

BRIEFING BOOK
FOR
THE TRIP OF THE PRESIDENT
TO
MILWAUKEE, WISCONSIN
January 6, 1994

Staff Copy

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Thursday, January 6, 1994

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SCHEDULE OF THE PRESIDENT

FOR

THURSDAY, JANUARY 6, 1994

FINAL

TRIP SCHEDULER:

LEE SATTERFIELD

HOME: 202-588-0606

OFFICE: 202-456-7560

WHCA PAGER: 4382

PRESS DESK:

ANNE EDWARDS

HOME: 301-565-3101

OFFICE: 202-456-7560

WHCA PAGER: 4208

PRINCIPAL EVENTS:

- * **Speech - Milwaukee, WI**

WEATHER:

Washington, DC

Mostly cloudy with afternoon rain; minimum temperature 25 to 30; maximum temperature 38 to 43; wind south to southwest at 10 to 18 knots

Milwaukee, WI

Continued cloudy with snow; minimum temperature 18 to 23; maximum temperature 24 to 29; wind northeast to southeast at 10 to 18 knots gusting to 30

Milwaukee Advance Team:

Team Member	Team Assignment	WHCA Pager	Cell #	SKYPAGE pin
Walter Holton	lead		202-365-7739	895-3398
Marty Latz	site	5112	202-494-7817	
Tom Trapasso	site			
Paul Garrahan	site			
Julie Ann Bubolz	press			
Andy Beattie	press			
Alan Clark	press			
Lisa Mortman	media affairs			
David Montoya	motorcade			

Milwaukee Contact Numbers:

Contact Number	Direct Dial	From White House
Staff Advance Phone	414-224-3219	43220
Staff Advance Fax	414-224-1573	
Staff Hotel Phone	414-273-8222	
Staff Hotel Fax		
Press Advance Phone		43224
Press Advance Fax		
Signal Operator		43000
Meet Me Conference	202-757-2104	

**SCHEDULE OF THE PRESIDENT
FOR
THURSDAY, JANUARY 6, 1994
FINAL**

tba

JOG

NOTE TO STAFF: Staff vans depart from West Basement at 8:30 am. Please be assembled at 8:15 am. Staff driving themselves to Andrews should arrive there no later than 9:00 am.

9:00 am		THE PRESIDENT proceeds to South Lawn and works ropeline
9:15 am		THE PRESIDENT departs White House via Marine 1 en route Andrews Air Force Base [flight time: 10 minutes]
9:25 am		THE PRESIDENT arrives Andrews Air Force Base
9:35 am	EST	THE PRESIDENT departs Andrews Air Force Base via Marine 1 en route General Mitchell International Airport, Milwaukee, WI [flight time: 1 hour, 50 minutes]
10:25 am	CST	THE PRESIDENT arrives General Mitchell International Airport, Milwaukee, WI
10:45 am		THE PRESIDENT departs General Mitchell International Airport via motorcade en route Pabst Theater [drive time: 15 minutes]
11:00 am		THE PRESIDENT arrives Pabst Theater
11:10 am		HOLD
11:30 am		DRESSING ROOM, STAGE LEFT Pabst Theater
11:30 am		FOREIGN POLICY SPEECH
12:30 pm		PABST THEATER 144 East Wells Street Milwaukee, Wisconsin Remarks: Jeremy Rosner Staff Contact: Tony Lake OPEN PRESS

-- Carol Baumann, Director, Institute of World Affairs, makes welcoming remarks and introduces Sec. Aspin

-- Sec. Aspin makes brief remarks and introduces **the President**

-- **The President** makes remarks, works ropeline, and exits

12:30 pm **THE PRESIDENT** walks to Milwaukee Center
[walk time: 5 minutes]

12:33 pm **PHOTO OP** with six local police
HALLWAY
Milwaukee Center

12:40 pm **BRIEFING** for meeting
12:55 pm **GREEN ROOM**
Milwaukee Center
Staff Contacts: Tony Lake, Alexis Herman
CLOSED PRESS

12:55 pm- **MEETING** with leadership of the Ukrainian American community
1:10 pm **GREEN ROOM**
Milwaukee Center
Staff Contacts: Tony Lake, Alexis Herman
CLOSED PRESS

1:10 pm **THE PRESIDENT** proceeds to Rotunda

1:15 pm- **MEETING** with leadership of the Polish, Hungarian, Czech, and
2:00 pm Slovak American communities
ROTUNDA
Milwaukee Center
Staff Contacts: Tony Lake, Alexis Herman
WHITE HOUSE PHOTO ONLY

2:15 pm **THE PRESIDENT** departs Milwaukee Center via motorcade en route
Washington High School
[drive time: 10 minutes]

2:25 pm **THE PRESIDENT** arrives Washington High School
2525 N. Sherman Boulevard
Milwaukee, WI

2:30 pm **MEETING** with University of Wisconsin Football Team
3:30 pm **GYMNASIUM**
Washington High School
Talking Points: Carter Wilkie
Staff Contact: Lee Satterfield
OPEN PRESS

-- Randy Perine, student, introduces Sec. Shalala

- Sec. Shalala makes brief remarks and introduces Coach Barry Alvarez
- Coach Alvarez makes remarks
- Badger team presents jersey and football to **the President**
- **The President** makes brief remarks, meets and greets with team, works ropeline of high school students, and exits

3:30 pm-
3:45 pm

**MEET AND GREET
CLASSROOM
Washington High School
Staff Contact: Pat Griffin
CLOSED PRESS**

3:45 pm

THE PRESIDENT departs Washington High School via motorcade en route General Mitchell International Airport
[drive time: 15 minutes]

4:00 pm

THE PRESIDENT arrives General Mitchell International Airport

4:00 pm-
4:05 pm

PHOTO OP with local police
TARMAC
General Mitchell International Airport

4:15 pm CST

THE PRESIDENT departs General Mitchell International Airport, Milwaukee, WI, via Air Force 1 en route Andrews Air Force Base
[flight time: 1 hour, 35 minutes]

6:50 pm EST

THE PRESIDENT arrives Andrews Air Force Base

7:00 pm

THE PRESIDENT departs Andrews Air Force Base via Marine 1 en route White House
[flight time: 10 minutes]

7:10 pm

THE PRESIDENT arrives White House

BC AND HRC RON

WHITE HOUSE

THE WHITE HOUSE
WASHINGTON

January 5, 1994

FOREIGN POLICY SPEECH

DATE:	January 6, 1994
LOCATION:	Pabst Theater Milwaukee, Wisconsin
TIME:	11:30 am - 12:30 pm
FROM:	Alexis Herman

I. PURPOSE

To give a preview of your upcoming trip to Brussels, Central Europe and Russia.

II. BACKGROUND

The Institute of World Affairs is hosting the speech. This is the same organization that sponsored your Democracy in America speech in October 1992 at the same location. You will be speaking to an audience of local civic and community leaders as well as several representatives from Polish, Hungarian, Slovak, Czech, and Ukrainian American communities.

III. PARTICIPANTS

Program Participants:

Carol Baumann, Director, Institute of World Affairs
Secretary Les Aspin

900 Guests

16 VIPs: Senator Kohl
 Senator Feingold
 Rep. David Obey
 Rep. Thomas Petri
 Rep. Tom Barret
 Rep. Peter Barca
 Rep. Gerald Kleczka
 Gov. Tommy Thompson
 Mayor John Norquist
 Attorney General James Doyle
 Speaker Walter Kunicki
 State Treasurer Cathy Zeuske

County Executive Thomas Ament
Sheriff Richard Artison
Secretary Shalala

IV. PRESS PLAN

Open to the press.

V. SEQUENCE OF EVENTS

- o You arrive at the Pabst Theater and are met curbside by Philip Procter, executive director of the theater.
- o You proceed to the holding room backstage for speech prep.
- o You proceed to the stage with Carol Baumann and Secretary Aspin.
- o Carol Baumann makes welcoming remarks and introduces Secretary Aspin.
- o Secretary Aspin makes brief remarks and introduces you.
- o You makes remarks.
- o Following your remarks, you exit stage right and meet and greet individuals (VIPs) on the front row.
- o You return to the stage and exit same entrance as entered.
- o You depart from backstage of the theater and walk to Milwaukee Center.

VI. REMARKS

Provided by NSC.

THE WHITE HOUSE

WASHINGTON

January 5, 1994

MEETING WITH UKRAINIAN-AMERICAN LEADERS

DATE:	January 6, 1994
LOCATION:	Green Room Milwaukee Center Milwaukee, Wisconsin
TIME:	12:55 PM - 1:10 PM
FROM:	Alexis Herman Marilyn DiGiacobbe Jay Footlik

I. PURPOSE

To hear the concerns of the Ukrainian-American community through their national leadership.

II. BACKGROUND

This meeting is extremely important in light of the possibility of your meeting with the leader of Ukraine. It is essential to provide an opportunity for the Ukrainian-Americans to express their concerns since a similar opportunity will be provided to the Polish, Hungarian, Czech and Slovak-American communities following this meeting.

This is your first meeting with members of the Ukrainian-American community since the election. Despite our outreach efforts, Ukrainian Americans have felt ignored and neglected since the election. This group will be particularly sensitive as they were not originally invited to participate in the roundtable discussion with the Polish, Hungarian, Czech and Slovak leaders and because this meeting was not set up until news appeared about the possibility of your meeting with Ukraine's leader. The reason they were not invited is that we made an earlier decision in consultation with the NSC to meet only with leaders representing the American communities of the Visegrad countries. In view of the fact that the potential is still open for a meeting with the President of the Ukraine, we thought it was politically important to include the Ukrainians.

They will likely present you with a letter from their fraternal organizations regarding the security of Ukraine. While they want to be clear in their opposition to Ukraine's continued possession of nuclear weaponry, they believe it is unfair to ask Ukraine to comply with agreements to dismantle their weapons without adequate security assurances/guarantees from the United States.

III. PARTICIPANTS

3 Participants:

Julian Kulas - Chicago, IL: Mr. Kulas, an attorney, was National Chairman of Ukrainian Americans for Clinton/Gore. He is a member of the National Executive Committee of the Ukrainian Congress Committee of America.

Orest Baranyk - Chicago, IL: Mr. Baranyk is Chairman of the Ukrainian Congress Committee of America, Illinois Division.

Myron Kuropas - Chicago, IL: Mr. Kuropas is a board member of the Ukrainian National Association, the largest Ukrainian fraternal organization. He is also a professor at Northern Illinois University.

Anthony Lake
Sandy Berger
Alexis Herman

IV. PRESS PLAN

Closed to Press. White House photographer at beginning only.

V. SEQUENCE OF EVENTS

- o You enter room and meet participants.
- o Open discussion with Julian Kulas taking the lead on behalf of the group. Mr. Kulas will present you with the letter.
- o You depart to following presentation of letter.

VI. REMARKS

None necessary.

President will face anger from ex-USSR ethnic groups

By TIM CUPRISIN
of The Journal staff

The complexities of East European politics may haunt President Clinton on his Milwaukee visit Thursday.

Ukrainian-Americans and other ethnic groups are worried about deals that the US may strike with Russian President Boris Yeltsin on his upcoming trip to Moscow. And they're worried that they won't get a chance to tell the president.

Representatives of various ethnic groups have been scrambling for an invite to the closed-door session at an as-yet undisclosed location after Clinton's foreign policy address at the Pabst Theater.

Many said they had contacted their congressmen, only to be told there was no word on who would be on the guest list, which was being compiled by the White House.

White House spokeswoman Lisa Mortman said no information was available early Wednesday on the guest list for the closed-door meeting.

Some ethnic leaders were steaming the day before Clinton's visit.

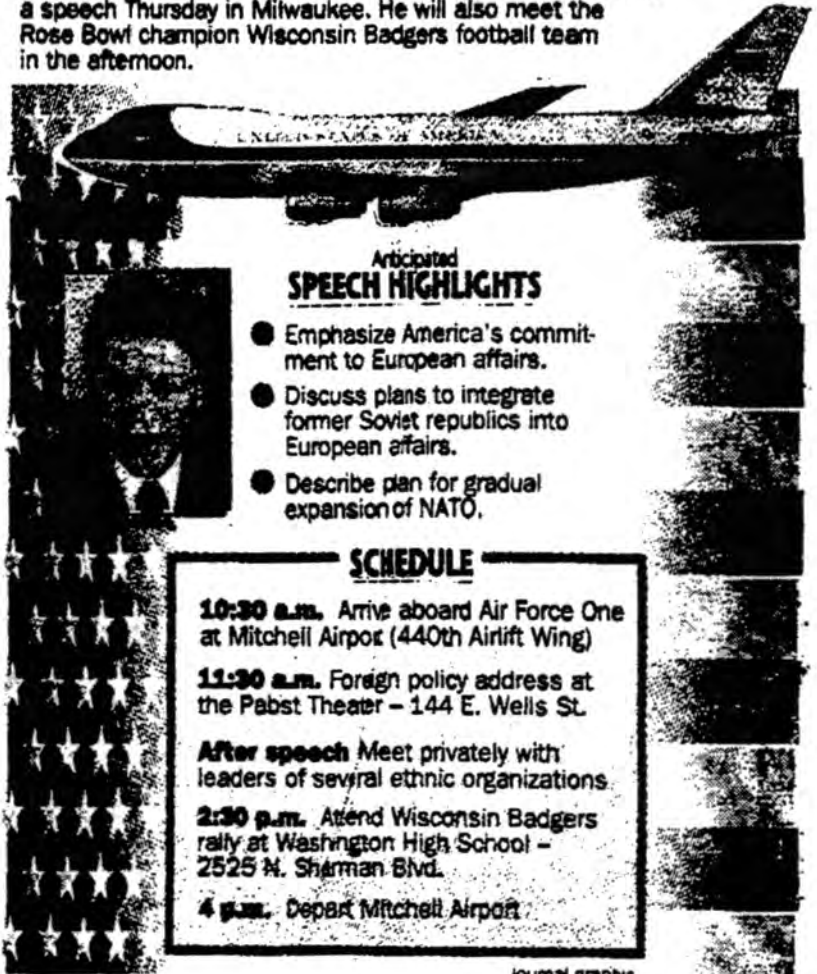
"We've been told that leaders of national organizations, not local people, were going to be in-

Please see Visit page 6

PRESIDENT'S VISIT

Speech to focus on foreign policy

President Clinton will preview his upcoming European tour in a speech Thursday in Milwaukee. He will also meet the Rose Bowl champion Wisconsin Badgers football team in the afternoon.



**Anticipated
SPEECH HIGHLIGHTS**

- Emphasize America's commitment to European affairs.
- Discuss plans to integrate former Soviet republics into European affairs.
- Describe plan for gradual expansion of NATO.

SCHEDULE

10:30 a.m. Arrive aboard Air Force One at Mitchell Airport (440th Airlift Wing)

11:30 a.m. Foreign policy address at the Pabst Theater - 144 E. Wells St.

After speech Meet privately with leaders of several ethnic organizations.

2:30 p.m. Attend Wisconsin Badgers rally at Washington High School - 2525 N. Sherman Blvd.

4 p.m. Depart Mitchell Airport

Journal graphic

①

vited," said an angry Vytautas Janusonis, co-chairman of the United Baltic-American Council of Wisconsin, a coalition of Lithuanians, Latvians and Estonians. Janusonis estimates that there are about 10,000 people of Baltic descent in southeastern Wisconsin.

Janusonis, a Lithuanian-American, said he checked with national ethnic organizations, and no Lithuanians had been invited to the meeting.

"We definitely have tried to get in," Janusonis said. "We've managed to get tickets to hear

Clinton speak."

Ukrainians are also angry.

"We have attempted to arrange for a possible meeting with the president expressing our concerns with him prior to his summit with Mr. Yeltsin," said Julian Kulas, a Ukrainian-American activist from Chicago.

"Unfortunately, the Ukrainians have not been invited," said Kulas, a Chicago lawyer who was active in the Clinton presidential campaign. "I don't believe that any of the leaders in any of the former republics have been invited. I've been working through the Democratic National Committee. So far I have not been successful."

Kulas said Wednesday that a busload of Ukrainians would travel to Milwaukee to join Milwaukee Ukrainian-Americans in a demonstration outside the president's speech.

The Ukrainians, as well as the Baltic nationalities, hope that Clinton doesn't reach any kind of agreement where he gives the Russians a sphere of influence over not only the former Soviet republics, but also the former Warsaw Pact.

Milwaukee has a couple thousand Ukrainian-Americans, and Chicago has a Ukrainian population of about 75,000.

Ukrainians figured in Clinton's October 1992 campaign speech in Milwaukee, as he criticized President Bush's lack of support for the country's independence.

But Kulas and other Ukrain-

Clinton's visit here covered by TV, radio

If you can't get in to see President Clinton on Thursday, there's choices aplenty to keep up on his visit.

Live coverage of part of the president's visit will be provided by WITI-TV (Channel 6) during its noon news. The station will air an hourlong special at 3 p.m., including highlights of his foreign policy speech and his attendance at a rally for the Rose Bowl champion University of Wisconsin-Madison Badgers.

For cable television subscribers, the Cable News Network plans to carry the 11:30 a.m. speech live. C-SPAN will carry the speech, but it was not clear Wednesday whether it would be aired live.

For radio listeners, the speech Thursday will be carried live on Wisconsin Public Radio network stations. In the Milwaukee area, it will be broadcast on WHAD (90.7 FM) and UWUM (89.7 FM).

ian-Americans now criticize Clinton for appearing to back Yeltsin to the hilt, and failing to secure the borders of former Soviet Republics and the old Soviet bloc countries.

"Primarily, the concern is after the recent elections in the Russian Federation, it is very indicative that the Russian people have imperialistic tendencies," Kulas said.

Clinton will be visiting Russia and another former Soviet republic, Belarus, on his European trip that begins Saturday. But he will not be stopping in Ukraine.

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THE WHITE HOUSE

WASHINGTON

January 5, 1994

ROUNDTABLE DISCUSSION WITH ETHNIC LEADERS

DATE: January 6, 1994
LOCATION: Milwaukee Center
Milwaukee, Wisconsin
TIME: 1:15 p.m.
FROM: Alexis Herman
Marilyn DiGiacobbe, OPL Ethnic Coordinator
Jay K. Footlik, DNC Ethnic Coordinator

I. PURPOSE

To affirm with national representatives of the Polish, Hungarian, Czech and Slovak-American communities, the United States policy toward Central Europe and gain their support prior to your meeting with Visegrad leaders in Prague.

II. BACKGROUND

This is your first meeting with Polish, Hungarian, Czech and Slovak-Americans since the election. Despite our outreach efforts, as a group, "Euro-ethnics" have felt ignored and/or neglected after election day. Inviting them to this roundtable discussion serves to underscore the importance you place on ethnicity as a vital part of diversity in your Administration. The goodwill generated by this meeting will be carried back to the communities they represent.

In our continuing dialogue with members of the Polish, Hungarian, Czech and Slovak-American communities, they consistently express their interest and concern for the security of Central Europe as well as the progress of democracy and economic investment. In the aftermath of the Russian elections, many strongly believe the United States is not doing enough to support the newly-emerging democracies of Central Europe.

In the beginning, you may want to take a more formal approach as the participants are culturally accustomed to this; however, once you are past opening remarks, you can easily move the meeting to a more relaxed and informal atmosphere.

The Polish and Hungarian communities are the best organized of the four groups you are meeting with. They will refer to a letter they sent you regarding PFP and NATO.

Alexis Herman and Sandy Berger will have met with all the participants at a get acquainted dinner held on Wednesday evening.

III. PARTICIPANTS

20 Participants (See Attached)

Anthony Lake

Sandy Berger

Dan Fried, National Security Council

Alexis Herman

IV. PRESS PLAN

Closed to press. White House photographer at beginning only.

V. SEQUENCE OF EVENTS

- o You enter the room and greet participants. The room will be set theater style with you, Tony Lake, Sandy Berger and Alexis Herman seated at the front facing the participants.
- o You take your seat. Alexis will serve as the MC for the meeting. She will welcome the participants and introduce you.
- o You begin the open discussion by thanking the participants for opportunity to meet with them.
- o Following the last question, Alexis will close the meeting and you depart same entrance as entered.

VI. REMARKS

None necessary.

PARTICIPANTS

Edward J. Moskal - Chicago, IL: Mr. Moskal is President of the Polish National Alliance (PNA), the largest of all Polish American fraternal organizations (over 300,000 members); headquartered in Chicago. He also publishes two Polish American newspapers with combined circulation of over 230,000. Mr. Moskal was part of the delegation that accompanied Vice President Gore to Warsaw last April.

Edith K. Lauer - Shaker Heights, OH: Ms. Lauer is the founder and President of the Hungarian American Coalition. Born and raised in Budapest, Hungary, she escaped with her family in 1956 and settled in the Washington, D.C. area. Her husband is CEO of Goodrich Rubber Co.

Andrew Ludanyi - Ada, OH: Mr. Ludanyi is a professor at Ohio Northern University. He is a Hungarian-American.

Laszlo Papp - New Canaan, CT: Mr. Papp is President of The American Council of World Federation of Hungarians, an umbrella association of religious and civic organizations. Born in Hungary, he is an architect and a Town Council member in New Canaan. He left Hungary after the 1956 uprising against Soviet occupation.

Dolores H. Spejewski - Munster, IN: Ms. Spejewski is the National Vice-President of the Polish Roman Catholic Union of America (PRCUA), the oldest Polish American fraternal in America. The PRCUA performs religious, charitable, educational and civic work on behalf of the Polish American community.

Lawrence W. Leck - Glencoe, IL: Mr. Leck is an attorney and was the National Vice-Chair of United Polonia for Clinton/Gore, as well as serving as the Local Co-Chair for the Chicago Metropolitan area. He is a present board member and former Chairman of the Board for the Polish Welfare Association, a Chicago-based social service agency.

Donald V. Versen, Sr. - Des Plaines, IL: Mr. Versen is the President and Chief Operating Officer of Columbia National Bank of Chicago. He was a member of the Chicago area United Polonia for Clinton/Gore.

Rev. Imre Bertalan - Rockville, MD: Reverend Bertalan is Chairman of the Board of the Hungarian American Coalition and past President of the Hungarian Reform Federation of America.

Laszlo Hamos - New York, NY: Mr. Hamos is co-founder and President of the Hungarian Human Rights Foundation. Born in Paris to Hungarian parents, he was raised in New Jersey. Mr. Hamos has written or edited several volumes regarding human rights developments in Eastern Europe.

Helen Wojcik - Park Ridge, IL: Ms. Wojcik is President of the Polish Women's Alliance.

Jan Nowak - Annandale, VA: Mr. Nowak is the National Director of the Polish American Congress.

Stanley Blejwas - West Hartford, CT: Mr. Blejwas is a professor at the University of Connecticut. He is Polish American.

Charles Chabron - Brookfield, WI: Mr. Chabron is a member of the Slovak League of America.

Jozsef Kristofik - Independence, OH: Mr. Kristofik is the president of the First Catholic Slovak Union of the United States and Canada.

- **Leopold Rozboril - Elmhurst, IL:** Mr. Rozboril is an attorney and has been President of the Czech/Slovak National Council of America.
- **Lawrence Wujcikowski - Pittsburgh, PA:** Mr. Wujcikowski is President of the Polish Falcons of America.

Andrew Rajec - Milwaukee, WI: Mr. Rajec is a member of the Slovak League of America. He is an attorney and Vice President/General Counsel for The Mutual Group (U.S.), Inc. Mr. Rajec was a Lieutenant in the U.S. Army from 1964 to 1966.

Mojmir Povolny - Appleton, WI: Mr. Povolny is chairman of the Council of Czech and Slovak Solidarity, an organization founded in 1993 to support democratic evolution, political stability and economic growth in the Czech and Slovak Republics. Prior to that, he served as Chairman of the Council of Free Czechoslovakia from 1974 until its transformation into the Council of Czech and Slovak Solidarity. The Council of Free Czechoslovakia was a representative, global organization of Czech and Slovak exiles whose goal was the restoration of democratic freedoms in an independent Czechoslovakia. Mr. Povolny was born in Menin, Czechoslovakia in 1921.

Donald Pienkos - Milwaukee, WI: Mr. Pienkos is a professor of political science at the University of Wisconsin, Milwaukee specializing in Russian and Eastern European politics and foreign policy. Mr. Pienkos is a member of the Board of Directors of the Polish National Alliance and the National Council of Directors of the Polish American Congress. He has written several publications dealing with the history of Polish-Americans and their efforts on behalf of Poland.

Peter Ujvagi - Toledo, OH: Mr. Ujvagi is a City Councilman. He was the head of the Hungarian Americans for Clinton-Gore and continues to advise and work with the DNC and the Administration on the Hungarian issues.



POLISH AMERICAN CONGRESS

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Myra Lenard
Washington, D.C.

January 4, 1994

President William Jefferson Clinton
The White House
1600 Pennsylvania Avenue
Washington, D.C. 20500

Dear Mr. President:

Our Polish American community deeply appreciates this opportunity on the eve of your summit meeting in Brussels to listen to our concerns for the security of East Central Europe.

The two World Wars as well as the cold war have demonstrated how important it is for the United States to maintain active leadership in European security. A change in this policy, or even a suspicion of such a change, could trigger a process of immense consequence which would adversely affect Poland. Strong and lasting bilateral and European ties with the United States are critical for Poland's survival. Poland, along with other members of the Visegrad Group must be included.

A new world order is now taking shape. The United States must take the role as lead architect and Poland wants to ensure a secure place of her own choice, as an independent sovereign nation in that new world order. That process is of historical significance and serves as the purpose of our meeting.

We have every reason, Mr. President to fear that Poland's newly regained sovereignty may be in danger. We also believe that, in the long term, the security of the United States may be at stake as well.

As we monitor the official statements of Yeltsin, Kozyrev, and the Russian military leaders, it becomes apparent that a clear blueprint is developing, not only for reintegration of the Soviet Union under the Russian banner, but also for regaining the Russian "sphere of influence" in East Central Europe. Several examples point in this direction: the Russian veto against Poland joining NATO (which was accompanied by threats) and with Kozyrev recently expressing his views that Russia will also oppose economic

- 2 -

integration of East Central Europe into the European Community. The only interpretation of these actions and statements is an intention by Russia to reimpose satellite status on Poland and the other countries of this region.

This is not "crying wolf". Furthermore, we cannot disregard the results produced by Zhirinovsky in the Russian election. His agenda includes restoration of the former Soviet Empire and, based on the number of votes, his opinions cannot be written off as simply a "protest vote". Our concern is that Yeltsin's government may accept these extreme nationalist views by adopting expansionist policies as appeasements.

It is beyond dispute that entry in NATO cannot happen overnight. It is understood that a framework and a process must be in place for successful integration. Of relevance today is the Partnership for Peace initiative of President Clinton. Although in need of definition, Poland has accepted the concept of Partnership for Peace -- if it is considered as the first step on the road to full membership of NATO.

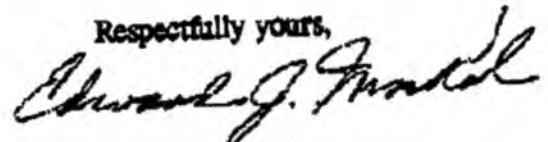
The Partnership for Peace proposal would become more meaningful and would enhance the security of Poland if it is based on clearly defined conditions of future membership. We feel that the usual declaration of principles would not suffice. Strict adherence to and respect for sovereignty, territorial integrity, human and ethnic minority rights should be a bench mark of the Partnership of Peace as a set of conditions to be strictly adhered to during the waiting period. In addition, cooperation should be offered to all nations with identical prerequisites. Progress by one country should not be obstructed by others.

Mr. President, history has taught us that expansionism has its own dynamics. Our hope is that in your public statements you will firmly discourage any imperialistic action and that you will uphold the same rights of freedom, independence and security for all nations -- both large and small. Poland has no conflicts of any sort, does not raise any territorial claims. Poland, more than any other country, has a vital interest in seeing a democratic, peaceful Russia.

Following the overthrow of Communism, in the last four years, Poland has achieved great progress - both politically and economically. The undisturbed transfer of government responsibilities after the recent parliamentary election was a clear proof of that stability. Poland's experience has shown that steady economic progress is possible. What is needed now is finalizing and settling the issue of national security for Poland and the entire region.

Mr. President, we sincerely hope that your summit meetings will begin to achieve a new era in the post Cold war. Let us hope that this summit in Brussels will not follow in the footsteps of the failures of Bosnia, Somalia, and Haiti.

Respectfully yours,



Edward J. Moskal
President,
Polish American Congress

THE WHITE HOUSE

WASHINGTON

January 5, 1994

Meeting with University of Wisconsin Football Team

Date: January 6, 1994
Location: Gymnasium, Washington High School
Time: 2:30 pm - 3:30 pm
From: Lee Satterfield, Katey Newell

I. PURPOSE / BACKGROUND

The purpose of this visit is to congratulate the University of Wisconsin football team for their 1994 Rose Bowl Championship and for the success of their program under the leadership of Coach Alvarez.

The Wisconsin Badgers football team defeated the UCLA Bruins 21-16 on New Year's Day in the school's first Rose Bowl win ever. The game was the first Rose Bowl appearance for the University in 31 years. This year's team was also the Big-10 Conference champion with a 10-1-1 record.

Many observers credit Sec. Donna Shalala for the success of the school's football program due to a series of personnel decisions she made as University Chancellor in 1989. She hired Athletic Director Pat Richter, who hired football coach Barry Alvarez.

II. PARTICIPANTS

On Stage -- foreground:

The President

Secretary Shalala

Coach Alvarez

Randy Perine, Washington High School student

On Stage -- background:

30 University of Wisconsin football players

In Attendance:

Senator Herb Kohl

Senator Russ Feingold

Rep. David Obey

Rep. Thomas Petri

Rep. Tom Barrett

Rep. Peter Barca

Rep. Gerald Kleczka

Governor Tommy Thompson
Mayor John Norquist, Milwaukee
Attorney General James Doyle
Speaker Walter Kunicki
County Executive Thomas Ament
Sheriff Richard Artison
University of Wisconsin Chancellor, David Ward
Pat Richter, Athletic Director
The Badger Cheerleaders
The Badger Band
The Washington High School Student Body
Washington High School Principal, Robert Nelson

NOTE: See attached sheets for additional attendees.

III. PRESS PLAN

Open Press

IV. SEQUENCE OF EVENTS

- * You enter the lobby where you are greeted by Principal Robert Nelson and students Laronda Underwood, Miko Bell, Gregory Tolliver, Douangsath "Dee Dee" Phouayvongsa.
- * You and Sec. Shalala proceed to stage as the Badger band plays the team's fight song.
- * Randy Perine, a Washington High School student, presents you with a T-shirt and introduces Sec. Shalala.
- * Sec. Shalala makes brief remarks and introduces Coach Alvarez.
- * Coach Alvarez makes remarks and the team presents you with a jersey and a football.
- * You make remarks, meet and greet with team, work ropeline of high school students, and exit.

V. REMARKS

Carter Wilkie is preparing talking points.

UNIVERSITY OF WISCONSIN
TENTATIVE SQUAD LIST FOR PRESIDENT CLINTON
1-6-94

NAME

Tyler E. Adam
Theo G. Carney
Daryl NMI Carter
Chad S. Cascadden
J. C. Dawkins
Carlos A. Fowler
Chris D. Hein
Bryan E. Jurewicz
Rob A. Lurtsema
Jason NMI Maniecki
Carl W. McCullough
Jeff C. Messenger
Mark A. Montgomery
Brent A. Moss
Scott E. Nelson
Matt J. Nyquist
Joe NMI Panos
Brian J. Patterson
Michael J. Rader
Cory G. Raymer
Steve B. Stark
Mike J. Thompson
Jamie P. Vanderveldt
Sam E. Veit
Mike R. Verstegen
Jeff J. Wirth
Jerry NMI Wunsch
Vince P. Zullo

UNIVERSITY OF WISCONSIN
UW ATHLETIC DEPARTMENT STAFF LIST FOR PRESIDENT CLINTON
1-6-94

NAME

Barry L. Alvarez
Cindy A. Alvarez
Fr. Mike L. Burke
John D. Chadima
Kevin P. Cosgrove
Wayne R. Esser
Dennis C. Helwig
Robert S. Ianello
Gary M. King
Lance O. Leipold
Steve D. Malchow
Joel Maturi
Dan McCarney
Brian Murphy
Patrick L. O'Conner
John J. Palermo
Hugh V. Richter (Pat)
Stephen R. Sasso,
 Law Enforcement
Geri Jo Shuler
Vincent J. Sweeney
David Ward
Bernard T. Wyatt

Arlie M. Mucks

Badgers Love Home Cookin'



HYUNGWON KANG / Los Angeles Times

UCLA quarterback Wayne Cook (15) fumbles during the third quarter. The Bruins committed turnovers on four of their first five possessions of the second half.

JIM MURRAY

This Time, 'Rubes' Play With Own Dice

Listen! Do you ever like to see a hustler get hustled? Like to see some guy climb off a load of pumpkins and pick the shell with the pea under it that the dealer thought wasn't there?

You would have liked Saturday's 80th Rose Bowl game. You get the sense that was the story of the New Year's game?

The Wisconsin Badgers came out here and got a reception as the kind of guys you sell the Brooklyn Bridge or Florida swampland to. You know, guys you lure in the pool hall and say, "You wanta break, kid?" Or you pull out your deck of cards and say, "I'll deal." You sell them vegetable peelers that won't cut carrots, watches that can't tell time, rings that turn green on their fingers.

That was the image of Wisconsin. Cheeseheads. With brains to match. Guys who went around wearing a block of Brie on their haircuts and talking with the slow brogue of the town they pronounced, "M'wacky." The original big butter-and-egg men.

The wise guys were rubbing their hands at the news they were coming to the Rose Bowl. They drove the price of tickets into the stratosphere. Rose Bowl ducats

Please see **MURRAY, C7**



VINCE COMPAGNONE / Los Angeles Times

The Rose Bowl field was swarming with Badgers after Wisconsin's first victory on New Year's Day.

Los Angeles Times January 2 1994

MURRAY

Continued from C1

which went begging the last couple of years went for \$500 a seat.

And then, look how they got flimflammed. They thought that just because they sent their checks, they got seats. Ha! Gullible, right? Marks. Pigeons.

But wait a minute! Listen to their football coach before the game: "They [UCLA] just have a different kind of athlete than the Big Ten has. They look like a bunch of thoroughbreds. I don't mean to put the Big Ten down, but UCLA just doesn't have pluggers like you see in our conference."

Is that a perfect con? Is this guy onto them? Has he got his own deck?

Ah, yes. The stingers got stung. The slickers outslickered. The bumpkins turned the tables on the wise guys. They turned over their hole cards and they were aces, and they said wickedly, "Are these any good?" They ran the table on the Fast Eddies. Sneaked their own dice into the game and faded the shooter. Sold their vegetable peelers to the guy on the corner.

You have to think the Bruins went into this thing thinking they had all the edge. Their own deck, a mirror on the ceiling, a rigged wheel. Any time a Pacific Coast team looks across a line of scrimmage and sees Ohio State or Michigan is not there, it presses the bet. It relaxes. It got a bye. Wisconsin had never won out here. Why should it start now? Piece of cake.

So, UCLA started out with the kind of bored disinterest of a guy playing poker with his mother. The Bruins seemed more bemused than challenged. You would have thought it was San Diego State.

Wisconsin, meanwhile, had started the deck in another category. From the cascade of red that rose from the stands, it is safe to say three out of every four persons in the crowd was from or for Wisconsin. "I told the players this was a home game for us," Alvarez boasted after the game.

It's hard to say UCLA was overconfident. But every gambler in the country threw out the fact Wisconsin finished five or six places ahead of UCLA in the national polls and installed UCLA as a seven-point favorite. Rodney Dangerfield gets more respect.

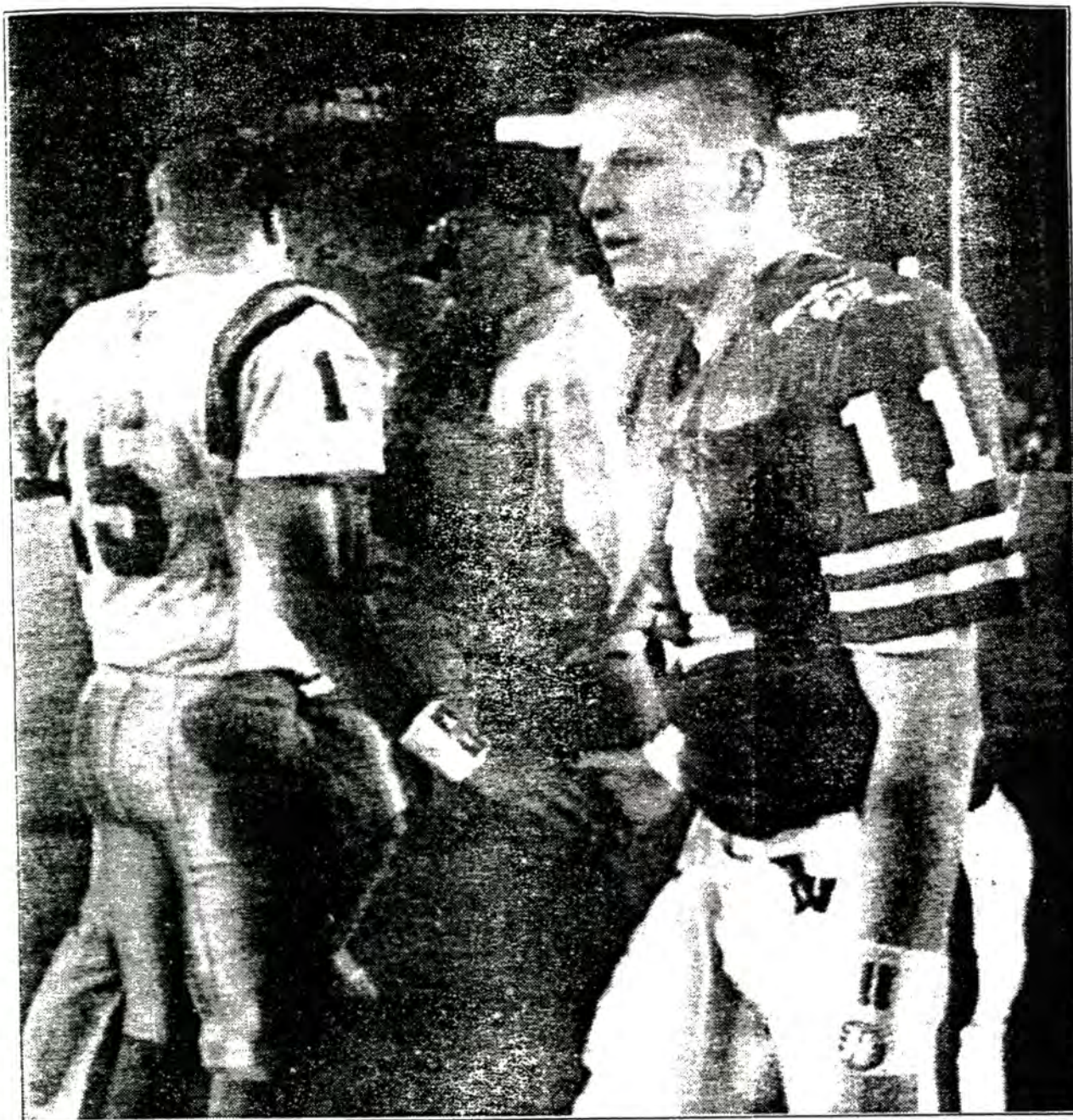
Wisconsin beat the odds, beat the Bruins and left town with the pot, playing smart, quick, resourceful football.

They picked UCLA's pockets.

The Bruins turned the ball over times. Some times it was their own fault. But just as often it was prints in the crimson turf Wisconsin's. The story of the game was that the funny little team from the cornfields, the egg-candies outwitted—and outplayed—the guys in the checked suits. The Bruins never did get the egg money.

The game was ultimately decided by one of Murray's favorite Laws of Football: That is, in an obvious passing situation in today's game, a quarterback with the ball can help himself to 10 yards running the ball.

Witness Saturday's Mike Brown game. It is the fourth quarter, 15 minutes to play. The score is 14-10, but UCLA is coming. The Bruins



LORI SHEPLER / Los Angeles Times

The quarterbacks—Wisconsin's Darrell Bevell (11) and UCLA's Wayne Cook—shake hands after game.

have just opened the quarter scoring to close the gap to four points. A Wisconsin drive sputters and the Badgers have to punt. But UCLA fumbles. A couple of plays later, on an obvious pass setting, quarterback Darrell Bevell drops back to throw. About nine Bruins drop back to cover. Bevell pulls down the ball and sets sail. He goes 21 yards and into the end zone for the touchdown that wins the game.

So, Wisconsin called every hand, saw the raise, hid its openers, threw sevens when it had to. It made UCLA put the ball in the air 43 times.

And finally, the Badgers won the war with a surprise weapon.

Brent Moss couldn't figure to terrify the Bruins in the exchange films. He might be a household word

north of Sheboygan, but he wasn't big in the Heisman balloting.

First of all, he's only 5 feet 9. He doesn't run, he scoots. UCLA had difficulty finding him—and difficulty holding onto him when they did. He ran through them for 158 yards and, as much as anybody, was the difference Saturday.

So, the guys from the place where they milk the cows and mow the hay had the last call. "I'll play these," they said, and UCLA had to fold. You had the feeling they had run in their own deck on the riverboat guys and every time the Bruins lost the ball—which was a lot—the "rubies" were the guys holding it up and saying sweetly, "Is this what you're looking for? Aw, too bad. You should take better care of it."

Milw. Sentinel

Dec. 31, 1993

Shalala finds time to smell UW's roses

By MICHAEL HUNT
Sentinel staff writer

Los Angeles, Calif. — When she accepted the chancellorship at Wisconsin six years ago, Donna Shalala made a promise to her relatives. If the Badgers ever made it to the Rose Bowl, she would pay their way to Pasadena.

Well, at the time it looked like a reasonably safe offer.

"Now I'm paying for eight people, plus myself," Shalala said Thursday. "Never again will I open up my mouth like that."

Shalala, now a member of President Clinton's cabinet as secretary of Health and Human Services, is here combining business with pleasure.

After touring the Latino community with California politicians, the former UW leader made her way to the Century Plaza Hotel for a massive Badger pep rally.

Known during her five-year tenure as the "sporting chancellor" because her re-emphasis on athletics led to a sports renaissance at Wisconsin, Shalala is credited with football's rise to prominence because of a series of personnel decisions she made in 1989.

Concerned about declining attendance, Shalala fired Athletic Director Ade Sponberg and Coach Don Morton. She then persuaded Pat Richter to leave private business and return to UW as athletic director. Richter then hired Barry Alvarez, who took the Badgers to the Rose Bowl for the first time in 31 years.

"Don't over-exaggerate what I did personally," Shalala said in an interview. "It's true I got it started. But in the end Pat Richter had a shrewd eye for first-rate coach-

es. I think that the fact that I never gave up whenever I go after someone helped.

"And I came with a different set of standards and a different set of ideas. I came from a world in which people all tried to be the best. In New York you knock your head against the best, and that's all you want to do. That was deep inside me and I brought that to the university."

Shalala, who came to UW from Hunter College, said her status as an outsider helped her better identify the problems inherent in UW football.

"People moaned and groaned about why didn't they pick someone from Wisconsin," Shalala said. "One of the reasons you go outside sometimes is because the person that comes from the outside doesn't see the same warts that everybody else sees."

"All I saw was a great university and I couldn't figure out why anyone thought there were limitations of what we could do in athletics."

Shalala said she encountered road blocks from those who believed that a football coach should not be paid like an academician.

"We had built some barriers," she said. "We had clearly put some barriers in place. Money was one. We weren't prepared to pay coaches a competitive market price."

"We weren't prepared to pay what it took, not just in finances, but in commitment, to get a first-rate athletic department. If you put those limitations in front of you, there's no way you can turn an athletic program."

"I eliminated those obstacles. There was a lot of pressure on me not to eliminate them, and not from just inside the university. Basically what people said to me was if you're willing to take the risk, you take it."

Shalala did, and now four years later the athletic department is solvent and a 1-10 football team is in the Rose Bowl.



Shalala: Brought new standards

Wilkie draft 1/5/94 3:20 p.m.

The President of the United States
Rally for 1994 Rose Bowl Champion Wisconsin Badgers
Washington High School
Milwaukee, Wisconsin
January 6, 1994

Go Wisconsin! Go Washington High School! (Wow.)

It's great for me to be here to say congratulations to the 1994 Rose Bowl Champions.

I put Donna Shalala in charge of health care, because I figured if she had the vision to hire Pat Richter to turn the University of Wisconsin athletic program around, then she must be the person to turn the health care bureaucracy around. If she and I have a year anything like this football team did, then every family in America is going to be a winner.

[other acknowledgments]

I have to admit that I like the spirit of this team and their coach, Barry Alvarez. Four years ago, he took over a program that had been heading in the wrong direction with a two million dollar deficit. He came in to fix what was broken and was determined to turn things around. (Coach, as President I know just how you must have felt.)

In four short years, Barry Alvarez has brought this team a fantastic winning record; they've gone from the bottom to the top; even to Tokyo and back; all the way to a victory in the Rose Bowl and a place among the nation's top ten teams. What an achievement!

The lesson in this for all of you students here at Washington High School is that you have to believe in yourselves. You have to believe that anything is possible. If you work really hard, if you set high goals and high standards, and if you strive hard to reach them -- even against all odds and doubts and setbacks along the way -- success is bound to come to you in the end. That's true whether you're an athlete on a team, a student in a school, or a worker at a company. Every success in life takes discipline, respect, and even faith.

Going into the Rose Bowl, this team was underrated by others, but they knew they could pull it off. All year long they had to put up with skeptics who looked for new reasons to put them down. No matter how many times they won, some people just refused to acknowledge their strengths. (That's the way it is with my job, too.) But there's no doubt about it after Wisconsin's win on New Year's Day. And what a win it was!

So, to Barry and all the members of your team, take it from someone who knows: you guys are "Comeback Kids." Congratulations to all of you.

Thank you, Wisconsin, and God bless you all.

THE WHITE HOUSE

WASHINGTON

January 5, 1994

MEET AND GREET WITH WISCONSIN MEMBERS

DATE: Thursday, January 6

LOCATION: Classroom, Jefferson High School

TIME: 3:15-3:30 pm.

From: Susan Brophy *LB*

I. PURPOSE

Meet and greet with Members who will be with you in Wisconsin for the day.

II. BACKGROUND

Members will be observing the foreign policy speech and the University of Wisconsin football event. This meet and greet will give the Members an opportunity to mingle with you privately while you are in their state.

III. PARTICIPANTS

- Senator Herb Kohl
- Senator Russ Feingold
- Representative David Obey
- Representative Peter Barca
- Representative Gerald Kleczka, who represents Milwaukee.
- Rep. Tom Barrett, who represents Milwaukee. Jefferson High School is in his district.

IV. PRESS PLAN

White House photo only.

V. SEQUENCE OF EVENTS:

As per usual.

VI. REMARKS

None required.

THE WHITE HOUSE

WASHINGTON

January 5, 1994

MEMORANDUM FOR THE PRESIDENT

FROM: Linda Moore, Political Affairs

SUBJECT: Wisconsin Politics

1992 ELECTION RESULTS

	<u>Wisconsin</u>	<u>Milwaukee</u>
Clinton	41%	51%
Bush	37%	33%
Perot	22%	16%

Senator Russ Feingold (D) beat incumbent Robert Kasten, Jr. (R) 53%-47% in 1992. Congressman Thomas Barrett (D) was elected to a first term in the fifth congressional district, which includes most of Milwaukee, by a 69%-30% margin. (He succeeded Congressman Jim Moody (D), who lost to Feingold in the Democratic Senate primary.) All other congressional victors in 1992 were incumbents. Democrat Peter Barca won Les Aspin's former seat by only 657 votes out of over 110,000 cast in a special election held on 5/4/93.

RECENT POLLING

A poll conducted 11/7 - 11/14/93 by the Wisconsin Policy Research Institute tested the popularity of several national and statewide political figures. You have a 46% favorable/42% unfavorable ratio among Wisconsin residents, a drop from the 49% favorable/40% unfavorable ratio reported by the poll in May. You are strongest in the Milwaukee area, where you enjoy a 51% approval/37% disapproval ratio, and weakest in the LaCrosse/Eau Claire area, where you have a 35% approval/44% disapproval ratio. Incumbents are having a very tough time in the LaCrosse/Eau Claire area, where every incumbent's approval rating, including that of the very popular Governor Tommy Thompson (R), is about ten points lower than it is statewide. The poll reports that Ross Perot's political fortunes have declined greatly in Wisconsin. He currently has a 35% favorable/52% unfavorable ratio, a sharp drop from the 51% favorable/33% unfavorable ratio he enjoyed in May.

Governor Thompson remains the most popular politician in the state, enjoying a 65% favorable/22% unfavorable ratio. This is a slight increase from his 59% favorable/28% unfavorable ratio reported in May. Senator Herb Kohl (D) has a 50% favorable/23% unfavorable ratio, a decline from his 57% favorable/16% unfavorable ratio in May. Senator Russ Feingold (D) enjoys a 47% favorable/21% unfavorable ratio.

Thompson's popularity is reflected in Wisconsin residents' comparatively optimistic assessment of where the state is heading. Fifty-five percent believe the state is "moving in the right direction" while 41% believe it is "pretty seriously off on the wrong track." By contrast, only 21% believe the nation is "moving in the right direction" while 75% believe it is "pretty seriously off on the wrong track."

GOVERNOR THOMPSON

1994 Gubernatorial Race. Governor Thompson will seek re-election next year. His formidable popularity is keeping strong Democrats out of the race. Attorney General Jim Doyle (D) and former state Senate Majority Leader Dennis Cullen (D) have both declined to run. Milwaukee Mayor John Norquist (D) is considered extremely unlikely to run although has not officially ruled a bid out yet. The likely nominee is state Senator Chuck Chvala (D) (pronounced "koala"), who has announced his candidacy and has been campaigning for months.

Thompson reportedly has between \$4-8 million in the bank. The Chvala campaign, meanwhile, says it will report a quarter of a million in the bank at the end of the month. Although this is ahead of where then-Governor Tony Earl (D) was at this point for the 1986 and more than 1990 nominee Speaker Tom Loftus (D) had at this point in his race, Chvala is considered a very weak candidate and is expected to raise much less money than Thompson. Some prominent Wisconsin Democrats -- including Speaker Walter Kunicki (D) -- have been casting about publicly for a stronger Democrat. These attempts have garnered some negative publicity and have made it even more difficult for Chvala to get his campaign to get off the ground. (Secretary of Defense Les Aspin's resignation last month fueled hopes that he would enter the race but this will not happen.) Wisconsin Democrats are very concerned that the national party is writing off its gubernatorial contest, fearing that too smooth a ride for Thompson will result in Democrats taking a beating in the state legislative races.

Thompson on the National Stage. Governor Thompson appears to be positioning himself for a slot on the Republican Presidential ticket in 1996. He continues to claim that he is not considering a Presidential bid and says that he was joking last fall when he told a Dubuque, IA reporter that he might enter the Iowa caucuses. He also claims that he is not "running" for vice-president, saying the office is not one you can run for, but declined to pledge to serve out his term if re-elected in the event "somebody did want me to be the vice-presidential candidate."

Thompson was one of the most outspoken Republican Governors in favor of NAFTA and served on the bi-partisan Leadership Group of Elected Officials for NAFTA. Despite his agreement with the Administration on NAFTA and the supportive tack he takes when he visits Washington, Thompson has been very critical of your efforts when he is home in Wisconsin. Democrats in the state are very frustrated with Thompson's ability to portray

himself as a friend of the Administration while serving as a severe critic and you may wish to keep this in mind when greeting the Governor and recognizing him at public events.

Thompson was recently named co-chair, with Governor Roy Romer (D-CO), of the National Governors' Association Health Care Task Force and also sits on the NGA's task force on welfare reform. Thompson also recently predicted that he will be elected vice-chair of the NGA next summer and elected chair for the 1995-96 term.

1994 SENATE RACE

Senator Herb Kohl (D), elected to his first term with 52%, is expected to seek re-election in 1994. Although most consider him to be the favorite at this time, his hold on the seat merits watching. The Republican Senate Campaign Committee (RSCC) says that Kohl will be one of its 3 or 4 top targeted incumbents and according to some observers, he is panicking. He dismissed his three top staffers in October and is now working -- with mixed success -- at raising his standing among Democratic activists.

On the positive side of the ledger, Kohl is not expected to face a primary challenge and will certainly be well-funded in 1994. The Senator, the owner of the Milwaukee Bucks basketball team, has a personal fortune estimated at \$250 million. He spent \$7 million of his own money on his 1988 race and will likely do the same next year. On the negative side, he is not well-defined in the eyes of Wisconsin voters and does not have a long list of legislative accomplishments to point towards. Republicans have begun trying to paint Kohl as an ineffective backbencher and attacking his vote in favor of your economic plan.

Four Republicans will run for the Republican nomination: state Senator Bob Welch (R), state Treasurer Cathy Zeuske (R) (pronounced "zigh-skee"), attorney and LaCrosse County GOP Chairman Thomas Fitzpatrick (R) and Matt Gunderson (R), a sports marketing executive who is the brother of Representative Steve Gunderson (R). The real race is expected to be between Welch and Zeuske. Welch, an archconservative, has been campaigning for quite some time and has the support of state grassroots Republican activists and much of the GOP establishment. National-level Republicans reportedly prefer Zeuske, however, feeling that a moderate woman candidate would prove the more formidable match for the incumbent.

The Republicans have been trumpeting internal polls which they say indicate Kohl's vulnerability. In September, Zeuske claimed that her internal polling showed Kohl leading her in a general election match-up by only 38%-25%, and last month, Gunderson said his internal polling reported that only 37% of the sample said Kohl should be re-elected. Kohl's office has countered, saying that their internal polling reports that Kohl has an approval rating in the 60-70% range -- even higher than Governor Thompson's approval rating.

THE CONGRESSIONAL DELEGATION

Senator Herb Kohl (D)
Congressman Pete Barca (D)
Congressman Steven Gunderson (R)
Congressman Thomas Barrett (D)
Congressman David Obey (D)
Congressman James Senstenbrenner, Jr. (R)

Senator Russell Feingold (D)
Congressman Scott Klug (R)
Congressman Gerald Kleczka (D)
Congressman Thomas Petri (R)
Congressman Toby Roth (R)

Of the eleven members of the delegation, four (Kohl, Feingold, Barrett and Barca) are first-termers. Senator Kohl sits on the Appropriations, Judiciary, Small Business, and Aging committees. Senator Feingold sits on the Agriculture, Foreign Relations and Aging committees and is up for re-election in 1998.

Milwaukee is represented by Representatives Barrett and Kleczka. Both are expected to be re-elected easily next year.

STATEWIDE ELECTED OFFICIALS AND STATE LEGISLATURE

The statewide elected officials are listed below:

Governor Tommy Thompson (R)
Secretary of State Doug LaFollette (D)
Attorney General James Doyle (D)

Lt. Governor Scott McCallum (R)
State Treasurer Cathy Zeuske (R)

The state Superintendent of Public Instruction is also a statewide elected office. It is a non-partisan post but the current superintendent, John Benson, was supported by the Democrats in the April, 1993 election.

The legislature has been out of session since November and will resume business during the third week in January.

State Senate. The Democrats lost control of the State Senate for the first time in 18 years by losing two of the three State Senate special elections held on 4/6/93. The current tally is 16R/15D. The Senate Majority Leader is Michael Ellis (R) and the Senate Minority Leader is Robert Jauch (D).

State Assembly. The Democrats maintained their 52-47 edge in the State Assembly after four special elections were held last summer. Walter Kunicki (D) is the Speaker of the House, David Travis (D) is the House Majority Leader and David Prosser (R) is the House Minority Leader.

WELFARE REFORM

Welfare reform is one of the hottest political topics in Wisconsin and Governor Thompson has garnered a lot of favorable publicity from the issue. Under Thompson's "Work Not Welfare" plan, 1,000 AFDC recipients in two counties will be required to work -- if necessary in unpaid community service jobs or special jobs created for the program -- or

attend job training programs in order to receive their benefits. The plan terminates AFDC benefits after two years. The two counties have not been selected yet though it is almost certain that Milwaukee County -- home to about half of Wisconsin's AFDC recipients -- will not be asked to participate.

When the legislature passed the Governor's initiative, Democrats in the state Assembly added a provision mandating the elimination of existing welfare programs, including AFDC, throughout Wisconsin by the end of 1998. State officials will be required to propose a plan for an entirely new welfare system by 1/1/95. One of the sponsors of this provision is first-term state Representative Antonio Riley (D) of Milwaukee. Riley, an African American, knows about poverty and welfare firsthand. He grew up in a poor household in Chicago and his family was forced to go on welfare after his stepfather, a cabdriver, had a heart attack.

As you know, the Department of Health and Human Services (HHS) approved a waiver for the Thompson program in early November. Under the terms of the waiver, economic conditions in the counties selected for the program have to be very good and if a slump in the local economy dries up the supply of private sector jobs, benefits must be reinstated for people over the two-year limit who make a good faith effort to find work. HHS will also implement a more rigorous than usual process to examine the status of the program. Secretary Shalala recused herself from consideration of the Wisconsin waiver.

HEALTH CARE REFORM

Governor Thompson recently proposed a state health care plan. His plan, named the Wisconsin Health Care Partnership Plan, proposes a "managed competition" scheme which would set up four insurance buying pools for state employees and for businesses that choose to participate. The plan envisions having two of the four pools (located in the Madison and Eau Claire areas) beginning operation next year with the remaining two (located in the Milwaukee and Green Bay areas) the following year.

Many Democrats object to the plan because it does nothing to extend insurance coverage to the uninsured. The plan is completely voluntary as far as private sector employers are concerned -- they may continue purchasing insurance themselves, self-insuring or choose not to cover their workers. You may wish to note that Secretary Ron Brown told Wisconsin reporters in October that Thompson's plan would not qualify for a waiver because it does not provide universal coverage. Thompson supporters, however, have expressed a degree of confidence (at least in public) about their ability to obtain waivers from this Administration, pointing to the HHS welfare waiver. Senator Feingold has pledged to fight an attempt to obtain such a waiver because Thompson's plan "fails to meet the test of universal coverage."

The plan requires participants in the pools to provide the same level of insurance benefits currently offered to state employees. State employees' coverage currently includes abortion services and this has created difficulty for Thompson's proposal among anti-choice activists since this would expand that coverage to all pool participants. Wisconsin Right to Life is pushing to have abortion coverage excluded except in cases where the woman's life is in danger. Several legislators have pledged to fight such a provision.

Two groups of Democrats in the state legislature are proposing alternative plans. One is a universal coverage single-payer plan that eliminates the role of insurance companies. This plan is sponsored by state Senator Chvala, the likely Democratic gubernatorial nominee. The second is a plan similar to the Administration's plan and is sponsored by state Representative Judy Robson (D).

A separate briefing comparing Governor Thompson's plan to the Administration's proposal is being provided by Intergovernmental Affairs.

WISCONSIN EVENTS

Although your schedule did not permit a meet and greet in Milwaukee on this trip, we have provided 200 VIP tickets to key supporters, elected officials, opinion leaders and business leaders for your foreign policy address. Many of these people attended the meet and greet held during your last trip to Milwaukee.

It is important that we keep the focus of the media coverage on the foreign policy speech. We hope the high school event with the Rose Bowl winners will add an interesting human element to your day but not overwhelm the substance of your address. For this reason, you are not expected to make any substantive or political remarks at this stop.

THE WHITE HOUSE
WASHINGTON

January 5, 1994

MEMORANDUM FOR THE PRESIDENT

FROM: Paul Deegan
National Economic Council

SUBJECT: Background Information for Visit to Wisconsin

This memorandum presents information about (i) issues of major concern in the state, and (ii) Administration programs that will help the state.

I. PRESSING ISSUES IN WISCONSIN

- **Miller Brewing Co. Cutting Jobs in Milwaukee** -- As part of the Philip Morris restructuring (Miller Brewing's parent company), Miller recently cut 300 salaried employees in Milwaukee. Miller currently employs 2,500 people in Milwaukee. FYI: Fulton, New York (near Syracuse) will bear the brunt of the Miller restructuring -- 900 jobs will be lost when the brewery closes later this year. (Source: Miller Brewing Co.)
- **Importance of Briggs & Stratton to Community** -- Wauwatosa-based Briggs & Stratton employs 5,400 people in the Milwaukee area -- down from 10,000 a decade ago. Briggs & Stratton's Milwaukee payroll is over \$250 million. The company exports small engines to over 100 countries. The current labor contract comes up in 1995, and there has been a great deal of tension between labor and management. In October, a federal judge granted Briggs & Stratton an injunction to block a work slowdown. (Source: Wall Street Journal, 1/3/94, Milwaukee Sentinel, 10/30/93, and Briggs & Stratton)
- **Technology Reinvestment Project (TRP)** -- On December 3, you announced that a project led by the Engineering Research Center for Plasma-Aided Manufacturing at the University of Wisconsin received a TRP award. This \$3.3 million project (federal share to be negotiated; about half) will bring manufacturing experts to the classroom to help broaden the ethnic and gender diversity entering the engineering workforce. The program will also develop K-12 "Microfabrication Demonstration Kits" to illustrate integrated circuit fabrication for pre-college students.

- **NAFTA** -- Wisconsin's exports to Mexico and Canada reached \$2.3 billion in 1992, and supported over 55,000 jobs. (Source: USTR and DoC)

WI's Exports to Mexico, 1987-1992 -- Thousand \$ (Source: DoC)

	1987	1992	% Change
Total Exports to Mexico	77,300	250,000	223%
Indus. Machinery & Computers	40,000	106,000	166%
Scientific & Measuring Instruments	2,100	23,000	1009%
Food Products	8,200	22,000	165%
Electric & Electronic Equipment	4,400	19,000	338%

"U.S. brewers support NAFTA because it will create economic opportunities for American companies to find new markets, new customers and new prosperity for U.S. workers. America's brewers welcome the opportunity for increased fairness in our trade relationships with Mexico and Canada." (Source: Beer Institute)

"As an employer of over 6,000 United States citizens, we believe NAFTA will help strengthen our position in the global market." (Source: Oshkosh B'Gosh)

- **Job Losses in Manufacturing** -- According to DoC, employment in manufacturing fell from 568,000 (21% of total employment) in 1989 to 561,000 (19% of total employment) in 1992 -- a net loss of 7,000 jobs.

Net loss in total employment in manufacturing (Wisconsin, 1989-1992):

- Machinery and Computer Equipment	(-9,200 jobs)
- Fabricated Metal Products	(-3,000 jobs)
- Transportation Equipment excl. Motor Vehicles	(-1,000 jobs)
- Primary Metal Industries	(-1,000 jobs)
- Apparel and Other Textile Products	(-1,000 jobs)

- **Oshkosh B'Gosh Investing in Worker Training** -- Business Week recently featured Wisconsin-based Oshkosh B'Gosh as a company that is coping without raising prices. To lower costs, Oshkosh is overhauling production processes and investing in worker training. Employees are being trained to review processes in order to remove steps that don't add value to their product. As a result, the company will slash prices by 6% to 8% on its entire 1994 spring line. (Source: Business Week, 11/15/93 and Oshkosh B'Gosh)
- **Federal Reserve on the Seventh District (Chicago)** -- Industrial output strengthened in recent months, particularly as auto production climbed back toward scheduled levels. Purchasing managers' surveys in Chicago, Milwaukee, Detroit and Western Michigan generally indicated an improving pace of activity. (Source: Federal Reserve, 12/8/93)

II. ADMINISTRATION PROGRAMS THAT WILL BENEFIT WISCONSIN

According to Treasury estimates, based on a variety of demographic and economic data, your economic growth plan for Wisconsin (1993-1998) includes the following:

- \$407 million investment in worker training and higher education;
- \$247 million investment in schools and children;
- \$188 million investment in housing and communities;
- \$180 million investment in technology (incl. defense conversion);
- \$276 million investment in health and AIDS research;
- \$482 million investment in highways, mass transit and environmental infrastructure;
- \$579 million in tax incentives for business investment; and
- \$313.5 million in tax credits for the working poor (Expanded EITC, fully-phased).

Rep.	EITC Benefits	\$ (millions)	% Families	Higher Taxes
Barca	18,900 families	30.6	13.0	1,900 families
Barrett	27,300 families	44.3	20.8	3,200 families
Gunderson	25,200 families	40.9	18.1	1,400 families
Kleczka	18,100 families	29.3	12.5	1,200 families
Klug	21,900 families	35.4	16.2	2,800 families
Obey	25,700 families	41.7	17.6	1,500 families
Petri	21,600 families	35.1	14.8	1,700 families
Roth	22,700 families	36.8	15.5	2,100 families
Sensenbrenner	12,000 families	19.4	8.0	5,100 families
STATE	193,300 families	313.5	15.1	20,645 families

- *Your Economic Growth Plan Will Create Jobs in Wisconsin* -- Treasury estimates your economic growth plan will create 84,000 new jobs from 1993-1996 -- almost 30% more jobs than were created between 1989 and 1992.



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

THE DIRECTOR

January 5, 1994

MEMORANDUM FOR THE PRESIDENT

FROM: Leon Panetta 

SUBJECT: LIHEAP

The word is out in the press that we are cutting the LIHEAP program by half from \$1,437 million in FY 94 to \$692 million in FY 95. On your trip to Wisconsin you are likely to be asked about this. You have a letter from Senator Kohl and Representative Obey expressing their strong opposition to the cut.

If asked, you could point out that:

- o Home heating costs have dropped. The average percent of income spent for home heating for households with incomes at or below 150% of poverty guidelines dropped from about 7% in 1979 to just under 4% in 1991.
- o Energy assistance to the low-income is available through sources such as housing subsidy programs, the Department of Energy's weatherization assistance program (WAP), and the AFDC Emergency Assistance program which can pay for one-time energy emergencies such as utility shutoffs.
- o In addition, in FY 1993, over \$450 million was spent by non-federal sources such as utilities, fuel vendors and States to leverage Federal energy assistance programs. We will be redesigning the program to further leverage these sources and to better target funds on the most needy.
- o Legal protections shield low-income households from the effects of severe weather. Every State in the Northeast and in the West restricts the termination of service in the winter. The majority of States in the Midwest (91%) and in the South (87%) also have winter cut-off restrictions for utilities.
- o You have supported enactment of major expansions in the EITC, Food Stamps and WIC, all programs that help the low-income population.



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

January 5, 1994

MEMORANDUM FOR THE PRESIDENT

FROM: Leon E. Panetta 
T.J. Glauthier 
SUBJECT: The Administration's Study on BST

Pursuant to an agreement between the Administration, Senator Feingold and Representative Gephardt during a conference on the reconciliation bill, OMB is about to release a study for Congress on the implications of bovine somatotropin (BST, also referred to as BGH) use to increase U.S. milk production. The potential use of BST has been a contentious issue, especially in Wisconsin, where some small, marginal dairy farmers fear it would drive them out of business. Some consumer groups have also objected to the use of BST, which is a commercially-produced hormone, on the grounds of fears about food safety. The Food and Drug Administration approved for marketing Monsanto's version of BST on November 5, 1993, after an exhaustive study that concluded BST is safe to use.

The Executive Branch study will be released next week, but contents of the draft report have leaked out and been reported by the press in the past two days. The Associated Press released a wire story on January 4th (copy attached), and other media are beginning to report it now. Senator Russ Feingold (D-WI) issued a press release today (January 5th) criticizing the report.

If asked about the report, we recommend that your response be, "I have not seen the report, and my understanding is that it has not been released yet." Alternatively, you could respond more substantively, saying "I have not seen the report myself, but I understand that BST is the most thoroughly studied animal drug in the history of FDA. In addition, I understand that small farms would be just as able as large farms to use BST, if they want to."

The findings of the study are reported in the attached Executive Summary. The study's key conclusions are: there is no evidence that BST poses a health threat; it would increase milk supplies and reduce prices slightly; and it would benefit those dairy farmers who decide to use it.

This study originated with the Omnibus Budget Reconciliation Act passed in August 1993. Senator Feingold, who has long opposed BST, tried to ban BST for one year in the Senate Reconciliation bill. That amendment was not included, but Conferees agreed to a

moratorium on the sale of BST for 90 days following FDA approval, to allow Congress time to consider the impact of BST in the U.S.

Before the final vote on the reconciliation bill, Administration officials informally agreed to conduct a study of the broad economic implications of BST use to assist Congress in its deliberations. The study was to be presented to Congress 45 days following FDA approval.

The study's research and preparation were undertaken by a team of about 40 specialists representing eighteen offices in seven Federal agencies assembled specifically for this purpose and coordinated by OMB staff. The principal agencies were USDA, FDA, Commerce, and EPA. The report has been reviewed by a number of outside researchers at leading universities, including the University of Wisconsin.

Attachments

AM-Milk Hormone, 600

Government Study Supports Milk Hormone

By ROBERT GREENE= AP Farm Writer=

WASHINGTON (AP) Less than a month before a congressionally imposed moratorium ends, the administration has reaffirmed its position that a genetically engineered milk-production hormone is safe.

"There is no evidence that BST poses a health threat to humans or animals," said a draft version of a report on recombinant bovine somatotropin by the White House Office of Management and Budget.

A summary of the report was obtained Tuesday by The Associated Press. It gives little ammunition to those who oppose the drug for economic and health reasons.

"The net national economic impact of BST usage is expected to be positive," the report said.

The FDA approved St. Louis-based Monsanto's version of the drug Nov. 5, ending a nine-year application process.

But Congress blocked the sale of BST for 90 days, or until Feb. 3. Meanwhile, OMB studied the impact of BST on consumer attitudes and federal spending on dairy programs.

The report said, "No significant reduction of demand for milk and dairy products is expected to result from BST use."

Consumers will pay less for milk, the report said. And cheaper milk will also lower the cost of food stamps and a federal feeding program for women, infants and children, the report said.

The lower costs for the feeding programs will offset the increased cost for federal dairy programs after 10 years, the report said.

The government spends more than \$10 billion a year on commodity programs. The dairy programs cost an estimated \$280 million in 1993. The study estimates that BST would add \$300 million to the cost of federal dairy programs over six years.

The report also said U.S. leadership in biotechnology "would be enhanced by proceeding with BST, and would be impeded if there were new government obstacles to such biotech products."

The administration has made previous statements emphasizing the importance of biotechnology. At the same time, the industry complains that a health-care proposal to cap the price of drugs would discourage investment in bioengineered pharmaceuticals.

Sen. Russ Feingold, D-Wis., led the fight for the moratorium on grounds the drug would cause economic hardship for dairy farmers in his state. He had urged a one-year moratorium.

He argued that consumers would reject BST milk at the same time cows were producing more, causing higher government surpluses and driving smaller producers out of business.

Feingold will not comment on the report until it is officially released, an aide said.

The report said that small- and large-scale dairy farmers who use BST probably would have higher income because they could produce more milk from fewer cows. "BST favors good herd management rather than small or large farms," the report said.

On the other hand, overall income from dairy farming will drop 1 percent over six years as BST reinforces existing trends in the dairy industry toward fewer farmers and smaller numbers of cows.

Farmers in Wisconsin and other upper Midwestern states have been plagued by a variety of economic problems, including lack of good forage since the 1988 drought. The wet spring and summer of 1993 aggravated the problem.

The report said BST would have little effect, if any, on U.S. dairy exports because nearly half the U.S. export volume goes to countries that have approved the drug.



News From: _____
**U.S. Senator
Russ Feingold**

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FOR IMMEDIATE RELEASE:

Wednesday, January 5, 1994

CONTACT:

David Sandretti
(202) 224-5323

**FEINGOLD: ADMINISTRATION'S DRAFT REPORT CONFIRMS THE DEVASTATING
IMPACT OF BGH ON THE FEDERAL DEFICIT AND THE DAIRY INDUSTRY**

MIDDLETON, WI -- Senator Feingold issued the following statement in reaction to the draft report prepared by the Clinton Administration on the impact of commercial use of BGH, bovine growth hormone, also called BST, bovine somatotropin.

"Although much of the draft report is written like a promotion piece for Monsanto, it contains some potentially devastating information, buried deep beneath its pro-BGH rhetoric," said Feingold. Feingold identified five areas of substantial concern including: 1) decline in dairy farm income; 2) reduction in consumer demand; 3) increase in the federal deficit; 4) competitive disadvantage for U.S. dairy exports; and 5) need for guidance on voluntary labeling.

First, according to the draft report, BGH will have a dramatic negative impact on dairy farm income. It states that over the next six years, dairy farm income will drop by \$1.3 billion as a result of BGH production, growing to annual losses of \$546 million by fiscal year 1999 (p. 30). That confirms some of our worst fears that this product will result in significant loss of income in the dairy industry and drive dairy farmers, many of whom are already barely surviving, out of business. The consequences of this loss of income in rural communities could well be enormous.

Second, despite the fact that the Administration did not do its own consumer survey, as it had promised, and although the report clearly attempts to downplay the likely drop in milk consumption as a result of introduction of BGH, it confirms the consistently negative views that consumers have expressed for

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years regarding BGH in various studies and states that if the results of previous BGH consumer studies translate into action, consumption among those surveyed would drop by 4% to 20% and that 'the likelihood is high that significant reduction in demand for milk and dairy products is anticipated because of BST.' (p 43). The effort to minimize the importance of these facts, by citing surveys that Americans generally favor biotechnology and expect to benefit from it in their own lives, was fairly transparent and even the most skillful drafting could not disguise the evidence that consumers don't want milk or milk products produced with BGH.

"Third, BGH is going to have an even greater negative impact on the federal budget than we had originally projected. According to the draft report, federal spending will increase as a result of BGH usage by between \$300 million and \$500 million over the next six years. Even those figures are clearly gross underestimates because the adverse budget projections are based solely upon increase in milk production and do not include any estimates of consumer demand reductions, although the draft report itself acknowledges elsewhere the likelihood of a drop in consumer demand. The draft report also attempts to manipulate the budget projections by claiming, without providing any supporting data, that the increased cost to the milk price support program would be offset by decreases in costs to federal nutrition programs for low-income individuals by lower milk prices. In fact, historically, declining milk prices paid to farmers have had only a slight impact on consumer prices, a fact barely acknowledged in the report. No matter how hard the draft report stretches, including trying to use a ten year nutrition program projection against the six year loss, the bottom line is the cost to the federal government for the milk support program will go up by at least \$65 million in the current fiscal year because of BGH, and another \$116 million in the FY 95 budget, and probably a good deal more.

"Fourth, the draft report confirms that our three leading competitors in dairy exports -- Australia, New Zealand, and the European Union -- are poised to seize a competitive advantage over the U.S. because they have not approved BGH; indeed, the draft report acknowledges that approval is not ever expected in either New Zealand or Australia, two countries that together have a combined share of about one-fourth the world dairy product exports (p. 52), and that the European Union continues to resist approval because of the potential impact upon the social and economic survival of the European small dairy farm structure. The draft report tries to rationalize away the reasons that our primary competition in the dairy export market are rejecting this

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product for their dairy industries, but the facts remain clear: for the foreseeable future, our major international competitors will be touting that their milk exports are free of BGH and where consumer preference for products not produced with BGH is translated into marketplace reaction, those countries, not the US, will benefit.

Fifth, the draft report, consistent with the initial FDA announcement of approval of BGH, appears to accept the right of producers who chose not to use BGH to engage in voluntary labeling. Indeed, the draft report suggests that voluntary labeling is critical to allowing consumers concerned about BGH to purchase milk and dairy products from untreated cows (p. 43) and that given the consumer interest in having milk labeled as to whether it was produced with BGH-treated cows, a 'market for labeled milk will develop'. (p. 42) Unfortunately, there are signs of pressure being placed upon FDA to back down from its earlier statements regarding voluntary labeling. I have yet to receive a response from a letter I sent on November 23, with Senators Leahy and Kohl, and Representative Obey, asking the FDA to clarify its policy on voluntary labeling so that processors and producers will know what is or is not permitted to meet FDA requirements. Whether or not the Clinton Administration is prepared to follow-through on its initial commitment to permit voluntary labeling is a critical issue that will be decided in the coming weeks."

Feingold also stated, "Perhaps what was most disturbing about this draft report is the utter lack of expressed concern for the economic consequences for the dairy industry in the U.S. resulting from the \$1.3 billion decline in dairy farm income.

Last August, when the Administration agreed to submit this report to Congress, they also promised to include policy recommendations to help mitigate the likely adverse impact that BGH approval would have on dairy farmers. The draft report doesn't even address this issue, although it does express deep and seemingly misplaced concern about adverse impact the 90 day moratorium had on Monsanto Company by denying this particular company the opportunity to gain a market share before competing products were put on the market and asserts that further delays could cost as much as 400 jobs in the industry that produces BGH.

What about the number of dairy farmers who will be put out of business when the dairy industry suffers a 1% decline in income over the next several years as a result of BGH?

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Why doesn't this report which was supposed to focus on the impact on the dairy industry provide comparable job losses for dairy farmers?.

Why is there no analysis of the impact on rural communities when farm income drops by 1%?

Why is there so much focus in the report on the importance of the public accepting BGH and the adverse consequences that a market place rejection of BGH would have for the biotechnology industry?

Several weeks ago, documents were released to the media indicating that Monsanto had developed a plan to reach the highest levels of the Clinton Administration to dissuade them from preparing a report that focused upon the adverse social and economic consequences of BGH. It is clear from the most cursory reading of the draft report, that they may well have succeeded in that effort. A report which was to have focused on the dairy industry has become a public relations piece for the politically powerful Monsanto Corporation. Instead of helping to develop proposals to deal with the economic consequences of this product on America's dairy farmers, the draft report reads like it was prepared by the cheerleading squad for one particular industry, while dairy farmers and the federal taxpayers pay the price."

Feingold issued this statement in response to media coverage of the draft report. Feingold's office received an embargoed copy of the draft report on the condition that it not be released to the public. For a copy of the report, contact the Office of Management and Budget's Public Affairs office.

#

USE OF BOVINE SOMATOTROPIN (BST) IN THE UNITED STATES:
ITS POTENTIAL EFFECTS

EXECUTIVE SUMMARY

On November 5, 1993, the U.S. Food and Drug Administration (FDA) approved the metabolic protein hormone, bovine somatotropin (BST), for commercial use in the U.S. BST is used to increase milk production in dairy cows. Since FDA's action, experts in various Federal agencies have reviewed the available scientific evidence and other data related to the impact of potential BST use. This report presents their findings on BST's implications for U.S. consumers, the dairy industry, and the economy. Key findings are:

Safety

- o There is no evidence that BST poses a health threat to humans or animals. It has been studied more than any other animal drug, and been found safe by FDA and many other scientific bodies in the U.S., Europe, and around the world. FDA also concludes there is no legal basis requiring the labeling of BST milk, since the milk is indistinguishable from non-BST milk. Voluntary labeling is permitted.

The Dairy Industry

- o Income for individual farmers who adopt BST is likely to increase. Productivity and profit per cow should rise for both small and large farms. BST favors good herd management rather than small or large farms.
- o BST is likely to reinforce productivity changes that have been occurring for decades in the U.S. dairy industry. BST use will increase U.S. milk production by about one percent through FY 1999. This production will likely lead to slightly lower prices for milk, averaging about two percent lower over the next six years. These lower prices are expected to result in declines in aggregate farm income from dairy farming of about one percent over this same period.
- o Lower milk prices from BST use are also expected to contribute to higher Federal Government dairy price-support costs, but decreased Federal costs for nutrition programs like Food Stamps and the Special Supplemental Food Program for Women, Infants and Children (WIC).
- o Federal dairy price-support program costs would increase by approximately \$150 million in the peak year, FY 1996, and decline in later years. This would represent a 1.8 percent increase in total projected Federal farm commodity subsidies for that peak year.

- Savings in the costs of Federal feeding programs would begin in FY 1998, and could completely offset the increased cumulative costs of the Federal dairy price-support program over 10 years. While there would be savings in the feeding programs before FY 1998, those savings would be used to either increase program participation rates or provide additional benefits to participants.

Consumption of Dairy Products

- Consumers are expected to benefit over the next six years with BST use due to the availability of more milk at lower prices. Largely because of this increase, the net national economic impact of BST usage is expected to be positive.
- No significant reduction of demand for milk and dairy products is expected to result from BST use. While some surveys reveal strong consumer resistance to BST, others indicate confidence in the U.S. milk supply, and no substantial intent to forego use of BST milk. There appears to be a need for nutrition education on BST's effects.

The Environment

- BST is expected to have a minor, but beneficial net impact on the environment. It should lead to a slightly smaller U.S. dairy herd, and therefore less pollution through decreased use of fertilizers for feed production, and less cow manure and methane production.

Exports

- BST should have little, if any, effect on U.S. dairy exports. Nearly half of U.S. dairy export volume goes to countries that have approved the use of BST, and more countries are expected to do so. The European Union (EU), a major dairy exporter, recently decided to extend its BST moratorium for one year, instead of the anticipated seven years. For countries to ban BST use, after the hormone has been scientifically found to be safe, would undermine efforts to eliminate unfair trade barriers to U.S. exports.

Biotechnology Industries

- U.S. leadership in biotechnology, as well as private-sector investment for research and development in the biotechnology industry, would be enhanced by proceeding with BST, and would be impeded if there were new Government obstacles to such bio-tech products following their approval for use by FDA and other regulatory agencies.

THE WHITE HOUSE

WASHINGTON

January 5, 1994

MEMORANDUM FOR THE PRESIDENT

FROM: BILL GALSTON *WAG*

SUBJECT: HYDE AMENDMENT

A meeting was convened today involving HHS legal and legislative officials as well as White House, OMB, and Department of Justice personnel to assess issues that have arisen in response to the recent HHS decision applying the revised Hyde amendment to the states. It was decided that as an interim step, Bruce Vladeck, the HCFA Administrator, should issue a letter explaining HHS' legal basis for their decision.

The attached letter sets forth their explanation. It was carefully reviewed by (among others) Leon Panetta and his staff as well as by the Domestic Policy Council.



DEPARTMENT OF HEALTH & HUMAN SERVICES

Health Care Financing Administration

The Administrator
Washington, D.C. 20201

January 5, 1994

Mr. Ray Hanley
Chairman
State Medicaid Directors' Association
810 First Street, N. E.
Suite 500
Washington, D. C. 20002

Dear Ray:

I am responding to your letter of December 30, concerning the "Hyde Amendment." I hope my comments will help clarify our plans for implementation of this congressional action. The position of the Administration is that interpreted Medicaid law mandates treating the exceptions for abortions resulting from rape and incest in the same manner as the existing exception relating to the life of the mother.

Medicaid law mandates coverage of medically necessary physician services. Courts have held that when state laws have sought to restrict medically necessary physician services, such as abortion services, those restrictions were permissible only if consistent with federal law.

The Hyde Amendment prohibits the use of federal funds for abortions, with certain exceptions. When Congress this year changed the Hyde Amendment to lift the prohibition on funding for abortions of pregnancies resulting from rape or incest, it is my understanding that those abortions then became subject to the same standards for medically necessary physician services as any other medical procedure.

The decision to implement this policy nationwide was not discretionary. Under the Supremacy Clause of the Constitution, when state statutes or constitutions conflict with federal law, the federal law takes precedence by pre-emption.

The legislative history of the Hyde Amendment extends back over most of two decades and has always dealt with the mandatory services provisions of the Medicaid program. In the fiscal years between 1981 and 1983, Congress enacted the Bauman Amendment to the Hyde provision, which specifically relieved the states of the Medicaid mandate to fund medically necessary abortions, and thus created an express exception to the rule of pre-emption. The Bauman Amendment made state funding of medically necessary abortions discretionary; absent such language it is not. That

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language has been absent from the Hyde Amendment since 1984.

When Congress enacted the Hyde Amendment last year, it added abortions in the case of pregnancies resulting from the tragedy of rape or incest to the category of abortions which Medicaid must cover. Thus, if state law conflicts with this enactment, court decisions require that state law give way to the federal law insofar as it applies to the Medicaid program. State law is unaffected for programs that use only state funds.

The current Hyde Amendment was enacted in October 1993. The intent of the letter which we issued in December 1993 was to advise states of the need to come into compliance with federal law. As with any modification to a state plan, states can make changes up to the last day of a quarter, and those changes may be retroactive to the first day. As a result of our notifying states prior to the end of the first fiscal quarter (October through December 1993), states which paid for abortions resulting from rape or incest now have the opportunity to qualify for federal matching funds for those expenditures. Other states have until March 31, 1994 to amend their plans in order for those changes to be effective January 1, 1994.

In your letter, you assert that the implementation of the Hyde Amendment imposes an unfunded federal mandate on states and is therefore contrary to the President's Executive Order. This Administration understands the fiscal burdens experienced by states; indeed, that is the motivation underlying the Executive Order. The Executive Order, however, concerns areas of policy and regulation in which federal agencies have discretionary authority, which is not the case here.

In addition, the amount of state funds involved is negligible because the revision of the Hyde Amendment expands abortion coverage to a very small group of women. Those who will now be served as a result of the Hyde Amendment of 1993 are poor women who have been the victims of rape or incest, who have suffered physical and mental abuse and who, beyond that, have been made pregnant by those acts. Congress has extended needed medical services to these women.

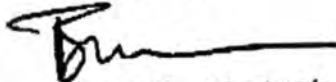
Finally, where statutory language permits, I believe we have worked hard to consult with states on the implementation of policies--as promised. Our work on the drug rebate program, home and community-based services waivers, and issues in health care reform are prime examples of these collaborative efforts.

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As in the past, we will continue to be as flexible as we can in helping states implement the law. We have made considerable strides in allowing state flexibility and will continue to work toward this end in assisting states in their efforts to comply.

I look forward to our continued collaboration on state health policy issues.

Sincerely,



Bruce C. Vladeck
Administrator

THE WHITE HOUSE

WASHINGTON

MEMORANDUM FOR THE PRESIDENT

FROM: John Hart, Deputy Assistant to the President for
Intergovernmental Affairs

DATE: January 4, 1994

SUBJECT: Wisconsin Health Care Reform and the Health
Security Act

I. Wisconsinites' Attitude Toward Reform

A recent poll by the University of Wisconsin shows that 8 out of 10 residents of Wisconsin favor universal coverage (84% in favor, 11% oppose); but only 58% said they would support reform even if it requires an increase in costs, while 35% said that higher costs would undermine their support for health care reform. 36% of respondents insisted that cost containment was the single most important aspect of reform, while 30% identified universal coverage as the primary impetus for reform. [University of Wisconsin, Wisconsin's Survey Research Laboratory: 435 residents surveyed 9-10/93; Margin of error +/- 5%.]

II. Background

The people of Wisconsin are currently engaged in a lively debate about a health care reform proposal introduced by Republican Governor Tommy Thompson. While a full discussion of the proposal follows, our simple answer is that it does not get us to the President's stated goal of universal coverage and health security for all Americans that can never be taken away. Thompson, who was a member of the Administration's bi-partisan health care task force and whose staff has been involved in White House consultations throughout the policy process, is critical of the Health Security Act's required employer contribution and favors a more market-driven approach to reform. Though critical, he is generally supportive of the intent of the Administration's bill.

A. Wisconsin Health Care Environment

Wisconsin is a largely rural state (34.3% rural), with a significant elderly population (13.7% of insured residents covered by Medicare). These are populations most likely to be underserved. Although the state boasts a comparatively low uninsured rate (only 8% of the state's 4.95 million

people are uninsured compared to a national average of 14.7%), 13.4% of the state's residents are underserved. Therefore, although many residents have coverage (many through Medicaid or Medicare), they have difficulty getting access to necessary care. For example, only 9 community and migrant health centers -- typical providers for underserved communities-- are operational in the state.

Through phone conversations with Josephine Musser, the state insurance commissioner, I have found that many people in the state don't understand the regional alliance concept.

Managed Care & Medicaid

There are already a significant number of managed care providers in Wisconsin. As of 1990, 19 PPOs were operational and as of 1992, 28 HMOs were operational in the state. Additionally 120,000 Medicaid recipients were enrolled in managed care in 1992; this represents 22% of the state's 440,000 Medicaid recipients. The state is notable for its comparatively high Medicaid expenditures: the state spent \$1.677 billion dollars on Medicaid in 1992; this accounts for 21.6% of the total state budget and places it 6th in the nation for high Medicaid contributions.

Welfare Reform

The Administration recently granted Wisconsin's waiver to implement a new welfare reform initiative that may have serious repercussions for traditionally underserved and uninsured populations. Known as "Work Not Welfare," the bill stipulates that, beginning in 1995, AFDC recipients must work or enroll in a job training program to receive partial cash assistance (wages are deducted from welfare checks). After two years, recipients are no longer eligible for welfare assistance. If the program helps current welfare recipients to find work, it could increase the number of individuals who will be insured through the workplace; if it increases the number of people neither working nor receiving AFDC, it could increase the number of individuals with no source of insurance.

II. Current Reforms

Thompson's Health Care Partnership Act

Governor Thompson favors an "incremental" approach to reform. Unlike the Health Security Act, Thompson's proposal for Wisconsin, the Health Care Partnership Act, takes a voluntary approach to reform; it seeks to expand access, but does not guarantee coverage. Like the Health Security Act, Governor Thompson's health care reform plan seeks to lower costs and expand coverage by creating regional purchasing pools tailored to the needs of small businesses, but also covering state employees. Provisions for pure community rating were altered, so the bill proposes only modified community rating.

A purely voluntary approach, this plan lacks the teeth to create true reform of the health care system. Significantly, it does not provide coverage for the uninsured, but instead calls for a study to expand coverage. Nor does it include effective provisions to prevent the dumping of high-risk patients into the pool. This legislation reflects Governor Thompson's more market-driven approach to reform. As well, some of his constituents are critical of his reform proposal, for they fear that it will lure high-risk patients into the state. Our response is that this problem can only be solved through national reform.

The Governor is convening a special legislative session in late January to reintroduce his bill. The bill will include a lot of new insurance reform proposals to address adverse selection problems. Democrats appear to be reluctant to pass this legislation. They would prefer to wait for national health care reform. The Governor's reform proposal has won him a great deal of attention, both within the state and nationally.

Concurrent with your appearance in the state, Governor Thompson is engaged in a full court press during January complete with a health care university for Wisconsin state legislators. His priority with health care reform is cost containment, with universal coverage being phased in later.

Other Reforms

Insurance Regulation: Wisconsin has enacted laws that enhance small business' access to coverage.

- Guaranteed Renewal: must renew all clients.
- Portability: Change of plans does not require a second waiting period for pre-existing conditions.
- Rating Bands: Limits ability of insurance co. to rate premiums based on experience and duration of coverage. Only can consider age, gender, industry, location.
- Guaranteed Issue: Insurers must cover those with pre-existing conditions.

No Frills Plans: In 1992 Wisconsin created basic benefit plans, special insurance policies that provide less coverage than typical policies and charge a lower premium for small businesses (similar programs in CA were a flop: no one bought the coverage).

Cost Containment: Cost containment measures in 1992 bill included a limit on number of new hospital beds.

Rural Medical Centers & Primary Care in Rural and Underserved Areas: offers protection from anti-trust laws to providers who form networks to cover rural and underserved populations.

THE WHITE HOUSE

WASHINGTON

MEMORANDUM TO THE PRESIDENT

FROM: JOHN HART
DATE: JANUARY 4, 1994
RE: MILWAUKEE HEALTHY START PROJECT

You should be aware that the Department of Health and Human Services has been contacted by Senator Kohl's office regarding the funding of Milwaukee's Healthy Start Project. This project was started under President Bush and Secretary Louis Sullivan. It has never received Congressional authorization. There are currently 15 sites that receive federal appropriations, and 4 sites that were approved, but unfunded. Milwaukee is one of the approved but unfunded sites. The March of Dimes has been funding the Milwaukee site, but will not be able to continue funding after May 1994. The FY 1994 Congressional appropriations continues to fund the 15 originally funded sites, but will not pick up the 4 unfunded sites. Senator Kohl is under the impression that you suggested to Mayor Norquist in a conversation last Spring that you thought the project was worthwhile and should be funded. Mayor Norquist has written to HHS and urged the Administration to support federal funding of the Milwaukee Healthy Start Project.

Secretary Shalala is writing the Wisconsin Congressional delegation explaining the situation. HHS does not have the authority to fund any new Health Start programs (i.e. Milwaukee and the other 3 approved, but unfunded sites), but will continue to provide technical assistance. Questions can be referred to Secretary Shalala's office.

THE WHITE HOUSE

WASHINGTON

January 5, 1994

MEMORANDUM FOR THE PRESIDENT

From: Ann Walker
Felton Newell

Re: Local Issues Briefing, Milwaukee

CRIME

Milwaukee's 164 homicides in 1993 were four short of the record number in 1992. Of the 164, 33 of the victims were under the age of 18.

According to a November poll, 75% of Milwaukee residents believe crime is increasing in their community. The poll also found only 37% of the City's residents feel safe during the day. When asked what approaches would reduce crime, 30% of statewide citizens said imposing the death penalty for murder would, while 25% said imposing stricter gun controls would work best. Eighty-seven percent of a statewide sample support gun registration run by the State. The poll was conducted by the Wisconsin Policy Research Institute, Inc.

INSURANCE DISCRIMINATION

Congressman Thomas Barrett sponsored a Milwaukee hearing on Tuesday to investigate racial discrimination in the insurance industry. Witnesses at the hearing voiced support for a bill designed to require insurance companies to disclose data they use to determine sales efforts in different neighborhoods. City Council member Marvin Pratt testified at the hearing on behalf of the eight homeowners he is representing in a federal suit against the American Family Insurance Company. The suit alleges that the Company discriminated against them because of their race.