courts. HHS simply took note of this issue as part of the plan approval.

On Medicaid, HHS informed the state on September 30 that it will not grant that portion of the state's waiver request because it would have eliminated the Medicaid entitlement and run counter to our commitment to the federal Medicaid guarantee. HHS offered to work with the state on an alternative Medicaid proposal.

Performance Bonus Fund and Contingency Fund -- The new law requires the Secretary of HHS to work with NGA and APWA to set up the Performance Bonus Fund, and gives her a year to develop the formula and process. We are setting up a process with these state groups to work out such a proposal in cooperation. We will keep you apprised as these plans develop. The Contingency Fund to protect states from economic downturns is being established by Treasury in consultation with HHS.

New Mexico -- New Mexico is one of the few states that is disadvantaged by the conversion to a block grant, because its caseload is increasing. The state announced it may have to cut welfare benefits by 12% to live within the new law. However, Senator Domenici may secure a legislative fix that would allow the state to tap into the Contingency Fund for this purpose.

IMMIGRANTS

The immigration issues raised by the law are clearly the thorniest and most difficult to implement.

Means-tested Benefits -- Non-citizens who arrive after the law's enactment are barred from receiving "means-tested benefits" for five years. We have some latitude to define that term, and Counsel's office, OMB, and DOJ are working together to do so.

Food Stamps for Legal Immigrants -- As part of the CR, we were able to persuade Congress to delay cutting off food stamp benefits for legal immigrants now on the rolls until at least April 1, 1997. (Under welfare reform, that change was to have been effective at the recipient's next recertification for benefits.) This change will particularly help California, which did not benefit from our earlier effort to delay the impact through USDA waivers, and sought our help as a result. Over 30 states opted for a delay through the waiver option.

However, legal immigrants who are applying for food stamps are not helped by the change in the CR. States are beginning to deny food stamps to these new applicants, although the interpretation of USDA's guidance on when they must comply varies from state to state. USDA instructed states to start denying new applications on September 22; for the next 120 days, states that have implemented this change are not subject to sanctions if they make errors.

Verification -- Administrators of many government programs such as food stamps have an important new role to play in verifying the legal status of non-citizens, and whether they fall into any of the categories exempted from the full impact of this law. One particularly difficult exemption to administer is the "40 quarters" exemption, whereby legal immigrants who have worked at least 40 quarters in this country (in combination with their spouse or parents) can still get benefits. SSA is working on a new system to give other agencies access to this information on an overnight basis, beginning in January 1997.

However, some earnings may never have been reported to SSA, particularly for farmworkers and domestic workers whose employers did not pay the taxes on their behalf. We plan to get instructions to food stamp offices next week on how to address this problem and avoid denying benefits inappropriately.

Reporting of Illegal Aliens -- The law requires states, SSA, and HUD to report quarterly to the INS on any illegal aliens they become aware of. The INS is determining how to implement this provision.

Below are answers to three questions you raised in the last update memo:

Legal immigrants who get SSI will get notices early next year that SSA will reexamine their eligibility, and benefits will be ended by August 1997. The INS will send them information on naturalization later this fall to ensure that as many as possible who meet the requirements for citizenship are able to naturalize before their benefits end next August.

- o We are working with INS and disability and immigration groups to ensure that the regulation waiving certain testing requirements for immigrants with disabilities is finalized as soon as possible. The comment period ends within the next two weeks, and the rule will be finalized by December.

✓ You had noted the statistic that the INS naturalized 1.2 million immigrants this fiscal year, and asked how big an increase it represented over the prior year. Approximately 500,000 people were naturalized last year, so it is a very significant increase.

FOOD STAMPS WORK REQUIREMENT

As you may recall, the new law imposes work requirements on food stamp applicants who are childless and 18-50 years old, but it allows states to apply for a waiver of this requirement in areas of high unemployment. USDA will be issuing guidance shortly on how states can designate such areas.

SSI FOR DISABLED CHILDREN

As you know, the law tightened the eligibility standard for SSI for children with disabilities. The law was effective upon enactment for new applicants. As many as 190,000 children now on the rolls will lose eligibility between March and August 1997 because their impairments are not severe enough to qualify under the new law. Two major issues have emerged:

Cut-off Date for Families Who Appeal -- SSA will determine whom to drop from the rolls by August 1997, but families can appeal SSA's decision. If they do so in a timely manner, they are guaranteed continued benefits while they appeal. Legally, SSA had determined that we are able to keep children on the rolls up to a later point in the appeals process than we had expected, and SSA will take advantage of this option. As a result, most children who appeal will lose benefits in 1999, rather than late 1997 or 1998. SSA has not yet announced this decision because they want to announce the decision on the second issue at the same time.

Definition of Childhood Disability -- The law includes a new definition of childhood disability. During the lengthy debate on this issue, everyone assumed the new definition would cut 190,000 children from the rolls, and we included savings of \$7.6 billion from 1997-2002 in our budget reflecting that estimate. However, from a legal perspective it appears SSA has more flexibility to define childhood disability than we expected. Advocates have united around an interpretation that would drop from the rolls only 20% of the 190,000 children, with a loss of \$5.9 billion of the savings, but Congress would undoubtedly view this option as subverting their intent. SSA is seeking a proposal that strikes the right balance.

*is this enough?
no, it's not
define*

important

MEDICAID

In the coming week, HHS will lay out for us an initial position on key Medicaid issues, including how states can reconfigure their systems to accommodate the separate eligibility systems required for Medicaid and TANF; what happens to the Medicaid coverage of those individuals who lose SSI coverage; and the impact on existing waivers.

Another major question is how many states will accept the option to continue Medicaid for current legal immigrants. They must decide by January 1.

CHILD CARE

The new provisions of the law relating to child care went into effect October 1, 1996. This is a very positive story, as HHS worked quickly and effectively to help states understand the new law, develop interim plans to access the new funding, and ensure that states will get their increased money on time. We will be working with Communications to ensure that the opportunity to highlight some good news on this front is not missed.

TECHNICAL CORRECTIONS

The Secretary of HHS is required to report to Congress within 90 days (November 22, 1996) on technical amendments and corrections that are necessary. The other departments as well as many of the groups with which we are working have concerns in this area as well. We will be working closely with HHS as the date for this report draws closer.

cc: Leon Panetta

Essay

WILLIAM SAFIRE

Getcha Scorecard!

WASHINGTON

The most powerful person in the world this week is Jim Lehrer, moderator of Sunday night's first Presidential debate.

After each debater's two-minute opening statement, the novelist (next: "White Widow") will choose the questions to be put to Bob Dole and Bill Clinton. A 90-second answer will be followed by a 60-second rebuttal and a 30-second surrebuttal.

I have not spoken to Mr. Lehrer about this, but here are a few of the questions that both sides expect to be asked, with a handy-dandy, nonpartisan guide to viewers about how to judge the winner.

Expected by Dole: *How can you provide a 15 percent tax cut without busting the budget?*

See if Dole goes into a policy-wonk crouch, with defensive details and seeming to pander to voters' greed, or if he seizes the chance to show the basic difference in approaches to governing. See if Clinton's response is defensive, directed to his competing tax cut, or if he prefers to take credit for lowered deficits. Does Clinton knock Dole off balance with an unexpected claim — rather than let Dole close out the round with a "tax-and-spend liberal" crusher?

Expected by Clinton: *Aren't you concerned that your veto of the bill to ban the partial-birth procedure places you outside the mainstream on the abortion issue?*

See if Clinton sounds defensive by making the slippery-slope argument, or is able to widen the gender gap by wrapping Dole around Gingrich and charge Republicans with being against women on everything from family leave to affirmative action. Does Dole then take that bait or zero in on "abortion extremism"?

Expected by Dole: *Can any 73-year-old man be expected to withstand the stresses of the modern Presidency?*

Will he say how he has been running flat out for eight months and feels fine, then challenge Clinton to release health records? Will Clinton fall for that, or brush it off and grab the high graciousness ground by hoping to be as peppy as Dole when he's in his mid-70's? Can Dole close the round with a Reaganesque quip, differentiating between physical activity and policy action?

Expected by Clinton: *Will you grant the House's request that you pledge not to use your power to pardon people accused or convicted of*

crimes who might otherwise incriminate you?

Tens of millions of undecideds may base their decision on a Clinton refusal to "take the pardon pledge," enabling Dole to exploit the distrust issue. But for Clinton to disappoint jailbirds and aides expecting pardons might break the dam against Whitewater prosecution; does Clinton find a way to wriggle out? Does Dole make full use of his most crucial rebuttal, expressing anger at a

A handy guide to Sunday's debate.

plain cover-up, or will he not want to come across as an old meanie? Will Clinton blow his stack in surrebuttal, or not have to?

That's likely to be the newsmaker of the night, on which viewers can judge whether Clinton acts crooked or honest, whether Dole seems harsh or is too careful not to be.

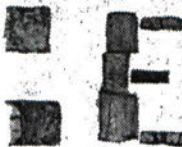
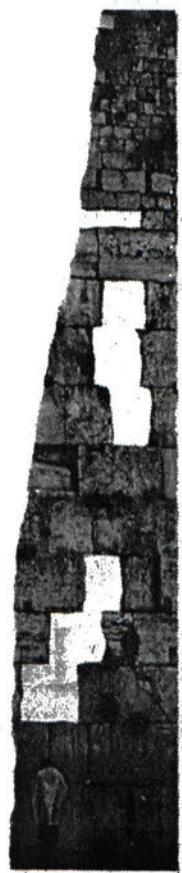
Expected by both sides to be directed at either: a question on crime and drugs.

Will Clinton be able to bury Dole in statistics on declines in crime while excoriating him for opposing the "100,000 cops on the beat"? Or will Dole be able to focus on the doubling of teen-age drug use during Clinton's term, demanding that Clinton stop using "executive privilege" to hide an F.B.I. memo embarrassing the White House on drugs?

Both sides also expect a question about the Middle East. Will Dole criticize Clinton for blatantly intervening in the Israeli election, thereby losing U.S. leverage as mediator, and for recently refusing to veto a pro-Palestinian U.N. resolution? Or will Clinton score as the patient facilitator, charging Dole with interference with the peace process?

Will Clinton say "extreme" more than Dole says "liberal"? Does Dole fade in the stretch, as the media expect, as Clinton begins to enjoy himself? When Clinton bemoans the absence of Perot, will Dole have a riposte appealing to the Perot sliver? Does either commit a gaffe, like Dole's "Brooklyn Dodgers" or Clinton's "drive-by pregnancies"? Who makes you feel safer?

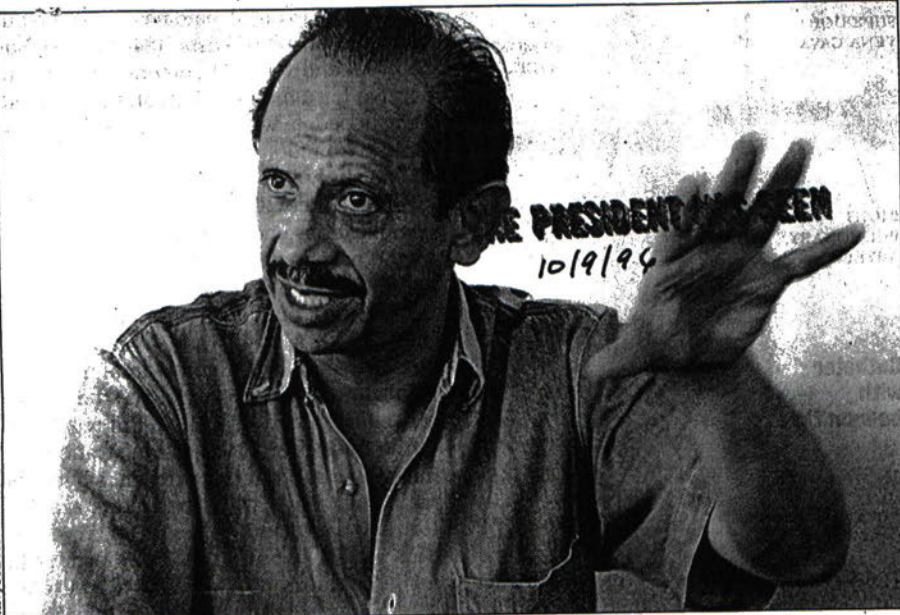
Save this scorecard. Be your own pundit.



Chip Kidd

here will be nothing left should have dawned on als by now that there eft to avert such an h will be irrevocable / unacceptable to Pal- s and Muslims. They now that if there is to ust to be based on a usalem whereby both ehov share what be- dr. Netanyahu's alter- rist vision, which is in- put into action every unending conflict. ibility for such a fu- ot only with those in e carrying out this vi- ove and below the so with those in Wash- ould and should have but failed to do so when ssible.

SAN JOSE MERCURY NEWS



Norwin Meneses: The Mercury News linked him to Ricky Ross's crack-distribution ring

MEDIA

Was the in the C

A newspaper l

BY GREGORY L. VISTI
VERN E. SMITH

DID THE CIA P launching the demic? A power tigtative reporter San Jose Mercury Nev may be yes—and the rumors about the agency's compa cocaine smuggling during the Reagan administration's covert war in Nicaragua, has some African-American leaders ready to carpet-bomb Langley. "I think it is unconscionable that the intelligence community or the CIA could think so little of people of color that they would be willing to destroy generations in an effort to try to win the war in Nicaragua," Democratic Rep. Maxine Waters told The Christian Science Monitor last week. Minister Louis Farrakhan's weekly paper, The Final Call, went further. HOW THE U.S. GOVERNMENT SPREAD CRACK COCAINE IN THE BLACK GHETTO, a recent headline said.

Behind the uproar is a three-part series, "Dark Alliance," that appeared in the Mercury News in mid-August. In it, reporter Webb, a 40-year-old investigative special-

wo: The first Mercury News report

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anyone about
This before I go to Calif?
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they trafficked in cocaine to raise money for the contra cause. According to the series, Blandon was "the Johnny Appleseed of crack in California"—distributing thousands of kilos of Colombian cocaine to black dealers like Ricky Ross.

Enter the CIA, which at the strenuous urging of its director, the late William J. Casey, was covertly supporting the war in Nicaragua during the early '80s. That Casey was willing to flout the law is beyond dispute; his obsession with the Sandinistas later led to the Iran-contra scandal. Webb, citing an array of previously secret reports and sources, suggests that the CIA must have been aware of the Nicaraguan connection, which reportedly included shipments aboard Salvadoran Air Force planes to an unnamed U.S. Air Force base in Texas. But that is just his own supposition: Webb does not say anyone in the CIA actually knew about the Nicaraguans' cocaine trafficking or that any CIA operative actually took part.

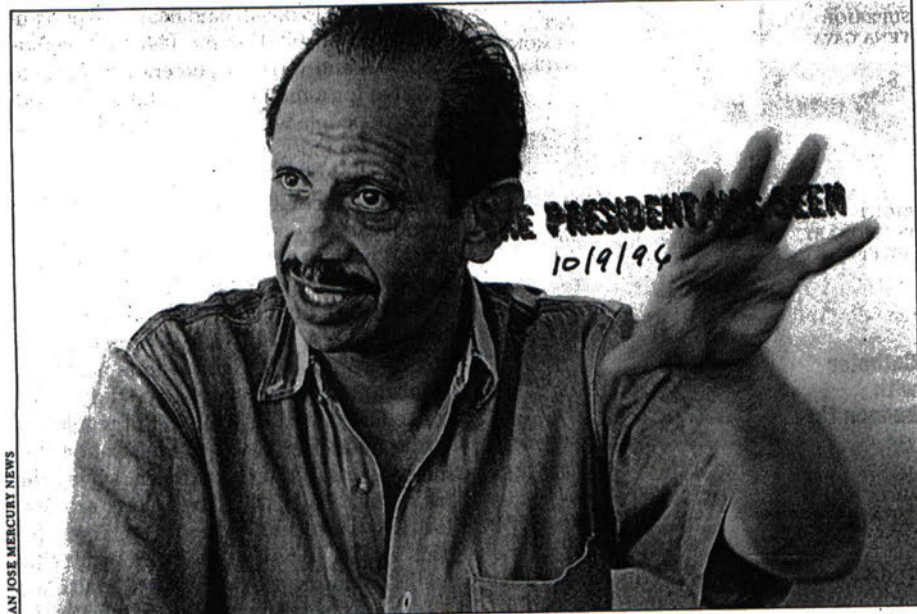
So it comes down to those familiar questions: how much did the CIA know, and how much did it know? Black opinion leaders

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e Speaker Newt
at the House Per-
e on Intelligence

will delve into the issue.

There is a further twist. A decade after he allegedly retired from the crack business, Ricky Ross was set up by a DEA informant—Danilo Blandon. Ross now faces life in prison while Blandon, who served 26 months in jail for his own career in drug trafficking, is now at liberty in Managua. Ross's sentencing has been delayed pending his attorney's demand for more information about Blandon's association with the CIA. CIA Director John Deutch, meanwhile, has ordered his inspector general to file a report on the subject within 60 days. The findings will be required reading for anyone concerned by the rise of crack, but given the CIA's habit of burying its own past, undoubtedly not the final word.

With PETER KATEL in Miami



Norwin Meneses: *The Mercury News linked him to Ricky Ross's crack-distribution ring*

MEDIA

Was the CIA Involved in the Crack Epidemic?

A newspaper links the contras to cocaine

BY GREGORY L. VISTICA AND
VERN E. SMITH

DID THE CIA PLAY A ROLE IN launching the crack-cocaine epidemic? A powerful series by investigative reporter Gary Webb of the San Jose Mercury News says the answer may be yes—and the charge, reviving old rumors about the agency's complicity in cocaine smuggling during the Reagan administration's covert war in Nicaragua, has some African-American leaders ready to carpet-bomb Langley. "I think it is unconscionable that the intelligence community or the CIA could think so little of people of color that they would be willing to destroy generations in an effort to try to win the war in Nicaragua," Democratic Rep. Maxine Waters told *The Christian Science Monitor* last week. Minister Louis Farrakhan's weekly paper, *The Final Call*, went further. **HOW THE U.S. GOVERNMENT SPREAD CRACK COCAINE IN THE BLACK GHETTO**, a recent headline said.

Behind the uproar is a three-part series, "Dark Alliance," that appeared in the Mercury News in mid-August. In it, reporter Webb, a 40-year-old investigative special-

ist, traces the story of a notorious Los Angeles drug dealer, "Freeway Ricky" Ross, who created one of South-Central's biggest crack-distribution rings in the early 1980s. As Webb tells it, Ross built his empire on an abundant supply of cheap cocaine provided by two Nicaraguan refugees, Oscar Danilo Blandon and Juan Norwin Meneses. Though Meneses denies it, Blandon said



they trafficked in cocaine to raise money for the contra cause. According to the series, Blandon was "the Johnny Appleseed of crack in California"—distributing thousands of kilos of Colombian cocaine to black dealers like Ricky Ross.

Enter the CIA, which at the strenuous urging of its director, the late William J. Casey, was covertly supporting the war in Nicaragua during the early '80s. That Casey was willing to flout the law is beyond dispute; his obsession with the Sandinistas later led to the Iran-contra scandal. Webb, citing an array of previously secret reports and sources, suggests that the CIA must have been aware of the Nicaraguan connection, which reportedly included shipments aboard Salvadoran Air Force planes to an unnamed U.S. Air Force base in Texas. But that is just his own supposition: Webb does not say anyone in the CIA actually knew about the Nicaraguans' cocaine trafficking or that any CIA operative actually took part.

So it comes down to those familiar questions: how much did the CIA know, and when did it know it? Black opinion leaders like Waters have mounted a furious campaign to force the agency to tell everything it knows. A panel discussion on the Mercury News series drew an overflow crowd at the Washington Convention Center on Sept. 12, and comedian Dick Gregory and NAACP board member Joseph Madison were arrested during a demonstration at CIA headquarters on Sept. 11. Madison, who hosts a radio talk show in Washington, says, "I'm not dropping it. We're standing up for all the crack babies, all the innocent bystanders hit by stray bullets during gang-related warfare over this poisonous white powder." With support from others in the House and Senate, Waters has demanded a congressional investigation of the Mercury News's report—and last week she said House Speaker Newt Gingrich has promised that the House Permanent Select Committee on Intelligence will delve into the issue.

There is a further twist. A decade after he allegedly retired from the crack business, Ricky Ross was set up by a DEA informant—Danilo Blandon. Ross now faces life in prison while Blandon, who served 26 months in jail for his own career in drug trafficking, is now at liberty in Managua. Ross's sentencing has been delayed pending his attorney's demand for more information about Blandon's association with the CIA. CIA Director John Deutch, meanwhile, has ordered his inspector general to file a report on the subject within 60 days. The findings will be required reading for anyone concerned by the rise of crack, but given the CIA's habit of burying its own past, undoubtedly not the final word.

With PETER KATEL in Miami

vo: The first Mercury News report

cc. Georges.
Tony Lake
Andy Sens

From David L
on Turkey
policy.

~~These~~ Sammy
an supporter
(need to do more)
for

NANCY,

These are
letters I would
like the President
to see. Thanks
— DAVID L

THE NATIONAL COORDINATED EFFORT

601 13th Street, N.W., Suite #1150 South
Washington, D.C. 20005
(202) 393-7790
[fax] (202) 628-0225

THE PRESIDENT HAS SEEN

10/9/96

cc: [unclear] 2009/10/9
Staff Sec? President
2.

September 19, 1996

Mr. David Leopoulos
Law Office Information Systems
7509 Cantrell
Suite #219
Little Rock AR 72207

Dear David:

In light of the fact that recent unfortunate developments in Turkey have caused a reconsideration of American policy toward Turkey, we are submitting the attached policy paper for your consideration. This paper builds on positive actions which the administration took in August which can begin moving Turkey in a direction desired by the United States and its allies.

This policy paper documents the correlation between our policy toward Turkey and the unfortunate increase in Turkey's movement away from our country's policy goals. Please read this paper carefully and do all that you can to help our government understand the dangerous trends shown therein.

Yours truly,

Andy
Andrew A. Athens

Chicago

Phil
Philip Christopher

Six Hills - Long Island NY

AE
Andrew E. Manatos

Wash DC

Attachments

Andrew A. Athens
National Chairman
United Hellenic American Congress (UHAC)
President
World Council of Hellenes Abroad (SAE)

Philip Christopher
President
International Coordinating Committee --
Justice for Cyprus (PSEKA)
President
Pancyprian Association of America

Andrew E. Manatos
President
National Coordinated Effort
President
Manatos & Manatos

Moving Away From a Failed Policy Regarding Turkey

No country, with the exception of Israel and Egypt, received more American aid in the last ten years than Turkey -- \$5.1 billion. For no country has America sacrificed more of its international moral standing than Turkey as we routinely helped cover its actions which make it among the world's worst violators of human rights and international law.

Yet, punctuated by its recent American-opposed \$23 billion gas deal with Iran, Turkey has steadily, as did Iran and Iraq, moved away from American objectives. Turkey has moved toward: (1) Islamic fundamentalists and Islamic terrorist countries, (2) the abuse of human rights, and (3) the threatening, taking or keeping of Greek and Cypriot sovereign territory.

There is a direct correlation between the application of our traditional Pentagon and State Department policy toward Turkey and Turkey's movement away from U.S. objectives. Our traditional policy toward Turkey has been one of silently tolerating aggressive Turkish actions, while imprudently arming Turkey maximally. President Bill Clinton recently said, "Reckless acts [must] have consequences or those acts will increase," and Republican presidential candidate Bob Dole recently said, "when aggression is tolerated, it multiplies." Both spoke about another matter, but the principle they stated explains our failed policy toward Turkey.

During the same week that Turkey signed the gas deal with Iran, Turkish government-supported people from Turkey killed two unarmed Greek-Cypriots in Cyprus. Immediately thereafter, the Clinton administration, to its credit, attempted to change the course of a decades-old, failed Pentagon and State Department policy toward Turkey. The administration stepped away from the failed policy by: (1) publicly criticizing Turkish killings in Cyprus, (2) calling for those responsible to be brought to justice, (3) publicly criticizing the Turkish foreign minister's support of the killings, and (4) not overruling congressional objections to sending three frigates to Turkey and instead returning them to storage.

Silent Tolerance and Armament Largess

Our silence caused us to give Turkey large amounts of aid even though they are among the world's worst violators of human rights and international law. Recently it caused us to overlook prohibited, aggressive use of American arms and seemed to reward it by immediately thereafter giving Turkey our most dangerous missiles -- the ATACMS. Also, it has twice moved us to the morally and legally questionable position of support for Turkey's invasion of Iraq and their crushing of the Kurds.

Our armament largess has been so great that American taxpayers have foregone \$324,500,000 in cash and a total of \$1,827,500,000, including loans, in foreign aid [mostly armament] since 1993. The already large arms shipments to Turkey were increased by two-and-a-half times in recent years. Also, America secured Turkey's customs union with the European Union.

Worsening Islamic Fundamentalism

Islamic fundamentalism in Turkey has grown significantly in numbers and extraordinarily in power in recent years. Turkey's refusal to allow us to use our base in Turkey for recent strikes against Iraqis attacking Kurds in the safe zone is one example. In 1993, the Islamic party had control of only a few locales and was a minor party at the national level. Today, it controls the country and is moving rapidly and in major ways toward Iran and Iraq. Turkish Prime Minister Necmettin Erbakan said in June of 1996 "we will create an Islamic U.N., an Islamic NATO, an Islamic version of the E.U. and

an Islamic currency." He said he plans to do away with "world imperialism and Zionism as well as Israel..." His first official visit on foreign soil was to sign the \$23 billion gas deal with Iran, in contradiction to America's effort to isolate Iran because of their support for terrorism. Erbakan visited only Muslim nations on his first international trip. Turkey's government, while sometimes using pro-Western rhetoric, is placing fundamentalists in high ranking Turkish government positions.

Worsening Human Rights

On the human rights front, the abuses of recent years are greater. The Committee to Protect Journalists identified Turkey [in 3/96] as "imprisoning more journalists than any other country for the second consecutive year." The Turkish Human Rights Foundation published a report saying that during just the first half of 1996, 3,000 cases of torture were reported. Even a recent issue [8/7/96] of the Journal of the American Medical Association strongly criticized Turkey. It reported that a study of Turkish doctors found "that nearly everyone who is detained is tortured." It further found that "Turkish physicians and other health care professionals have been tortured, killed and imprisoned."

Threatening, Taking and Keeping Greek and Cypriot Sovereign Territory

While our recent arms policy has seriously injured Greece's and Cyprus's ability to defend itself against Turkey, Turkey has: temporarily occupied sovereign Greek territory; threatened war against Greece through official acts of its parliament and prime minister; claimed sovereignty over 1,000 Greek isles and islets; shot and killed, over a period of two months, three unarmed Greek-Cypriots; through its foreign minister, for the first time began referring to the occupied area of Cyprus as Turkish territory; and audaciously embarrassed America by choosing the day Greek President Constantinos Simitis met with President Clinton to set the record of their, already very frequent, illegal misuse of American war planes to harass and overfly Greek sovereign territory.

Conclusion

Traditional Pentagon and State Department policy, which supports silent tolerance and armament largess in the face of clear Turkish wrongdoing, has dangerously multiplied such wrongdoing. When, for example, Turkey refused to let us use our bases to treat American soldiers dying from the Beirut bombing, our arms largess kept flowing. Such a policy, which was created decades ago in different circumstances, must be reconsidered and changed.

The Clinton administration's step away from such a policy can begin to improve Turkish conduct. Turkey announced troop withdrawals from their illegal occupation of Cyprus only when their arms shipments were embargoed or years later when they came close to another embargo.

America can no longer silently indulge, equip and inadvertently increase Turkey's reckless actions. The trendline of their increasing aggression makes war against Greece or Cyprus nearly inevitable. An end to our failed traditional Pentagon and State Department policy will benefit Turkish people, American allies who are Turkey's neighbors, and American interests.

The National Coordinated Effort

601 13th Street, N.W. Suite 1150 South Washington, D.C. 20005

(202) 393-7790

Andrew A. Athens -- Philip Christopher -- Andrew E. Manatos

THE PRESIDENT HAS SEEN
THE WHITE HOUSE

WASHINGTON

October 8, 1996

10/9/96
96 OCT 8 PG: 15

RECOMMENDED TELEPHONE CALL

TO: Secretary Peña, at the Sacramento Hilton, 916-922-4700, Room 1220

DATE: October 9, 1996, morning.

RECOMMENDED BY: Kitty Higgins *Kitty*

PURPOSE: To indicate that you are signing the FAA reauthorization bill today.

BACKGROUND: Secretary Peña cannot attend today's bill signing because he is in California campaigning on your behalf and helping Congressman Vic Fazio.

DISCUSSION:

- Indicate that you are signing the FAA reauthorization bill today.
- Congratulate Secretary Peña and his team at DOT and FAA for all they did to get this important legislation passed.
- Thank him for being out in California on your behalf and for helping Congressman Vic Fazio.
- Indicate that you wish he were here celebrating this victory, but you understand and appreciate the important work that the Secretary is doing.

CONTACT PERSON AND
TELEPHONE NUMBERS: Kitty Higgins X6-2572

DATE OF SUBMISSION: October 8, 1996

ACTION:

*but didn't call
Kitty - 10/9/96*

web

THE WHITE HOUSE
WASHINGTON, D.C. 20500

DATE: 10-9

TO: Sandy - (Berger)

FROM: Staff Secretary

We really want to
agree to a Congressman's
request that we
set up an interest group
task force on jewelry??

Todd

MEMORANDUM

October 8, 1996

96 OCT 8 P7:50

TO: Tony Lake
Laura Tyson

FROM: Malcolm R. Lee

* RE: Response to Rep. Reed #6266

John Hilley has asked that we expedite this. Congressman Reed has asked Secretary Kantor to travel to Rhode Island late this week to meet with the jewelry industry. He would like to have the President's response at that time. Commerce and USTR have just signed off on the attached draft response for the President. While we need to be judicious in agreeing to establish sector -- specific interagency groups, we have attempted to be responsive here.

October 3, 1996

ACTION

MEMORANDUM FOR ANTHONY LAKE/LAURA TYSON

THROUGH: ROBERT KYLE *RK*
FROM: MALCOLM LEE *ML*
SUBJECT: Response to Representative Reed's Request for
Jewelry Industry Task Force

Representative Jack Reed (D-RI), who is running for Senator Pell's seat in Rhode Island, has asked the President to establish an interagency task force to assist the American jewelry industry. The draft response, approved by Secretary Kantor's office, states that the President will ask the Commerce Department to establish an interagency group to explore ways to assist the American jewelry industry to remain competitive.

Concurrence by: *key* Bill Danvers

RECOMMENDATION

That you sign the memorandum to the President at Tab I.

Attachments

Tab I Memorandum to the President
Tab A Letter to Representative Reed
Tab II Incoming Correspondence

THE WHITE HOUSE
WASHINGTON

ACTION

MEMORANDUM FOR THE PRESIDENT

FROM: ANTHONY LAKE
LAURA TYSON
JOHN HILLEY

SUBJECT: Response to Representative Jack Reed's Request for
Interagency Jewelry Task Force

Purpose

To respond to Representative Jack Reed's request for an interagency task force to assist American jewelry manufacturers.

Background

Representative Jack Reed (D-RI), who is running to succeed Senator Pell in Rhode Island, has asked you to establish an interagency task force to assist the American jewelry industry. American jewelry manufacturers, many of whom are located in Rhode Island, are under increasing pressure from low-cost imports.

Your draft response, approved by Secretary Kantor's office and USTR, states that you will ask the Commerce Department to establish an interagency group to explore ways to assist the American jewelry industry to remain competitive. Your response notes your Administration's appointment of a jewelry industry representative to the Commerce-USTR Industry Sector Advisory Committee on Consumer Goods and recalls successful Administration efforts to target Uruguay Round tariff reductions in subsectors of jewelry market that do not directly compete with U.S. the jewelry manufacturers.

RECOMMENDATION

That you sign the attached letter to Representative Reed.

Attachment

Tab A Letter to Representative Reed

cc: Vice President
Chief of Staff

THE WHITE HOUSE

WASHINGTON

Dear Jack:

Thank you for your letter regarding the American jewelry industry and your suggestion that we establish a task force to assist the industry with its international competitiveness.

I believe your suggestion is a good one, and I plan to ask the Commerce Department to establish an interagency group that will focus on possible ways for the industry to remain competitive in the rapidly changing, international jewelry market.

As you probably know, this Administration is committed to enhancing the global competitiveness of America's jewelry industry. With this goal in mind, My Administration appointed a jewelry industry representative to the Commerce Department-led Industry Sector Advisory Committee on Consumer Goods under the Industry Consultations Program for Trade Policy Matters. This program provides a means for carefully considering industry views during the creation of U.S. trade policy. You may recall that Administration officials were sensitive to the tariff concerns of the jewelry industry during the Uruguay Round trade negotiations.

My Administration has also held regular meetings with industry leaders. These meetings have proven to be fruitful and productive. I am confident that future interagency efforts will build upon the close cooperation and dialogue established between the government and the jewelry industry. Commerce Department staff should be contacting your office shortly to discuss their plans for a new, interagency effort.

Sincerely,

The Honorable Jack Reed
House of Representatives
Washington, D.C. 20515-3902

Congress of the United States
House of Representatives
Washington, DC 20515-3902

September 6, 1996

SEP 12 1996

The Honorable William J. Clinton
The White House
1600 Pennsylvania Avenue
Washington, D.C. 20500

Dear Mr. President:

I write with a proposal that I believe will assist our nation's jewelry manufacturers.

The precious and fashion jewelry industries employ thousands of Americans and have a record of success in designing new products with worldwide popularity. Indeed, in 1994, the jewelry industry produced \$5.5 billion in goods, according to the International Trade Administration.

As you know from our previous correspondence, Rhode Island is home to many jewelry companies, ranging from large-scale operations to smaller, family-owned companies. All are run by hard working men and women who want to keep their businesses going and growing in Rhode Island.

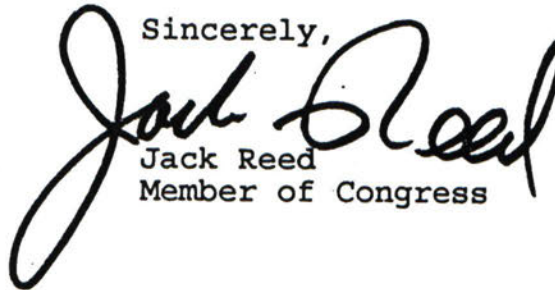
However, over the last two decades employment in the jewelry industry has decreased, and the effort required for companies to stay ahead has dramatically increased. In discussions with Rhode Island jewelry manufacturers, I have learned that the single greatest source of this pressure is the volume of low cost imported product.

In December 1995, I hosted a forum for jewelry manufacturers and representatives from your Administration. This was the first meeting of its kind in Rhode Island, and the attendees were grateful for the opportunity to learn about the Administration's economic and trade initiatives. Perhaps more importantly, the forum brought together day-to-day economic competitors and showed them that they need to speak to federal policy makers with one voice. Indeed, the opportunity to interact with representatives of the United States Trade Representative, the Customs Services, the Patent and Trademark Office, and the International Trade Administration augmented the desire of this industry to communicate with federal policy makers in a structured and frequent manner.

With the above in mind, I would respectfully request that you establish an interagency task force to assist the jewelry industry in maintaining its international competitiveness. The jewelry industry is well aware of the assistance that the federal government, and the Commerce Department in particular, can provide to industries seeking to preserve and expand their markets, and the forum's attendees have voiced their support for an interagency task force to me.

In closing, I know you recognize the need to help American companies compete in the global economy, and I look forward to working with you in formulating a proactive response to the concerns of Rhode Island's jewelry manufacturers.

Sincerely,

A large, stylized handwritten signature in black ink, appearing to read "Jack Reed". The signature is written over the printed name and title.

Jack Reed
Member of Congress