

ARMS Email System

RECORD TYPE: PRESIDENTIAL (RECONSTRUCTED EMAIL)

CREATOR: Jonathan P. Gill (GILL_J) (WHO)

CREATION DATE/TIME: 17-MAY-1993 13:46:00.00

SUBJECT: Transcript of Radio Address 5.15.93

TO: (202) 456-6444 (WNS_1) (WHO)
READ: UNKNOWN

TO: Christian M. Baldia (BALDIA_C) (WHO)
READ: UNKNOWN

TO: Janet Handal (HANDAL_J) (WHO)
READ: UNKNOWN

TO: Remote Addressee (1=US@2=TELEMAIL@3=INTERNET@*RFC-822\JGILL(A)NSF.GOV@MRX@EOPMRX) (DEFAULT)
READ: UNKNOWN

TO: Remote Addressee (JIM KOHLENBERGER@EOP_OVP@CCGATE@EOPMRX) (DEFAULT)
READ: UNKNOWN

TO: Liz Bowyer (BOWYER_L) (WHO)
READ: UNKNOWN

TO: Alan J. Stone (STONE_A) (WHO)
READ: UNKNOWN

TO: Thomas O. Levenberg (LEVENBERG_T) (WHO)
READ: UNKNOWN

TO: Remote Addressee (1=US@2=WESTERN UNION@3=@5=EASYLINK@*ELN\62955104@MRX@EOPMRX) (DEFAULT)
READ: UNKNOWN

TO: Remote Addressee (1=US@2=COMPUSERVE@3=CSMAIL@*ID\73030,21@MRX@EOPMRX) (DEFAULT)
READ: UNKNOWN

TO: Remote Addressee (JACK BELCHER@1=US@2=TELEMAIL@3=HOUSE@MRX@EOPMRX) (DEFAULT)
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TO: Remote Addressee (BULLETIN@1=US@2=TELEMAIL@3=HOUSE@MRX@EOPMRX) (DEFAULT)
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TO: Remote Addressee (1=US@2=TELEMAIL@3=INTERNET@*RFC-822\WH OUTBOX DISTR(A)LEX LUTHOP.AI.MIT.EDU@MRX@EOPMRX) (DEFAULT)
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TO: Remote Addressee (1=US@2=TELEMAIL@3=INTERNET@*RFC-822\HES(A)AI.MIT.EDU@MRX@EOPMRX) (DEFAULT)
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TO: Remote Addressee (1=US@2=TELEMAIL@3=INTERNET@*RFC-822\USIA01(A)ACCESS.DIGEX.COM@MRX@EOPMRX) (DEFAULT)
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TO: Remote Addressee (ALEXIS BYRNE@1=US@2=ATTMAIL@3=GOV+USDA.SIES@5=SIESNET@MRX@EOPMRX) (DEFAULT)
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TO: Remote Addressee (1=US@2=TELEMAIL@3=INTERNET@*RFC-822\JPOLEY(A)ESUSDA.GOV@MRX@EOPMRX) (DEFAULT)
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TO: Remote Addressee (1=US@2=TELEMAIL@3=INTERNET@*RFC-822\DLYTEL(A)NSF.GOV@MRX@EOPMRX) (DEFAULT)
READ: UNKNOWN

TO: Jeffrey L. Eller (ELLER_J) (WHO)
READ: UNKNOWN

TO: Lisa Mortman (MORTMAN_L) (WHO)
READ: UNKNOWN

TO: Ernest D. Gibble (GIBBLE_E) (WHO)
READ: UNKNOWN

TO: Patricia A. Enright (ENRIGHT_P) (WHO)
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TO: Jonathan P. Gill (GILL_J) (WHO)
READ: UNKNOWN

TO: Richard Strauss (STRAUSS_R) (WHO)
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TO: Maria M. Tio (TIO_M) (WHO)
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TO: Joshua N. Silverman (SILVERMAN_J) (WHO)
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TO: Jess Sarmiento (SARMIENTO_J) (WHO)
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TO: Lavera R. Barnes (BARNES_L) (WHO)
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TO: C. Patricia Cogdell (COGDELL_C) (WHO)
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TO: Kimberly S. Hopper (HOPPER_K) (WHO)
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TO: Lorraine A. Voles (VOLES_L) (WHO)
READ: UNKNOWN

TO: Margaret C. Sherry (SHERRY_M) (WHO)
READ: UNKNOWN

TO: Elizabeth A. Bernstein (BERNSTEIN_E) (WHO)
READ: UNKNOWN

TO: Carolyn Curriel (CURIEL_C) (WHO)
READ: UNKNOWN

TO: David B. Anderson (ANDERSON_D) (WHO)
READ: UNKNOWN

TO: Roy Neel (NEEL_R) (VPO)
READ: UNKNOWN

TO: Thurgood Marshall, Jr (MARSHALL_T) (VPO)
READ: UNKNOWN

TO: Greg Simon (SIMON_G) (VPO)
READ: UNKNOWN

TO: Remote Addressee (MARLA E. ROMASH@EOP_OVP@CCGATE@EOPMRX) (DEFAULT)
READ: UNKNOWN

TO: Leon Fuerth (FUERTH_L) (VPO)
READ: UNKNOWN

TO: Jack Quinn (QUINN_J) (VPO)
READ: UNKNOWN

TO: Katie McGinty (MCGINTY_K) (VPO)
READ: UNKNOWN

TO: Remote Addressee (SALLY J. AMAN@EOP_OVP@CCGATE@EOPMRX) (DEFAULT)
READ: UNKNOWN

TO: Kukis, Heidi (HEIDI KUKIS@EOP_OVP@CCGATE@EOPMRX) (DEFAULT)
READ: UNKNOWN

TEXT:

THE WHITE HOUSE
Office of the Press Secretary

Saturday, May 15, 1993
at 10:06 a.m. EDT

RADIO ADDRESS BY THE PRESIDENT

The Residence

THE PRESIDENT: Good morning. As we all rejoice in this magnificent spring and the promise of renewal that it brings, we should also feel renewed as citizens; renewed by the progress that is being made in Washington, progress we are making in strengthening the American economy to help us be more competitive, to grow, to work for the middle class again. Gridlock is on the way out and our plan to rebuild the economy and restore opportunity for all Americans is moving through Congress.

Look at the progress: Just three months ago, I submitted to Congress a balanced economic plan that asked everyone to work together to invest a little more in deficit reduction today, so that we can all enjoy better jobs and higher incomes tomorrow. It says we can do what no generation has ever been called upon to do before -

-

that we can reduce our deficit sharply and still increase investment wisely in jobs and education and new technology, because we must do both to be a competitive America, to create more jobs and growth.

We began by forcing real discipline on the big spenders by making deep and enforceable cuts in the federal government in over 200 specific programs. And believe me, these cuts are real. We've taken on spending groups and interest groups that have never been taken on. We've made tough decisions, and now Congress is working with me to make them stick. It wasn't easy.

We've made major reduction in the so-called entitlement programs like medical care, agriculture, federal retirement programs. Virtually no area of domestic spending was left untouched. And we're now on our way to the largest deficit reduction package in American history. And we will not raise taxes without knowing that these spending cuts are part of the project.

These cuts are real and our plan is fair. The nonpartisan Congressional Budget Office has concluded that 75 percent of all the taxes in this plan fall on the top six percent of Americans, those earning \$100,000 a year or more. It asked those who

got a tax break in the 1980s to pay their fair share in the 1990s. These proposals which reduce the deficit and increase tax fairness were adopted by all the important House of Representatives committees last week.

But I'm asking the Congress to go further. This week I proposed that when we cut programs, we lock the savings up in a deficit reduction trust fund so that you can trust that the money can only be used to reduce the federal deficit. That's right. No taxes without spending cuts and the spending cuts and the taxes put into a deficit reduction trust fund so that the money must be used to reduce the deficit.

In addition to cutting the spending deficit, the other essential goal of our plan is to create opportunity in our society where hard work is supported and initiative is rewarded. That's why there were important tax incentives added to this plan. Increasing the small business expensing provision to \$25,000 a year -

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a goal long sought by the American small business community. A new venture capital gains tax. Big investment incentives for larger corporations to invest in new plant and equipment to create new jobs. These and other initiatives to ease the credit crunch and to keep these interest rates at historic lows will mean billions of dollars of new investment into our economy in the near future.

Our economic plan includes also a proposal to create empowerment zones in our most depressed urban and rural communities. We offer significant incentives to those who will go into those neighborhoods and build a business because they will be giving people a chance who haven't had one in a long time. There's not enough government money in a country to rebuild our cities or our distressed rural areas, but we can do it through free enterprise if we have enough incentive. The government in the empowerment zones will be the best partner the free enterprise system could have.

This plan also deals with another important problem. No one in America should work hard at a full-

time job with children in the home and still live in poverty. But millions of Americans do. Because our economy and our tax system hasn't been working, millions and millions of responsible people are among the working poor who still live below the poverty line. That's the wrong signal to send. That's an incentive to get on welfare, not to get off welfare.

Our plan includes an earned income tax credit that puts into law this basic principle: if you work 40 hours a week and you have a child at home, you will not be in poverty. This important proposal also is proceeding quickly to congressional approval. The tax code was also changed to protect those with incomes of under \$30,000 from the impact of the proposed Btu or energy tax, and to phase that tax in so that the average family will pay about a dollar a month next year and about \$5 a month the year after, with the full impact of the tax for people with incomes of \$40,000 a year or above triggering in at about \$16 to \$17 a month in 1996.

Just days after we offered our new approach to make college loans available to every qualified American student, regardless of income, this plan was also approved by the House Education and Labor Committee. This is a very important thing. It will save lots of money to taxpayers and make college loans available at lower interest rates and better repayment terms with mandatory repayment to all students in the United States. This is a change that we're working on

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cutting wasteful spending, increasing taxes fairly, driving down the deficit while increasing the investment we make through private sector incentives and in education training and technology.

These are the ideas which will make our economy strong and competitive. For every new dollar of investment in America and the American people, there are \$3 in spending cuts. This is the right way to go. All told, we've come a long, long distance in the last three months, to restoring our economy and reaffirming the values of the middle class and to opening up our democracy again.

I'm especially gratified that just this week we've passed the Motor Voter Bill which will make it easier for people to register and vote. And I fervently hope it will bring more young people into the democratic process. It was the young American all across this country who convinced me to redouble my efforts to work hard to pass this bill.

The United States Senate has just passed a lobbying reform bill which will require all of our lobbyist to register for a change and require them to report any gifts beyond a very small amount that they give to any member of Congress. And I've introduced the toughest campaign finance reform law ever, to lower the cost of campaigns, reduce the influence of political action committees, and open the airwaves to honest debate -

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all paid for by lobbyists, by
repealing the lobbyist tax deduction.

This is a bright and a hopeful day. We come together
not to better one group or one cause, but to work together in the
common cause of a reinvigorated America. We've been able to bring
deep discipline to our budget, positive purpose to our spending, and
created the sea change the American people voted for in November -

-

or
at least the beginning of that sea change. Now we've got to see
through it all the way to the end.

The rest of the road won't be easy, just as the last
three months have not been. But we can do it and then we'll have
something to really celebrate -

-

when we've passed the budget, an
economic plan, and gotten this country turned around.

Even as we celebrate these changes, let's also remember
why we're free enough to make them. May the 15th is Armed Forces
Day. And I would like to conclude by honoring those who served,
whose bravery and sacrifice and devotion to country has preserved our
liberties, and made America the custodian of freedom's dream for the
entire world.

I speak for all in my administration in expressing
gratitude and profound respect for each member of our Armed Forces,
for their supportive families and for their mission. From my first
months in office, I can assure you that America has the strongest,
best trained, and most faithful Armed Forces in the world. Men and
women so worthy of the great responsibilities borne by them in our
nation. May God protect them and guide the United States.
END

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RECORD TYPE: PRESIDENTIAL (RECONSTRUCTED EMAIL)

CREATOR: Jeffrey L. Eller (ELLER_J) (WHO)

CREATION DATE/TIME:18-MAY-1993 16:38:00.00

SUBJECT: Remarks at Los Angeles Valley College

TO: Remote Addressee (1:US#22WESTERN UNION-41-42 RASVLIINF-7KIN-6195-104-MPA-ROUMPA) (DEFAULT)
READ: UNKNOWN

TO: Jeffrey L. Eller (ELLER_J) (WHO)
READ: UNKNOWN

TO: Lavora R. Barnes (BARNES_L) (WHO)
READ: UNKNOWN

TO: Lisa Mortman (MORTMAN_L) (WHO)
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TO: Joshua N. Silverman (SILVERMAN_J) (WHO)
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TO: Ernest D. Gibble (GIBBLE_E) (WHO)
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TO: C. Patricia Cogdell (COGDELL_C) (WHO)
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TO: Richard Strauss (STRAUSS_R) (WHO)
READ: UNKNOWN

TO: Jonathan P. Gill (GILL_J) (WHO)
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TO: Patricia A. Enright (ENRIGHT_P) (WHO)
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TO: Jess Sarmiento (SARMIENTO_J) (WHO)
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TO: Kimberly S. Hopper (HOPPER_K) (WHO)
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TO: David B. Anderson (ANDERSON_D) (WHO)
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TO: David Leavy (LEAVY_D) (WHO)
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TO: Kathy McKiernan (MCKIERNAN_K) (WHO)
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TO: David Seldin (SELDIN_D) (WHO)
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TO: Steven A. Cohen (COHEN_SA) (WHO)
READ: UNKNOWN

TO: Dee Dee Myers (MYERS_D) (WHO)
READ: UNKNOWN

TO: Lisa M. Caputo (CAPUTO_L) (WHO)
READ: UNKNOWN

TO: Marla Romash (ROMASH_M) (VPO)
READ: UNKNOWN

TO: Nancy L. Ward (WARD_N) (WHO)
READ: UNKNOWN

TO: Jeremy Gaines (GAINES_J) (WHO)
READ: UNKNOWN

TO: Chad H. Griffin (GRIFFIN_C) (WHO)
READ: UNKNOWN

TO: Debra D. Bird (BIRD_D) (WHO)
READ: UNKNOWN

TO: Ricki Seidman (SEIDMAN_R) (WHO)
READ: UNKNOWN

TO: Heather Beckel (BECKEL_H) (WHO)
READ: UNKNOWN

TO: Amanda Crumley (CRUMLEY_A) (WHO)
READ: UNKNOWN

TO: Lorraine A. Voles (VOLES_L) (WHO)
READ: UNKNOWN

TO: Dawn A. Alexander (ALEXANDER_DA) (WHO)
READ: UNKNOWN

TO: A. Victoria Rivas-Vazquez (RIVASVAZQU_A) (WHO)
READ: UNKNOWN

TEXT:
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MORE

THE WHITE HOUSE

Office of the Press Secretary
(Los Angeles, California)

For Immediate Release May 18, 1993

REMARKS BY THE PRESIDENT
IN DISCUSSION WITH STUDENTS ON JOB TRAINING

Los Angeles Valley College
Los Angeles, California

12:10 P.M. PDT

THE PRESIDENT: Thank you very much. (Applause.)
I'm delighted to see all of you here, and I'm glad to have the
chance to come. I've had a great time touring some of the
facilities and seeing some of the programs that are offered here
at this college and meeting some of your fellow students.
Everybody here is a student, right?

AUDIENCE: Yesss. (Applause.)

THE PRESIDENT: Everybody back there? I'm glad to
see your president, your chancellor who are here, and Mayor
Bradley I see back there. Thank you for coming. (Applause.)
And I see -- we have a number of members of Congress back there.
If you've got anything to ask your congressman, we've got four or
five options back there. Will the members of Congress stand up?
Walter and Javier and Tony Beilenson, Congressman -- (Applause.)
It's good to see you all.

I see several state officials back there -- the
Secretary of State, the State Comptroller, the Insurance
Commissioner, Michael Woo -- Councilman Michael Woo, my friend, a
candidate for mayor. Good for you. Good luck. (Applause.)

That "woo" is interesting, isn't it? Makes a good
cheer. I like it.

I want to say to all of you, first of all, I am
delighted to be back in California; glad to be back in Los
Angeles and to Van Nuys and -- (applause.) Yesterday I was in
New Mexico, and I was at Los Alamos -- and I said Los Angeles.
So I promised them when I -- they all hooted. So I promised them
when I got here I'd say I was glad to be in Los Alamos.
(Laughter.) So there. I did it. (Laughter.)

I came here for a very specific purpose today, and
that is to try to illustrate what the economic efforts that our
administration is making will do for you and how your efforts --
can we fix this -- in the work we're doing to try to turn the
California economy around. And I thought that there was really
no better place to come than to a college like this where all the
people here have already, by definition, taken responsibility for
your own future and made a real commitment to do what it takes to
be competitive, to develop the skills you need to get a good job,
to keep good jobs and to learn new skills continuously.

I met a very impressive man inside who has got a
full-time job, as many of you do, who has been coming back here
on his own just to continue to hone his skills, because he says,
"what I do requires me to change over and over and over again, so
I will always be able to have a good job." And this is funny -- I
was talking to Dan Palmer, who introduced me, he told me that
before he was married and began to have children, he was a
musician. And he realized that that's not a very solid basis for

having job security. I thought about being a musician, too, and
I wasn't as good as he was. And I knew I had no job security.
So I got into another line of work where I have no job security.
(Laughter.) But, anyway, I understand very much that sort of
motivation which I imagine got a lot of you in here.

What I wanted to do was to basically just talk a
little bit about our national economic efforts and how it affects
California and how what you're doing here is essential if we're
ever going to turn the economy of the state and nation around.

First, when I took office, I found, as you know, a
government with an enormous budget deficit -- that is, we were
running in the red every year, over \$300 billion. Our debt had
gone as a nation from \$1 trillion to \$4 trillion. It's hard to
even imagine that kind of money in just 12 years. We were a
country for 200 years, we ran up \$1 trillion worth of debt. Then
in 12, we ran up \$3 trillion more.

Why? Because we cut taxes and increased spending. And it was fun for a while. It helped California a lot. Cut taxes, people had more money in their pocket, increased spending, mostly in defense, put a lot of people to work in plants out here. Put a lot of people to work on and around the bases out here.

In the end, it all catches up to you, and you've seen the last few years what happened: the Cold War was over, we began to reduce defense, we had no real plan for dealing with it. And what's happened to your tax money is, the deficit keeps going up even though defense has gone down because of the cost of health care -- something that won't surprise any of you.

So what I have tried to do is to come up with a plan that would bring our deficit down, give us control of our budget and your future, get interest rates down so people can refinance their homes and their businesses -- and I'll bet you there are people in this audience today who have refinanced their home loans since last November and saved a lot of money doing it, because we're determined to bring interest rates down. And at the same time, while cutting a lot of spending and raising some taxes, almost all of which -- at least well over 70 percent of it comes from people with incomes above \$100,000, and we tried to give a tax cut to people with families with incomes under \$30,000 so they wouldn't have to pay a tax increase.

But while doing that, there are some things which we should spend some more money on, and I want to talk about them. We ought to spend some more money on having more programs like this. Why? Because you can have the best economic policies in the world, and if the people don't have the training they need to do the jobs in a global economy, good economic policies don't put people to work. (Applause.)

We also -- I'll give you another example -- there are also, in this tax bill that I have asked the Congress to pass, there are also big incentives for small businesses and big businesses to reinvest their money to put Americans to work, and special programs to induce people to invest in communities that are particularly depressed. More sweeping than anything anybody's ever offered.

Why? Because the government can't put everybody to work. Most people work on the private sector, and that's as it should be. So we have to find ways to give people special incentives to reinvest their money.

Let's take, for example, a business. If a business goes out and refinances its business loan and gets a lower interest rate, what do you want them to do with the money? Open another business, right? Or expand the business they're doing and hire more people so we can get unemployment down.

So those are the kinds of things we're trying to do. The budget I've asked the Congress to pass has over 200 specific budget cuts. It's got some really tough things in it. We froze federal employee pay. We reduce the size of the federal work force by 150,000 over the next five years by attrition, just by not hiring people as vacancies occur. We cut everything from agriculture subsidies to Medicare. We cut a lot of things, starting with the White House staff and the administrative cost of the federal government.

We raised the money that I talked about. But we have some targeted increases in investment. So while we're going to bring the deficit down dramatically, we're going to try to get some money for more funds for dislocated workers, more funds for communities that are hurt by base closings or plants being closed because of defense cutbacks, more funds for things like the Red Line Transit System here, where our administration announced over \$1 billion in funding to put people back to work and also to have some more stops in the community.

And the thing I want to say to you is that, if we're going to compete, if you're going to be able to have a good job and we're going to turn this community and this area around, we have to have the discipline to cut the things out we don't need to spend money on, to raise some money in order to bring the deficit down, because that means low interest rates and that's good for the economy. But we also have to invest in people and technology and jobs. We've got to do that. (Applause.)

You know, I got amused when I was on the way in here, people holding up signs, standing next to each other. One of them said, don't spend any more money, and another one said, close the border to illegal aliens. In the jobs program I presented to Congress, one of the things we had was enough money to hire a lot more border patrol people. You can't have it both ways. If you're going to hire people, you've got to have the money to hire them. And we're going to have to make these kinds of tough decisions.

So I wanted to come here because all of you know this. If you didn't know this you wouldn't be here. You have this figured out. I mean, maybe not just like I said it, but you've figured it out. The average 18-year-old going into the work force now is going to change work eight times in a lifetime.

Eight times. And whether you can get and keep a job now depends as much on what you can learn tomorrow as it does on what you know today.

And that's not going to change. The world will get smaller and smaller and smaller, more and more of our economy will depend on our ability to compete with people around the world. We'll have to trade more, we'll have to sell more to other countries. We'll have to be able to change constantly over and over and over again. And you really are on the cutting edge of that change.

So I wanted to come here to try to illustrate that and to ask you as citizens to support my economic program, to support our efforts to bring the deficit down, to cut spending, to ask wealthy people to pay their fair share -- (applause) -- to give people incentives for more jobs, and to invest more in education, training and technology. (Applause.)

I also want to tell you -- before I open the floor to questions I want to introduce one more person. When I was running for President out here --

AUDIENCE: No new taxes!

THE PRESIDENT: We tried it their way for 12 years. Look what it got us. (Applause.) You know what the "no new

taxes" crowd did for 12 years? They cut taxes on the rich, raised taxes on the middle class, ran the country in a ditch. They had it their way for 12 years. (Applause.) It sounds great, all this talk. They had their chance.

AUDIENCE: You broke your promise!

THE PRESIDENT: They had their chance. I broke my -- you know what else they don't say? Their crowd, what did they do after the election -- oh, after the election they said, oh, by the way -- the previous administration -- oh, by the way, the deficit is going to be \$50 billion a year bigger every year than we told you. But go ahead and do everything you said you were going to do before -- sorry we didn't tell you that.

AUDIENCE: You broke your promise!

THE PRESIDENT: What did they say, guys? So the free lunch crowd has had their chance. (Applause.) And I'm telling you there is no free lunch crowd. And so we'll just have to decide whether we're going to take a different course. I want you to have a chance to do that.

The other thing I want to tell you is, we can't turn this country's economy around unless we lift California up. And so I have -- (applause) -- I asked the Secretary of Commerce Ron Brown to head a team in my administration to develop a specific strategy to try to make sure we were doing everything we could do to help to turn this economy around. He has now made -- just since I've been President, in four months, seven trips to California, meeting with people, working with people, trying to develop a strategy for what our partnership should be. And he came with me today, so I want to introduce him. Ron, stand up, please. (Applause.) He's spending more time here than in Washington.

We're going to work hard, but you've got to do your part, too. And one of the messages that I hope will come out of this event today is that thousands of people in southern California will see you -- they will see you and they will think, I've got to do my part, too. I've got to do something. I have to do something to change what I'm doing. I have to do something to lift up my circumstances. Because I'm telling you, there is nothing the President, nothing the Mayor, nothing the Governor, nothing anybody can do for you that you're not prepared to do for yourself. This has got to be a partnership and a two-way street.

Thank you very much. (Applause.)

Who's got a question or a comment?

Q Hi. First off, I thought you look mighty handsome in that. (Applause.)

THE PRESIDENT: I don't know about that, but it's a handsome cap. (Applause.) Thank you.

Q I'm a 29-year old returning student. And I didn't know if you knew, but we are the number one voter registration campus in southern California -- LAVC is. (Applause.) I wanted to know, will you support an amendment to your motor voter bill which will allow students to register to vote at the same time they register for classes when they come here to school? (Applause.)

THE PRESIDENT: The answer to that is, I support that concept, but it's too late to amend that bill, because we had to fight like crazy just to get it through. You know, it was filibustered once by the minority in the Senate. And finally, we got an agreement and passed the bill, the motor voter bill, after it was passed last year and then vetoed. So it's a great

improvement over the present law, the motor voter bill, and so I

think that it's unrealistic to think we can amend it.

Now, what I think -- as a matter of fact, I want to get it up and sign it before anybody decides to do anything else with it. But what I think you should do, since California has such an incredible array of community colleges and other institutions of higher education, is to try to get a state bill through requiring that to be done here. (Applause.) I mean, that's what I think you should do. I'll bet you could get a lot of help.

And, also, I think that the local registrar of voters would probably be happy to do it. And if they're reluctant, then you ought to pursue trying to get a state law passed.

Q Mr. President, I still believe in having the American Dream. And one of those dreams is to have an education. Another one is to own a home. And I want to know, what do you have in your economic policy that would help me buy a home? (Applause.)

THE PRESIDENT: The most important thing that I could do to help you buy a home is to keep the cost of buying a home low. And the best way to do that is to keep interest rates down. Home mortgage rates have been at 20-year lows -- 20 year lows. And I want you to understand why. I hope we can keep them down there.

First, interest rates dropped for a long time because of the recession, but they still were pretty high. Then, after the election, I said we were going to bring this deficit down, and I gave a specific outline of how I was going to do it. The rates started dropping rather dramatically.

Last year, a poll was done which said that only 47 percent of the American people under the age of 35 thought they had a real good chance to own their own home. This year, a poll was done that said 74 percent of the people thought they had a chance to own their own home. The only thing that's changed is that the cost of financing a home has gone way down.

So the central premise of what we're trying to do in bringing this deficit down is to lower interest rates, lower home mortgage rates, lower credit card rates, lower business rates, lower the car payment rates so that we can help make these things more affordable to average citizens. In other words, doing the right thing for all Americans will help individual Americans more than any specific program I could have on home-buying.

Now, let me say one other thing. I have also supported having the federal government give states the right to issue tax-exempt bonds to provide for lower interest financing for middle-class families and for working families with modest means. And again, one of the things that I have tried to do in my program, if it passes, is to make sure that we make that permanent so that every state in America will be able to continue to do what I did vigorously in my state, which is to make available more low-income, low-interest financing to people to buy homes.

Q Mr. President, there are many different claims on how much your economic plan will actually increase middle-income taxes. Can you tell us in very simple, nonpolitical language how much more money middle-income people, those making less than \$60,000, will pay in new taxes?

THE PRESIDENT: Yes, I'll be glad to. First of all, there is one middle-income -- there is one tax in this program that falls on middle-income people. And that's the so-called BTU

tax. It's an energy tax based on, basically, the heat content of various sources of energy.

The purpose of the tax, aside from raising money, is to encourage utilities and industries to ship to the most fuel-efficient and environmentally sensitive forms of energy so that we can do more energy conservation and do more fuel shifting. And we've made some changes in it to try to make sure it works in a more practical way.

But because you consume energy, eventually those things will find their way down to you. That is, some of it will be in the fuel you buy, some of it will be in products you buy that themselves use fuel, a little bit of it would be in anything that's brought to a store by a truck. In other words, ultimately, all people pay these things.

Now, here's how the pricing works. The average family of four, next year will pay virtually nothing -- I mean, literally virtually nothing -- \$1.00 a month or less. The next year after that, it will be probably about \$6.00 a month -- this is \$60,000 a year and less. The next year it will be, and the year after that and from then on, it will be someplace between \$14.00 and \$17.00 per month, maximum for a family of four. If you're single, it's much less.

Now, if your income is under \$60,000, but is also under \$30,000, and especially if you have children, there is a good chance that you will not pay any more money, net, because

another provision of this tax bill does something that I personally think is very important; I've wanted to do it for a long time. It increases the earned income tax credit, which is already in the tax code, to the point that we'll be able to say to anybody who works 40 hours a week and has a child in the house, if you do this, you will not be in poverty. In other words, even if we have to give you a tax credit, we're going to lift you out of poverty. We're going to reward work instead of welfare; we're going to say that you'll be out of poverty. (Applause.)

Now, again, I want to be very specific. The higher you go toward \$30,000, the more likely you are to pay a little bit. But if you have children, you can make maximum use of the earned income tax credit so that if you've got, let's say, a family of four with an income of \$29,000, you will pay nothing or next to nothing on the energy tax, because while you pay it, you'll get an offset on your income tax.

So the lion's share of this, what I told you, \$1.00 a month, \$6.00, \$7.00 a month, up to a maximum of \$14.00 to \$17.00 a month, three years, four years, five years from now, will be paid by people with incomes between \$30,000 and really all the way up to about \$100,000 a year. Then, it's at that point, when you get to the upper six percent of income earners, that the income tax increases trigger in.

So that's what it does.

Q Mr. President, as Republican filibusters torpedoed your original jobs bill, thereby leaving countless of unemployed and underemployed Americans less hopeful than they were in January, and as the dichotomy between costs and quality in health care and the education system widens, I would like to know what this administration will do to stem the unconscionable flood of illegal aliens that pours virtually unchecked into this country, and that erodes the quality of life for those Americans in the lower economic brackets and must eventually threaten the American middle class? (Applause.)

THE PRESIDENT: I'd like to answer the question you asked, and also then make a reference to the other issues you raised on the jobs and the health care issue. The first thing I

want to do is to hire a strong, sensible, practical person to be head of the Immigration and Naturalization Service. I have asked the Attorney General, Janet Reno, whom I think has really done a good job, to put a very high -- (applause) -- priority on selecting a nominee who will be compassionate, but also hard-headed. I mean, I think you want somebody who is compassionate, but hard-headed, who is realistic about what we're up against and what we're facing. I think she will make a recommendation to me this week, and we'll resolve that; that's the first thing.

That's the first thing. The second thing I think we have to do is to make a better effort to enforce the law that we have. If we've got a law on the books we ought to try to enforce it, even if it's difficult to enforce. One of the things that was in the jobs program that you referred to that was killed by the filibuster was funds for more border guards to enforce the law. A lot of people don't know that, but that was in there.

So I think we have to find ways to get the resources necessary to do as much as we can to enforce the law that exists. There is a limit to how much any economy can have. You've got the California economy very depressed now. This is a state made by immigrants. It's very important to recognize that. (Applause.) Los Angeles County has people from 150 different racial and ethnic groups. We also will continue to have people who are exiles really from political oppression. And we have to -- under our law they get a different set of treatment. But I think we have to really roll our sleeves up and do this.

In the meantime, there's something else I think we ought to say. Whatever we do on immigration is a national decision that has uneven impacts. You would admit that, right? It hurts California and Texas and Florida and New York and, to a lesser extent, a handful of other states more financially than it does the rest of the country. But it's a national policy. Or if there's a lack of a policy, it's a national policy.

One of the things that has really bothered me, especially as we've seen all these educational cutbacks in California with your economy down after the defense cuts and the other problems, is that the federal government has essentially been willing to let you in California eat the cost of the federal policy. So another thing we have done in spite of all the budget cutting we've done, there are funds in this budget to substantially increase funding to California to deal with the cost of immigration, thereby freeing up other funds in California to be spent on education or jobs or whatever else you all want to do here. I think we need to do more of that. (Applause.)

Now, I don't want to mislead you -- there is not as much money here in the budget as a lot of people asked for from California. But there's a whole lot more; I mean, several hundred million dollars more than was previously given. And I just think it is imperative that we have to provide -- if the federal government is going to have a policy, or lack of it, then the federal government ought to pay for the policy, or lack of

it, so that the states can be free to spend their money on educating and training and finding jobs for the people who live within the state. That's what I think. So we're going to move toward that.

If I might just make one other comment on what you said earlier. I'm going to try to come back with various pieces of this jobs initiative. I hope we can still get some more money for summer jobs, because we've got the best summer jobs program this country has ever organized. We've worked in partnership with the private sector. We're going to require 90 hours of educational work for people who have summer jobs, hoping that we can actually help people to get full-time continuing jobs and to continue their education -- something that's never been done with a federal summer jobs program before. So we're going to try to get some more.

I also believe very strongly that we need to make a down payment now on the efforts that I'm making to put 100,000 more police officers on the streets so we can have more community-based policing -- (applause) -- which means the best of both worlds if you've got the right kind of community policing. It means less crime, tougher law enforcement and less abuse of authority because you have people working the neighborhoods, knowing their friends and neighbors, and less pressure.

So we're going to start with that and then try to move back toward these other issues.

Q Mr. President, I transferred to a state university from here at Valley. I had to drop out of school this semester because I can't afford to go and I don't qualify for financial aid. And there are other students that are in my situation. We really want to go back to school. We can't afford the fees. What are you going to do to help us, please tell us. (Applause.)

THE PRESIDENT: I have introduced into the Congress a bill that I do believe will pass with both Republican and Democratic support -- two bills -- designed to deal with your problem. And let me just talk a little bit about it because you could tell by the clapping that you're not the only person in your fix.

The college dropout rate is two and a half times the high school dropout rate. And an awful lot of people quit because they can't afford to stay. Now, in California this previously was not as big a problem because we had -- so many of the institutions were free. But you've got all these economic problems now; that can't be the case anymore. And even if you don't have big tuition you have expensive other -- other expenses are significant.

So here are the things we're trying to do. First of all, I've asked the Congress to adopt a national service program which would permit young people to earn up to \$5,000 a year in credit either before, during or after college to pay off loans for college expenses by doing important work in the community. It can be done before, during or after college. Like after college, if someone agreed to be a teacher, for example, or a police officer in an underserved community, they could get \$5,000 a year credit for that to pay off their loans. So that's, in effect, a scholarship program in return for national service.

In addition to that, I've asked the Congress to totally reform the present student loan program. The present student loan program costs \$4 billion a year -- \$3 billion in unpaid debts, and \$1 billion in fees to banks and to other people who handle the money for the student loan program. It is amazing the money that's in the student loan program. And there is also no incentive for them to collect on people who won't repay, because the government guarantees 90 percent of it. So if you borrow \$20,000 from a bank and you don't repay it, the government will give them \$18,000, and it will cost them \$2,000 to go to court and get it, right? So it's not a good system.

What I recommend is that we shift to a system of direct loans by a protected financial entity to be created by the government to give you lower interest loans, to give you the money you need, and to give it to you on terms that won't frighten you. And here's what I mean -- and people would be eligible without regard to their income, and here's how it would work:

If you borrowed the money, you would not have to pay it back until you actually go to work. Then, you would be able to decide how you want to pay it back among two choices: You could pay it back on a regular loan repayment schedule, based on

how much you borrowed, or if that was too tough and that scares a lot of people, you could pay it back as a percentage of your income so that you would never be required to pay more than a modest percentage of your income. So there would never be an incentive not to take the loan out, because it would always be an affordable percentage of your income.

The catch is that we can't afford to lose \$3 billion a year, so you'd have to pay it back at tax time so you couldn't beat the bill, but you would always be able to afford to pay it

back, and no one would expect you to pay it back unless you were actually working. This will dramatically change the economics of college financing. (Applause.)

Q Hi, Mr. President. How are you doing?

THE PRESIDENT: I'm fine.

Q Okay. My question to you, sir -- we have a plant in Van Nuys, the GM plant. I notice a lot of businesses such as that went out of state. What can the government do to motivate big business to invest in the community college as well as state college and major universities? (Applause.)

THE PRESIDENT: That's good. Well, I think first of all, most big businesses will invest more in the education of their employees than ever before because it's in their interest to do so. And I think what I should be doing is trying to figure out ways to give businesses incentives to reinvest in America and in putting Americans to work, and also, if possible, to try to make sure that every state has a chance to keep the manufacturing base.

Now, that affects California in two ways; let me just mention them. In the program that I have asked Congress to adopt, in addition to the tax increases, which you were good enough to ask about -- and I'm really glad you gave me a chance just to lay it out because it's not near as bad as everybody thinks it is, is it -- there is also a lot of incentives for businesses to reinvest. Small businesses today can expense or write off \$10,000 of expenditures every year on their taxes. We've proposed to take that to \$25,000. That's a good incentive for the small businesses to hire maybe one more employee. And most new jobs are created by small businesses. So this is a good thing to do.

Another thing we do is to let larger businesses who make investments in new equipment and modernize write that off more quickly in this tax code, which is an incentive to invest more.

The third thing that's real important to California is, at least I have read -- you know, you had an economic summit out here not very long ago, and I read that a lot of businesspeople believe that it's harder to keep manufacturing jobs in California because of the costs of the workmen's compensation system. More than half of that -- (applause) -- and I'll say a plug for your Insurance Commissioner, Mr. Garamendi is the first person who ever talked to me about this -- more than half the cost of worker's comp comes from health care costs. And in the work that my wife, the First Lady, is doing with the Health Care Commission -- (applause) -- one of the things we're trying to come up with is a national system to take the health care portion of worker's comp cost and fold it into a national health system so you lift that burden off of the businesses separately, and so no state ever has an advantage over any other state just because of the health care cost of worker's comp. That will also be a huge boost to California and the manufacturing economy of California if we can get it done.

I'll take one more.

Yes, ma'am? I wish I could stay here all day, but I've got to go shake hands with them because they feel deprived. (Applause.) And you. Thanks.

Q Mr. President, I would like to ask about education. The level of education is declining, the on-campus crime is increasing and the education budget is decreasing. The percentage of government expenditure used for education in United States is three to four percent. In Japan it's seven percent. The California education budget is 85 percent of U.S. average, and it's one-third of New Jersey. So I would like to know what actions are you going to take to solve these kinds of problems. (Applause.)

THE PRESIDENT: Well, let me try to reframe a little of what I've said before because I think you've hit it. It would surprise most people to know that while the government's deficit was going up and the debt was going up in the last 12 years, we were actually reducing the effort the national government is making to support education and a lot of other initiatives, because all the money was going first to defense and then to health care costs.

What I am attempting to do with my budget, and will continue to work on it every year I'm President, is to, every year, to slowly move our spending priorities back toward education, training and technology.

In this budget, for example, we give more funds to institutions like this for worker training programs. We give much more money for Head Start, for preschool kids. We do a lot of things to try to, in other words, let the federal government play a bigger role. But another real problem you've got, let me say, in the United States as opposed to Japan where you've got three levels of government that often operate more or less independently, the lion's share of the budget for education always comes at the state and local level.

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So then, the other thing I can do is to help alleviate the burdens of the state government. Why is state government spending less on education in California, more on uncompensated care for undocumented people coming into the country, more on exploding health care costs, often mandated by the national government?

So if I can persuade the Congress, and if we can be wise and good enough to work out a health care program that's good for America, that brings costs in line with inflation, and then if we can compensate the states better for their costs that aren't their fault, like dealing with the immigration issues, then that will free up in California millions and millions and millions of dollars which the state could then turn around and put back into education. So we can help directly some, and we can help indirectly a lot. And I'm trying to do both those things.

Thank you. You were great. I wish I could stay longer. (Applause.)
END12:46 P.M. PDT

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RECORD TYPE: PRESIDENTIAL (RECONSTRUCTED EMAIL)

CREATOR: Jonathan P. Gill (GILL_J) (WHO)

CREATION DATE/TIME:18-MAY-1993 11:11:00.00

SUBJECT: AGAM 5.18.93

TO: Patricia A. Clark (CLARK_P) (OA)
READ: UNKNOWN

TO: Arthur L. Jones (JONES_A) (WHO)
READ: UNKNOWN

TO: Carter Wilkie (WILKIE_C) (WHO)
READ: UNKNOWN

TO: Eric Berman (BERMAN_E) (WHO)
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TO: Nestor M. Davidson (DAVIDSON_N) (WHO)
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TO: Stuart E. Trevelyan (TREVELYAN_S) (WHO)
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TO: Arnold Shore (SHORE_A) (OA)
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TO: Keith Boykin (BOYKIN_K) (WHO)
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TO: David Leavy (LEAVY_D) (WHO)
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TO: Thomas F. McLarty (MCLARTY_T) (WHO)
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TO: Doris O. Matsui (MATSUI_D) (WHO)
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TO: Margaret A. Williams (WILLIAMS_MA) (WHO)
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TO: Bruce K. Sasser (SASSER_B) (OMB)
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TO: Barry J. Toiv (TOIV_B) (OMB)
READ: UNKNOWN

TO: Leon Fuerth (FUERTH_L) (VPO)
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TO: Marla Romash (ROMASH_M) (VPO)
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TO: Janet Handal (HANDAL_J) (WHO)
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TO: Stephen B. Silverman (SILVERMAN_S) (WHO)
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TO: Christine A. Varney (VARNEY_C) (WHO)
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TO: Jeffrey L. Eller (ELLER_J) (WHO)
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TO: Lisa Mortman (MORTMAN_L) (WHO)
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TO: Ernest D. Gibble (GIBBLE_E) (WHO)
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TO: Patricia A. Enright (ENRIGHT_P) (WHO)
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TO: Jonathan P. Gill (GILL_J) (WHO)
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TO: Richard Strauss (STRAUSS_R) (WHO)
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TO: Maria M. Tio (TIO_M) (WHO)
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TO: Joshua N. Silverman (SILVERMAN_J) (WHO)
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TO: Jess Sarmiento (SARMIENTO_J) (WHO)
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TO: Lavora R. Barnes (BARNES_L) (WHO)
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TO: C. Patricia Cogdell (COGDELL_C) (WHO)
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TO: Kimberly S. Hopper (HOPPER_K) (WHO)
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TO: Margaret C. Sherry (SHERRY_M) (WHO)
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TO: Elizabeth A. Bernstein (BERNSTEIN_E) (WHO)
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TO: Carolyn Curiel (CURIEL_C) (WHO)
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TO: David B. Anderson (ANDERSON_D) (WHO)
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TEXT:

===== ATTACHMENT 1 =====
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ATT CREATION DATE/TIME:18-MAY-1993 10:01:00.00
ATT BODY PART TYPE: B
ATT SUBJECT: AGAM 5/18

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READ: UNKNOWN

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ATT TO: ALEXANDER (ALEXANDER_DA@A1@CD)
READ: UNKNOWN

ATT TO: BAUER (6=BAUER@4=NCC-KC@5=OIRM@3=GOV+USDA.OIRM.KC@2=ATTMAIL@1=US@MRX@EOPMRX)
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0518.TXT

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===== ATTACHMENT 2 =====
ATT CREATOR: UNKNOWN (UNKNOWN)
ATT CREATION DATE/TIME:18-MAY-1993 10:01:00.00
ATT BODY PART TYPE: A
ATT SUBJECT:
ATT TEXT:
Tuesday, May 18, 1993

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USDA EEP INFORMATION CRITICIZED (FVN-5/17) -- A source on the interagency committee says the time lag in getting new EEP initiatives approved has a lot to do with "all the different ways USDA proposes new initiatives." The source said USDA's information is not in a consistent format and it has a lot of holes. The source questioned the need for all the lower-level staffer meetings and said they sensed no urgency on the part of USDA.

SOYBEAN PROPOSAL DERAILED (Reuter-5/17, FVN-5/17) -- Congressional staffers say a proposal to change the soybean loan rate and eliminate the loan origination fee has been derailed because the Congressional Budget Office estimated the changes would cost \$271 million over five years (FVN says \$241 million)

FOOD SAFETY EXAMINED (Newsweek-5/24) -- The article presents some threats to food safety in the US and says many are due to the way we produce, distribute and consume our food. It says agencies the public relies on to protect them have not kept pace. The article discusses some of the new pathogens and a number of ways they are getting into the food supply. One official says the US cannot have the safest food supply in the world because the whole world is our food supply. Newsweek notes some problems of regulatory agencies, saying

USDA is virtually blind to problems such as E.coli contamination because of the nature of its inspection system. GAO says the federal food inspection system needs a new approach because it is inconsistent, inefficient and unable to adjust to changing risks. The article outlines some reforms, including USDA's desire to revamp its inspection process to address potential hazards at every step from farm to supermarket. Newsweek says Sen. Dave Durenberger (R-Minn.) is pushing for creating a single agency to handle all food-safety services.

A sidebar story looks at handling and cooking procedures consumers can use to prevent illnesses from food.

FIGHT AGAINST ETHANOL TAX (DM Reg-5/14) -- Sen. Tom Harkin (D-Iowa) said he would lead a fight in the Senate to defeat the House committee proposal to include ethanol in the new energy tax. The article reviews actions in the House, Senate and administration regarding taxes on ethanol.

FS TIMBER SALE PROPOSAL CRITICIZED (W.Times) -- Columnist Alston Chase says the proposal to end below-cost timber sales will not save money and will not save the land. He says environmental regulations are responsible for increasing the cost of timber management, and adds that environmentalists ignore the subsidized costs of recreation. Chase says the policies affecting the lumber market and community stability should be debated publicly.

MOOD OF AGRICULTURE SURVEY (PRN 5/17) - A survey in Corn/Soybeans Midwest magazine shows less than 20% of the respondents consider the government to be pro-farmer, and 88% complained of a heavier paperwork load because of ever-increasing regulations. One farmer cited the lack of government support for ethanol. However, 65% of the respondents said they feel successful.

ENTITLEMENT CAPS WANTED (W.Post, W.Times) -- Democratic House members are demanding a provision in the deficit-reduction bill to limit the growth of mandatory spending programs. Administration officials say the proposal could have devastating effects on some groups, such as food stamp recipients.

NO REPLY TO APPLE LETTER (Reuter) -- Japan's farm minister said they will not reply to the letter from Sec. Espy and USTR Kantor complaining of Japan's ban on imports of US apples. He said it is not a political issue and Japan would not treat the US as an exception in its quarantine talks with apple exporters.

GATT DEVELOPMENTS (Reuter-5/17, KRF-5/17) -- The EC trade commissioner outlined advantages the US-EC farm-trade agreement and a GATT pack will have for European farmers. He said it will guarantee their farm policy, provide new markets for their products, put an end to US and EC subsidized grain sales and will prevent the US from imposing unilateral trade sanctions.

(Reuter-5/17) -- The EC trade commissioner said the EC cannot protect its markets forever because barriers raise prices and taxes. He said they cannot maintain a farm policy without taking into account budgetary limits.

(Reuter) -- The GATT gave cautious approval to the EC's single market, saying it seemed to have eased access for imports, but it noted that the EC has made little change in its protection for its farmers.

(JOC, KRF-5/17, Reuter-5/17) -- The EC trade commissioner said France's memorandum on its trade policy was "absolutely positive." In the statement, France's prime minister had given a qualified rejection of the US-EC oilseeds deal and said the farm-trade accord should not set quantitative limits on permissible EC farm exports, and not limit industrial uses of farm land.

RUSSIA SITUATION (FWN-5/17-2 stories, JOC) -- Some grain trade sources believe Russia won't be able to come up with the money to make upfront freight payments on a tender-by-tender basis. Sec. Espy said he had, "no doubt the Russians will pay their portion of the freight in cash." Sec. Espy, referring to Russia's arrearages on GSM-102 payments, cautioned that problems could come in other ways. He added that if they don't pay, and aren't considered for new GSM programs, "we have to find other ways to pursue the Russian market."

(JOC, KRF-5/17) - Exportkhleb officials said Russia has no plans to purchase more grain in international markets until around October, because the recent French and US deals should fill their needs until their harvest begins this summer. One said Russia's grain crop looks good.

(JOC, Wires 5/17) The stories say US and Russian officials will meet this week to discuss the mix of high-value commodities to be purchased with \$40 million in the concessional aid package, and finalize the aid package. FWN notes one USDA official saying the secretary may have misspoken because the meetings are next week.

CHANGES FOR FOREST SERVICE (AP-5/17) -- Asst. Sec. Lyons said politics has to be removed from the Forest Service's decision making process. He said too often management professionals compromised their views to make politically correct calls instead of professionally responsible ones. He said the FS and forestry have been criticized because of a public perception that the sole purpose of forest management is to harvest timber. He said one of his goals is to restore the FS's credibility in the public's eyes.

LISTING OF BULL TROUT CONSIDERED (AP) -- The US Fish & Wildlife Service says there is enough evidence of declining bull trout populations to consider declaring the fish an endangered species. Environmentalists say because the Forest Service considers the trout an indicator species, the population declines indicate the entire aquatic ecosystem is threatened.

MORE FARM INCOME REPORTING (FWN 5/17, AP-5/17) -- Sec. Espy said USDA will be reporting average income of farm operator households as well as net farm income figures. He said releasing both numbers will make it easier to convince the public and decision makers of the "need to craft future farm policies that will included a major focus on income."

NASS ADMINISTRATOR DIES (W.Post) -- Charles Caudill, USDA employee for 36 years and administrator of NASS, died yesterday of a brain tumor.

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RECORD TYPE: PRESIDENTIAL (RECONSTRUCTED EMAIL)

CREATOR: Jonathan P. Gill (GILL_J) (WHO)

CREATION DATE/TIME:18-MAY-1993 17:03:00.00

SUBJECT: President's Remarks at Los Angeles Valley College

TO: (202) 456-6444 (WNS_1) (WHO)
READ: UNKNOWN

TO: Christian M. Baldia (BALDIA_C) (WHO)
READ: UNKNOWN

TO: Janet Handal (HANDAL_J) (WHO)
READ: UNKNOWN

TO: Remote Addressee (1=US@2=TELEMAIL@3=INTERNET@*RFC-822\JGILL(A)NSF.GOV@MRX@EOPMRX) (DEFAULT)
READ: UNKNOWN

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READ: UNKNOWN

TO: Remote Addressee (MATT GELMAN@1=US@2=TELEMAIL@3=HOUSE@MRX@EOPMRX) (DEFAULT)
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TO: Jeffrey L. Eller (ELLER_J) (WHO)
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TO: Lisa Mortman (MORTMAN_L) (WHO)
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TO: Ernest D. Gibble (GIBBLE_E) (WHO)
READ: UNKNOWN

TO: Patricia A. Enright (ENRIGHT_P) (WHO)
READ: UNKNOWN

TO: Jonathan P. Gill (GILL_J) (WHO)
READ: UNKNOWN

TO: Richard Strauss (STRAUSS_R) (WHO)
READ: UNKNOWN

TO: Maria M. Tio (TIO_M) (WHO)
READ: UNKNOWN

TO: Joshua N. Silverman (SILVERMAN_J) (WHO)
READ: UNKNOWN

TO: Jess Sarmiento (SARMIENTO_J) (WHO)
READ: UNKNOWN

TO: Lavora R. Barnes (BARNES_L) (WHO)
READ: UNKNOWN

TO: C. Patricia Cogdell (COGDELL_C) (WHO)
READ: UNKNOWN

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TO: Kimberly S. Hopper (HOPPER_K) (WHO)
READ: UNKNOWN

TO: Lorraine A. Voles (VOLES_L) (WHO)
READ: UNKNOWN

TO: Margaret C. Sherry (SHERRY_M) (WHO)
READ: UNKNOWN

TO: Elizabeth A. Bernstein (BERNSTEIN_E) (WHO)
READ: UNKNOWN

TO: Carolyn Curiel (CURIEL_C) (WHO)
READ: UNKNOWN

TO: David B. Anderson (ANDERSON_D) (WHO)
READ: UNKNOWN

TO: Roy Neel (NEEL_R) (VPO)
READ: UNKNOWN

TO: Thurgood Marshall, Jr. (MARSHALL_T) (VPO)
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TO: Greg Simon (SIMON_G) (VPO)
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TO: Remote Addressee (MARLA E. ROMASH@EOP_OVP@CCGATE@EOPMRX) (DEFAULT)
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TO: Remote Addressee (SALLY J. AMAN@EOP_OVP@CCGATE@EOPMRX) (DEFAULT)
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TEXT:

THE WHITE HOUSE
Office of the Press Secretary
(Los Angeles, California)

For Immediate Release May 18, 1993

REMARKS BY THE PRESIDENT
IN DISCUSSION WITH STUDENTS ON JOB TRAINING

Los Angeles Valley College
Los Angeles, California

12:10 P.M. PDT

THE PRESIDENT: Thank you very much. (Applause.)
I'm delighted to see all of you here, and I'm glad to have the
chance to come. I've had a great time touring some of the
facilities and seeing some of the programs that are offered here
at this college and meeting some of your fellow students.
Everybody here is a student, right?

AUDIENCE: Yesss. (Applause.)

THE PRESIDENT: Everybody back there? I'm glad to
see your president, your chancellor who are here, and Mayor
Bradley I see back there. Thank you for coming. (Applause.)
And I see -

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we have a number of members of Congress back there.
If you've got anything to ask your congressman, we've got four or
five options back there. Will the members of Congress stand up?
Walter and Javier and Tony Beilenson, Congressman -

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(Applause.)
It's good to see you all.

I see several state officials back there -

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ARMS Email System

the
Secretary of State, the State Comptroller, the Insurance
Commissioner, Michael Woo -

-

Councilman Michael Woo, my friend, a
candidate for mayor. Good for you. Good luck. (Applause.)

That "woo" is interesting, isn't it? Makes a good
cheer. I like it.

I want to say to all of you, first of all, I am
delighted to be back in California; glad to be back in Los
Angeles and to Van Nuys and -

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(applause.) Yesterday I was in
New Mexico, and I was at Los Alamos -

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and I said Los Angeles.
So I promised them when I -

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they all hooted. So I promised them
when I got here I'd say I was glad to be in Los Alamos.
(Laughter.) So there, I did it. (Laughter.)

I came here for a very specific purpose today, and
that is to try to illustrate what the economic efforts that our
administration is making will do for you and how your efforts

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can we fix this -

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in the work we're doing to try to turn the
California economy around. And I thought that there was really
no better place to come than to a college like this where all the
people here have already, by definition, taken responsibility for
your own future and made a real commitment to do what it takes to
be competitive, to develop the skills you need to get a good job,
to keep good jobs and to learn new skills continuously.

I met a very impressive man inside who has got a
full-

time job, as many of you do, who has been coming back here
on his own just to continue to hone his skills, because he says,
"what I do requires me to change over and over and over again, so
I will always be able to have a good job." And this is funny

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I
was talking to Dan Palmer, who introduced me, he told me that
before he was married and began to have children, he was a
musician. And he realized that that's not a very solid basis for
having job security. I thought about being a musician, too, and
I wasn't as good as he was. And I knew I had no job security.
So I got into another line of work where I have no job security.
(Laughter.) But, anyway, I understand very much that sort of
motivation which I imagine got a lot of you in here.

What I wanted to do was to basically just talk a
little bit about our national economic efforts and how it affects
California and how what you're doing here is essential if we're
ever going to turn the economy of the state and nation around.

First, when I took office, I found, as you know, a
government with an enormous budget deficit

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that is, we were
running in the red every year, over \$300 billion. Our debt had
gone as a nation from \$1 trillion to \$4 trillion. It's hard to
even imagine that kind of money in just 12 years. We were a
country for 200 years, we ran up \$1 trillion worth of debt. Then
in 12, we ran up \$3 trillion more.

Why? Because we cut taxes and increased spending.
And it was fun for a while. It helped California a lot. Cut
taxes, people had more money in their pocket, increased spending,
mostly in defense, put a lot of people to work in plants out
here. Put a lot of people to work on and around the bases out
here.

In the end, it all catches up to you, and you've
seen the last few years what happened: the Cold War was over, we
began to reduce defense, we had no real plan for dealing with it.
And what's happened to your tax money is, the deficit keeps going
up even though defense has gone down because of the cost of

health care -

something that won't surprise any of you.

So what I have tried to do is to come up with a plan that would bring our deficit down, give us control of our budget and your future, get interest rates down so people can refinance their homes and their businesses -

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and I'll bet you there are people in this audience today who have refinanced their home loans since last November and saved a lot of money doing it, because we're determined to bring interest rates down. And at the same time, while cutting a lot of spending and raising some taxes, almost all of which -

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at least well over 70 percent of it comes from people with incomes above \$100,000, and we tried to give a tax cut to people with families with incomes under \$30,000 so they wouldn't have to pay a tax increase.

But while doing that, there are some things which we should spend some more money on, and I want to talk about them. We ought to spend some more money on having more programs like this. Why? Because you can have the best economic policies in the world, and if the people don't have the training they need to do the jobs in a global economy, good economic policies don't put people to work. (Applause.)

We also -

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I'll give you another example -

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there are also, in this tax bill that I have asked the Congress to pass, there are also big incentives for small businesses and big businesses to reinvest their money to put Americans to work, and special programs to induce people to invest in communities that are particularly depressed. More sweeping than anything anybody's ever offered.

Why? Because the government can't put everybody to work. Most people work on the private sector, and that's as it should be. So we have to find ways to give people special incentives to reinvest their money.

Let's take, for example, a business. If a business goes out and refinances its business loan and gets a lower interest rate, what do you want them to do with the money? Open another business, right? Or expand the business they're doing and hire more people so we can get unemployment down.

So those are the kinds of things we're trying to do. The budget I've asked the Congress to pass has over 200 specific budget cuts. It's got some really tough things in it. We freed federal employee pay. We reduce the size of the federal work force by 150,000 over the next five years by attrition, just by not hiring people as vacancies occur. We cut everything from agriculture subsidies to Medicare. We cut a lot of things, starting with the White House staff and the administrative cost of the federal government.

We raised the money that I talked about. But we have some targeted increases in investment. So while we're going to bring the deficit down dramatically, we're going to try to get some money for more funds for dislocated workers, more funds for communities that are hurt by base closings or plants being closed because of defense cutbacks, more funds for things like the Red Line Transit System here, where our administration announced over \$1 billion in funding to put people back to work and also to have some more stops in the community.

And the thing I want to say to you is that, if we're going to compete, if you're going to be able to have a good job and we're going to turn this community and this area around, we have to have the discipline to cut the things out we don't need to spend money on, to raise some money in order to bring the deficit down, because that means low interest rates and that's good for the economy. But we also have to invest in people and technology and jobs. We've got to do that. (Applause.)

You know, I got amused when I was on the way in here, people holding up signs, standing next together. One of them said, don't spend any more money, and another one said, close the border to illegal aliens. In the jobs program I presented to Congress, one of the things we had was enough money to hire a lot more border patrol people. You can't have it both ways. If you're going to hire people, you've got to have the money to hire them. And we're going to have to make these kinds of tough decisions.

ARMS Email System

So I wanted to come here because all of you know this. If you didn't know this you wouldn't be here. You have this figured out. I mean, maybe not just like I said it, but you've figured it out. The average 18-

year-

old going into the work force now is going to change work eight times in a lifetime. Eight times. And whether you can get and keep a job now depends as much on what you can learn tomorrow as it does on what you know today.

And that's not going to change. The world will get smaller and smaller and smaller, more and more of our economy will depend on our ability to compete with people around the world. We'll have to trade more, we'll have to sell more to other countries. We'll have to be able to change constantly over and over and over again. And you really are on the cutting edge of that change.

So I wanted to come here to try to illustrate that and to ask you as citizens to support my economic program, to support our efforts to bring the deficit down, to cut spending, to ask wealthy people to pay their fair share -

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(applause) -

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to give people incentives for more jobs, and to invest more in education, training and technology. (Applause.)

I also want to tell you -

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before I open the floor to questions I want to introduce one more person. When I was running for President out here -

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AUDIENCE: No new taxes!

THE PRESIDENT: We tried it their way for 12 years. Look what it got us. (Applause.) You know what the "no new taxes" crowd did for 12 years? They cut taxes on the rich, raised taxes on the middle class, ran the country in a ditch. They had it their way for 12 years. (Applause.) It sounds great, all this talk. They had their chance.

AUDIENCE: You broke your promise!

THE PRESIDENT: They had their chance. I broke my -- you know what else they don't say? Their crowd, what did they do after the election -

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oh, after the election they said, oh, by the way -

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the previous administration -

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oh, by the way, the deficit is going to be \$50 billion a year bigger every year than we told you. But go ahead and do everything you said you were going to do before -

sorry we didn't tell you that.

AUDIENCE: You broke your promise!

THE PRESIDENT: What did they say, guys? So the free lunch crowd has had their chance. (Applause.) And I'm telling you there is no free lunch crowd. And so we'll just have to decide whether we're going to take a different course. I want you to have a chance to do that.

The other thing I want to tell you is, we can't turn this country's economy around unless we lift California up. And so I have -

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(applause) -

ARMS Email System

I asked the Secretary of Commerce Ron Brown to head a team in my administration to develop a specific strategy to try to make sure we were doing everything we could do to help to turn this economy around. He has now made -

-

just since I've been President, in four months, seven trips to California, meeting with people, working with people, trying to develop a strategy for what our partnership should be. And he came with me today, so I want to introduce him. Ron, stand up, please. (Applause.) He's spending more time here than in Washington.

We're going to work hard, but you've got to do your part, too. And one of the messages that I hope will come out of this event today is that thousands of people in southern California will see you -

-

they will see you and they will think, I've got to do my part, too. I've got to do something. I have to do something to change what I'm doing. I have to do something to lift up my circumstances. Because I'm telling you, there is nothing the President, nothing the Mayor, nothing the Governor, nothing anybody can do for you that you're not prepared to do for yourself. This has got to be a partnership and a two-

way street.

Thank you very much. (Applause.)

Who's got a question or a comment?

Q Hi. First off, I thought you look mighty handsome in that. (Applause.)

THE PRESIDENT: I don't know about that, but it's a handsome cap. (Applause.) Thank you.

Q I'm a 29-

year

old returning student. And I didn't know if you knew, but we are the number one voter registration campus in southern California -

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LAVC is. (Applause.) I wanted to know, will you support an amendment to your motor voter bill which will allow students to register to vote at the same time they register for classes when they come here to school? (Applause.)

THE PRESIDENT: The answer to that is, I support that concept, but it's too late to amend that bill, because we had to fight like crazy just to get it through. You know, it was filibustered once by the minority in the Senate. And finally, we got an agreement and passed the bill, the motor voter bill, after it was passed last year and then vetoed. So it's a great improvement over the present law, the motor voter bill, and so I think that it's unrealistic to think we can amend it.

Now, what I think

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as a matter of fact, I want to get it up and sign it before anybody decides to do anything else with it. But what I think you should do, since California has such an incredible array of community colleges and other institutions of higher education, is to try to get a state bill through requiring that to be done here. (Applause.) I mean, that's what I think you should do. I'll bet you could get a lot of help.

And, also, I think that the local registrar of voters would probably be happy to do it. And if they're reluctant, then you ought to pursue trying to get a state law passed.

Q Mr. President, I still believe in having the American Dream. And one of those dreams is to have an education. Another one is to own a home. And I want to know, what do you have in your economic policy that would help me buy a home? (Applause.)

THE PRESIDENT: The most important thing that I could do to help you buy a home is to keep the cost of buying a home low. And the best way to do that is to keep interest rates down. Home mortgage rates have been at 20-

year lows -

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20-

year
lows. And I want you to understand why. I hope we can keep them
down there.

First, interest rates dropped for a long time
because of the recession, but they still were pretty high. Then,
after the election, I said we were going to bring this deficit
down, and I gave a specific outline of how I was going to do it.
The rates started dropping rather dramatically.

Last year, a poll was done which said that only 47
percent of the American people under the age of 35 thought they
had a real good chance to own their own home. This year, a poll
was done that said 74 percent of the people thought they had a
chance to own their own home. The only thing that's changed is
that the cost of financing a home has gone way down.

So the central premise of what we're trying to do in
bringing this deficit down is to lower interest rates, lower home
mortgage rates, lower credit card rates, lower business rates,
lower the car payment rates so that we can help make these things
more affordable to average citizens. In other words, doing the
right thing for all Americans will help individual Americans more
than any specific program I could have on home-

buying.

Now, let me say one other thing. I have also
supported having the federal government give states the right to
issue tax-

exempt bonds to provide for lower interest financing
for middle-

class families and for working families with modest
means. And again, one of the things that I have tried to do in
my program, if it passes, is to make sure that we make that
permanent so that every state in America will be able to continue
to do what I did vigorously in my state, which is to make
available more low-

income, low-

interest financing to people to
buy homes.

Q Mr. President, there are many different claims
on how much your economic plan will actually increase middle-

income taxes. Can you tell us in very simple, nonpolitical
language how much more money middle-

income people, those making
less than \$60,000, will pay in new taxes?

THE PRESIDENT: Yes, I'll be glad to. First of all,
there is one middle-

income -

-

there is one tax in this program
that falls on middle-

income people. And that's the so-

called BTU
tax. It's an energy tax based on, basically, the heat content of
various sources of energy.

The purpose of the tax, aside from raising money, is
to encourage utilities and industries to ship to the most fuel-

efficient and environmentally

sensitive forms of energy so that
we can do more energy conservation and do more fuel shifting.
And we've made some changes in it to try to make sure it works in
a more practical way.

But because you consume energy, eventually those
things will find their way down to you. That is, some of it will
be in the fuel you buy, some of it will be in products you buy
that themselves use fuel, a little bit of it would be in anything
that's brought to a store by a truck. In other words, ultimately,
all people pay these things.

Now, here's how the pricing works. The average
family of four, next year will pay virtually nothing -

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I mean,
literally virtually nothing -

\$1.00 a month or less. The next year after that, it will be probably about \$6.00 a month -

this is \$60,000 a year and less. The next year it will be, and the year after that and from then on, it will be someplace between \$14.00 and \$17.00 per month, maximum for a family of four. If you're single, it's much less.

Now, if your income is under \$60,000, but is also under \$30,000, and especially if you have children, there is a good chance that you will not pay any more money, net, because another provision of this tax bill does something that I personally think is very important; I've wanted to do it for a long time. It increases the earned income tax credit, which is already in the tax code, to the point that we'll be able to say to anybody who works 40 hours a week and has a child in the house, if you do this, you will not be in poverty. In other words, even if we have to give you a tax credit, we're going to lift you out of poverty. We're going to reward work instead of welfare; we're going to say that you'll be out of poverty. (Applause.)

Now, again, I want to be very specific. The higher you go toward \$30,000, the more likely you are to pay a little bit. But if you have children, you can make maximum use of the earned income tax credit so that if you've got, let's say, a family of four with an income of \$29,000, you will pay nothing or next to nothing on the energy tax, because while you pay it, you'll get an offset on your income tax.

So the lion's share of this, what I told you, \$1.00 a month, \$6.00, \$7.00 a month, up to a maximum of \$14.00 to \$17.00 a month, three years, four years, five years from now, will be paid by people with incomes between \$30,000 and really all the way up to about \$100,000 a year. Then, it's at that point, when you get to the upper six percent of income earners, that the income tax increases trigger in.

So that's what it does.

Q Mr. President, as Republican filibusters torpedoed your original jobs bill, thereby leaving countless of unemployed and underemployed Americans less hopeful than they were in January, and as the dichotomy between costs and quality in health care and the education system widens, I would like to know what this administration will do to stem the unconscionable flood of illegal aliens that pours virtually unchecked into this country, and that erodes the quality of life for those Americans in the lower economic brackets and must eventually threaten the American middle class? (Applause.)

THE PRESIDENT: I'd like to answer the question you asked, and also then make a reference to the other issues you raised on the jobs and the health care issue. The first thing I want to do is to hire a strong, sensible, practical person to be head of the Immigration and Naturalization Service. I have asked the Attorney General, Janet Reno, whom I think has really done a good job, to put a very high -

(applause) -

priority on selecting a nominee who will be compassionate, but also hard-

headed. I mean, I think you want somebody who is compassionate, but hard-

headed, who is realistic about what we're up against and what we're facing. I think she will make a recommendation to me this week, and we'll resolve that; that's the first thing.

That's the first thing. The second thing I think we have to do is to make a better effort to enforce the law that we have. If we've got a law on the books we ought to try to enforce it, even if it's difficult to enforce. One of the things that was in the jobs program that you referred to that was killed by the filibuster was funds for more border guards to enforce the law. A lot of people don't know that, but that was in there.

So I think we have to find ways to get the resources necessary to do as much as we can to enforce the law that exists. There is a limit to how much any economy can have. You've got the California economy very depressed now. This is a state made by immigrants. It's very important to recognize that. (Applause.) Los Angeles County has people from 150 different racial and ethnic groups. We also will continue to have people who are exiles really from political oppression. And we have to -- under our law they get a different set of treatment. But I think we have to really roll our sleeves up and do this.

In the meantime, there's something else I think we ought to say. Whatever we do on immigration is a national decision that has uneven impacts. You would admit that, right? It hurts California and Texas and Florida and New York and, to a lesser extent, a handful of other states more financially than it does the rest of the country. But it's a national policy. Or if there's a lack of a policy, it's a national policy.

One of the things that has really bothered me, especially as we've seen all these educational cutbacks in California with your economy down after the defense cuts and the other problems, is that the federal government has essentially been willing to let you in California eat the cost of the federal policy. So another thing we have done in spite of all the budget cutting we've done, there are funds in this budget to substantially increase funding to California to deal with the cost of immigration, thereby freeing up other funds in California to be spent on education or jobs or whatever else you all want to do here. I think we need to do more of that. (Applause.)

Now, I don't want to mislead you -

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there is not as much money here in the budget as a lot of people asked for from California. But there's a whole lot more; I mean, several hundred million dollars more than was previously given. And I just think it is imperative that we have to provide -

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if the federal government is going to have a policy, or lack of it, then the federal government ought to pay for the policy, or lack of it, so that the states can be free to spend their money on educating and training and finding jobs for the people who live within the state. That's what I think. So we're going to move toward that.

If I might just make one other comment on what you said earlier. I'm going to try to come back with various pieces of this jobs initiative. I hope we can still get some more money for summer jobs, because we've got the best summer jobs program this country has ever organized. We've worked in partnership with the private sector. We're going to require 90 hours of educational work for people who have summer jobs, hoping that we can actually help people to get full-

time continuing jobs and to continue their education -

-
something that's never been done with a federal summer jobs program before. So we're going to try to get some more.

I also believe very strongly that we need to make a down payment now on the efforts that I'm making to put 100,000 more police officers on the streets so we can have more community-

based policing -

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(applause) -

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which means the best of both worlds if you've got the right kind of community policing. It means less crime, tougher law enforcement and less abuse of authority because you have people working the neighborhoods, knowing their friends and neighbors, and less pressure.

So we're going to start with that and then try to move back toward these other issues.

Q Mr. President, I transferred to a state university from here at Valley. I had to drop out of school this semester because I can't afford to go and I don't qualify for financial aid. And there are other students that are in my situation. We really want to go back to school. We can't afford the fees. What are you going to do to help us, please tell us. (Applause.)

THE PRESIDENT: I have introduced into the Congress a bill that I do believe will pass with both Republican and Democratic support -

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two bills -

-
designed to deal with your

problem. And let me just talk a little bit about it because you could tell by the clapping that you're not the only person in your fix.

The college dropout rate is two and a half times the high school dropout rate. And an awful lot of people quit because they can't afford to stay. Now, in California this previously was not as big a problem because we had -

-
so many of the institutions were free. But you've got all these economic problems now; that can't be the case anymore. And even if you don't have big tuition you have expensive other -

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other expenses are significant.

So here are the things we're trying to do. First of all, I've asked the Congress to adopt a national service program which would permit young people to earn up to \$5,000 a year in credit either before, during or after college to pay off loans for college expenses by doing important work in the community. It can be done before, during or after college. Like after college, if someone agreed to be a teacher, for example, or a police officer in an underserved community, they could get \$5,000 a year credit for that to pay off their loans. So that's, in effect, a scholarship program in return for national service.

In addition to that, I've asked the Congress to totally reform the present student loan program. The present student loan program costs \$4 billion a year -

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\$3 billion in unpaid debts, and \$1 billion in fees to banks and to other people who handle the money for the student loan program. It is amazing the money that's in the student loan program. And there is also no incentive for them to collect on people who won't repay, because the government guarantees 90 percent of it. So if you borrow \$20,000 from a bank and you don't repay it, the government will give them \$18,000, and it will cost them \$2,000 to go to court and get it, right? So it's not a good system.

What I recommend is that we shift to a system of direct loans by a protected financial entity to be created by the government to give you lower interest loans, to give you the money you need, and to give it to you on terms that won't frighten you. And here's what I mean -

-
and people would be eligible without regard to their income, and here's how it would work:

If you borrowed the money, you would not have to pay it back until you actually go to work. Then, you would be able to decide how you want to pay it back among two choices: You could pay it back on a regular loan repayment schedule, based on how much you borrowed, or if that was too tough and that scares a lot of people, you could pay it back as a percentage of your income so that you would never be required to pay more than a modest percentage of your income. So there would never be an incentive not to take the loan out, because it would always be an affordable percentage of your income.

The catch is that we can't afford to lose \$3 billion a year, so you'd have to pay it back at tax time so you couldn't beat the bill, but you would always be able to afford to pay it back, and no one would expect you to pay it back unless you were actually working. This will dramatically change the economics of college financing. (Applause.)

Q Hi, Mr. President. How are you doing?

THE PRESIDENT: I'm fine.

Q Okay. My question to you, sir -

-
we have a plant in Van Nuys, the GM plant. I notice a lot of businesses such as that went out of state. What can the government do to motivate big business to invest in the community college as well as state college and major universities? (Applause.)

THE PRESIDENT: That's good. Well, I think first of all, most big businesses will invest more in the education of their employees than ever before because it's in their interest to do so. And I think what I should be doing is trying to figure out ways to give businesses incentives to reinvest in America and in putting Americans to work, and also, if possible, to try to make sure that every state has a chance to keep the manufacturing base.

Now, that affects California in two ways; let me just mention them. In the program that I have asked Congress to adopt, in addition to the tax increases, which you were good enough to ask about -

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and I'm really glad you gave me a chance just to lay it out because it's not near as bad as everybody thinks it is, is it -

-

there is also a lot of incentives for businesses to reinvest. Small businesses today can expense or write off \$10,000 of expenditures every year on their taxes. We've proposed to take that to \$25,000. That's a good incentive for the small businesses to hire maybe one more employee. And most new jobs are created by small businesses. So this is a good thing to do.

Another thing we do is to let larger businesses who make investments in new equipment and modernize write that off more quickly in this tax code, which is an incentive to invest more.

The third thing that's real important to California is, at least I have read -

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you know, you had an economic summit out here not very long ago, and I read that a lot of businesspeople believe that it's harder to keep manufacturing jobs in California because of the costs of the workmen's compensation system. More than half of that

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(applause)

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and I'll say a plug for your Insurance Commissioner, Mr. Garamendi is the first person who ever talked to me about this -

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more than half the cost of worker's comp comes from health care costs. And in the work that my wife, the First Lady, is doing with the Health Care Commission -

-

(applause) -

-

one of the things we're trying to come up with is a national system to take the health care portion of worker's comp cost and fold it into a national health system so you lift that burden off of the businesses separately, and so no state ever has an advantage over any other state just because of the health care cost of worker's comp. That will also be a huge boost to California and the manufacturing economy of California if we can get it done.

I'll take one more.

Yes, ma'am? I wish I could stay here all day, but I've got to go shake hands with them because they feel deprived. (Applause.) And you. Thanks.

Q Mr. President, I would like to ask about education. The level of education is declining, the on-

campus crime is increasing and the education budget is decreasing. The percentage of government expenditure used for education in United States is three to four percent. In Japan it's seven percent. The California education budget is 85 percent of U.S. average, and it's one-

third of New Jersey. So I would like to know what actions are you going to take to solve these kinds of problems. (Applause.)

THE PRESIDENT: Well, let me try to reframe a little of what I've said before because I think you've hit it. It would surprise most people to know that while the government's deficit was going up and the debt was going up in the last 12 years, we were actually reducing the effort the national government is making to support education and a lot of other initiatives, because all the money was going first to defense and then to health care costs.

What I am attempting to do with my budget, and will

ARMS Email System

continue to work on it every year I'm President, is to, every year, to slowly move our spending priorities back toward education, training and technology.

In this budget, for example, we give more funds to institutions like this for worker training programs. We give much more money for Head Start, for preschool kids. We do a lot of things to try to, in other words, let the federal government play a bigger role. But another real problem you've got, let me say, in the United States as opposed to Japan where you've got three levels of government that often operate more or less independently, the lion's share of the budget for education always comes at the state and local level.

So then, the other thing I can do is to help alleviate the burdens of the state government. Why is state government spending less on education in California, more on uncompensated care for undocumented people coming into the country, more on exploding health care costs, often mandated by the national government?

So if I can persuade the Congress, and if we can be wise and good enough to work out a health care program that's good for America, that brings costs in line with inflation, and then if we can compensate the states better for their costs that aren't their fault, like dealing with the immigration issues, then that will free up in California millions and millions and millions of dollars which the state could then turn around and put back into education. So we can help directly some, and we can help indirectly a lot. And I'm trying to do both those things.

Thank you. You were great. I wish I could stay longer. (Applause.)
END12:46 P.M. PDT

ARMS Email System

RECORD TYPE: PRESIDENTIAL (RECONSTRUCTED EMAIL)

CREATOR: Jonathan P. Gill (GILL_J) (WHO)

CREATION DATE/TIME:19-MAY-1993 19:22:00.00

SUBJECT: Foreign Media Reaction -- Daily Digest, 5/19

TO: Patricia A. Clark (CLARK_P) (OA)
READ: UNKNOWN

TO: Arthur L. Jones (JONES_A) (WHO)
READ: UNKNOWN

TO: Carter Wilkie (WILKIE_C) (WHO)
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TO: Eric Berman (BERMAN_E) (WHO)
READ: UNKNOWN

TO: Nestor M. Davidson (DAVIDSON_N) (WHO)
READ: UNKNOWN

TO: Stuart E. Trevelyan (TREVELYAN_S) (WHO)
READ: UNKNOWN

TO: Arnold Shore (SHORE_A) (OA)
READ: UNKNOWN

TO: Keith Boykin (BOYKIN_K) (WHO)
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TO: David Leavy (LEAVY_D) (WHO)
READ: UNKNOWN

TO: Thomas F. McLarty (MCLARTY_T) (WHO)
READ: UNKNOWN

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READ: UNKNOWN

TO: Margaret A. Williams (WILLIAMS_MA) (WHO)
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TO: Bruce K. Sasser (SASSER_B) (OMB)
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TO: Barry J. Toiv (TOIV_B) (OMB)
READ: UNKNOWN

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TO: Marla Romash (ROMASH_M) (VPO)
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TO: Christine A. Varney (VARNEY_C) (WHO)
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TO: Jeffrey L. Eller (ELLER_J) (WHO)
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TO: Lisa Mortman (MORTMAN_L) (WHO)
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TO: Patricia A. Enright (ENRIGHT_P) (WHO)
READ: UNKNOWN

TO: Jonathan P. Gill (GILL_J) (WHO)
READ: UNKNOWN

TO: Richard Strauss (STRAUSS_R) (WHO)
READ: UNKNOWN

TO: Maria M. Tio (TIO_M) (WHO)
READ: UNKNOWN

TO: Joshua N. Silverman (SILVERMAN_J) (WHO)
READ: UNKNOWN

TO: Jess Sarmiento (SARMIENTO_J) (WHO)
READ: UNKNOWN

TO: Lavora R. Barnes (BARNES_L) (WHO)
READ: UNKNOWN

TO: C. Patricia Cogdell (COGDELL_C) (WHO)
READ: UNKNOWN

ARMS Email System

TO: Kimberly S. Hopper (HOPPER_K) (WHO)
READ: UNKNOWN

TO: Lorraine A. Voles (VOLES_L) (WHO)
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TO: Margaret C. Sherry (SHERRY_M) (WHO)
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TO: Elizabeth A. Bernstein (BERNSTEIN_E) (WHO)
READ: UNKNOWN

TO: Carolyn Curiel (CURIEL_C) (WHO)
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TO: David B. Anderson (ANDERSON_D) (WHO)
READ: UNKNOWN

TEXT:

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ATT CREATION DATE/TIME:19-MAY-1993 15:21:00.00

ATT BODY PART TYPE: B

ATT SUBJECT: Daily Digest, May 19

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READ: UNKNOWN

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ATT TO: Media Reaction -- Bulletin Board (1=US*RFC-822\bulletIN(A)Hr.HOUSE.gov@3=INTERNET@2=TELEMAIL@MRX@EOPMRX)
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Received: from LEX-LUTHOR.AI.MIT.EDU by life.ai.mit.edu (4.1/AI-4.10) for /PN=Jonathan.P.Gill/OU=Office_of_Media_Affairs/O=EOP/PRMD=GOV+EOP/ADMD=T
Received: from ACCESS.DIGEX.NET by LEX-LUTHOR.AI.MIT.EDU via INTERNET with SMTP id 105113; 19 May 1993 13:49:29-0400
Received: by access.digex.net id AA29156
(5.65c/IDA-1.4.4 for jonathan.gill <jpg+@campaign92.org>; Wed, 19 May 1993 13:33:51 -0400
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Content-Description:

UNITED STATES INFORMATION AGENCY
FOREIGN MEDIA REACTION--DAILY DIGEST

For further information: Anne Chermak, Chief
Media Reaction Staff (PJM), Tele. No. (202) 619-6511

Wednesday, May 19, 1993

THE CLINTON PRESIDENCY: 120 DAYS AND COUNTING

As the Congress examines the details of the president's economic recovery program and the crisis in the former Yugoslavia roils, editorial pages around the world continued to focus on President Clinton's first days in office. For many, Mr. Clinton's performance depended on where they sat. Highest marks in domestic and foreign policy were given by Russia's liberal foreign affairs weekly Novoye Vremya, which applauded the president's courage and tenacity in supporting aid to that country during a time when his own plan for the U.S. economy is still under consideration. South Korea's conservative Chosun Ilbo criticized the administration for concentrating on Bosnia and neglecting Asian issues. The most caustic remarks came from Western European dailies, whose countries were unable to reach a consensus with Mr. Clinton on what to do about the conflict in the Balkans. In these cases, Mr. Clinton's leadership was seen through the prism of the Bosnia crisis: There were references to his "inexperience" in foreign affairs and

unfavorable comparisons were made with George Bush's success in shaping the Gulf War coalition against Iraq.

A minority view, expressed by papers in Italy, Finland and Brazil, was that it is unrealistic to expect any one president to solve all the nation's economic and social ills in one fell swoop. These writers argued that the press was overly harsh in its assessment of Mr. Clinton because he had bypassed leading journalists during his campaign and early presidency and taken his message directly to the American people.

This report is based on 44 reports from 16 countries. May 11 1992.

EDITOR: Gail H. Burke

Special Report attached

EUROPE

BRITAIN: "Clinton Has Waffled"

Writing in the centrist Independent (5/19), director of studies at the Royal United Services Institute in London Jonathan Eyal observed, "By snubbing Moscow's latest effort to find a solution to the Bosnian crisis, the U.S. administration has merely confirmed what Europeans always suspected. President Bill Clinton has waffled his way into the Balkan war and out again, mouthing generalities, trading insults and humiliating Russia's foreign policy into the bargain.... Politicians habitually cover indecision with a 'comprehensive' plan. Warren Christopher... (who, as a good lawyer, prefers an out-of-court settlement in complicated briefs) hawked one in Europe for more than a week.... Washington should support the creation of safe havens, ensuring that the Bosnian Muslims will ultimately have a state, however small....

"European governments are right to put everything down to Mr. Clinton's inexperience. The verdict stands: Mr. Clinton's first foreign policy challenge was met with hot air. Trying to learn to lead while the world burns is not what American presidents are elected for."

"'Comeback Kid' Back Out On The Trail"

Writing in the liberal Guardian (5/19), Washington correspondent Martin Walker commented from President Clinton's U.S. travels: "So far, Clinton is doing a better job of campaigning than of governing. It is, plainly, ridiculously premature for Washington's insiders to be muttering about Jimmy Carter two.... But even Clinton's friends admit that the duty of governance is not going well in the American capital....

"The tragedy of Bosnia, and Clinton's agonized ditherings over what to do, have hurt not only the White House but that mood of American self-confidence in the world that Clinton inherited from George Bush and Ronald Reagan. As one of the posters put it, greeting him in San Diego: 'It's leadership, stupid....

"Clinton has yet to pick from the options of presidents past which particular psychic need of his countrymen he wants to fulfill.... He came into his presidency with more ambition and more vision.... Whatever it was he went looking for on this rejuvenating plunge back to the campaign trail, the Comeback Kid has yet to find the kind of President he is going to be."

"Politics Is A Cruel And Grueling Profession"

The Guardian (5/19) also asserted: "Politics is a cruel, grovelling and interconnected profession. And politics has rapidly rubbed the sheen from the Clinton presidency.... Bill Clinton was not elected last November because he knew very much about foreign affairs. Absolutely the reverse: after George Bush, he was elected because he promised to put America at Home first. The real world has a habit of tearing up such promises. Mr. Clinton has made a hesitant domestic start.... The president hasn't even got to the really difficult part--health care reform--yet. But he is already developing a twinge of the very disease he vowed to cure: Gridlock. Mr. Clinton is meeting the challenge in the same old way--by getting out of Washington and taking his message directly to the voters....

"Clinton's difficulty is that world leadership isn't an incidental role, but an umbilical part of the job. He cannot cherry-pick his challenges. He cannot, so crudely, signal weakness. He looks somewhat diminished for his evasions; and that diminution will dog him at home just as much as abroad."

"Paralyzed By Agnosticism"

Writing in the Guardian (5/18), columnist Hugo Young opined about the West's quandary over Bosnia, "This is not a clash between headstrong men, still less between evil ones. President Clinton and Mr. Major, with Mitterrand in similar state, are simply paralysed by agnosticism.... Mr. Clinton did, eventually, conceive a plan.... But he failed to sell his plan. Secretary of State Warren Christopher made one of the least successful diplomatic journeys in living memory, trying to persuade Europe that this was the way. The mission was a disaster. All those who had waited for so long for Clinton's decision and expected a sophisticated one were biliously disappointed."

"So Who Killed The American Recovery?"

The conservative Times commented (5/13) on its business pages, "The blame game is on: Who killed the American economic recovery? Willy Japanese assassins who refuse to import American manufactured goods? Burly French farmers who are torpedoing a new GATT trade agreement? Domestic Republican senators who scuppered the president's economic stimulus package? All are on Bill Clinton's list of prime suspects. But every murder investigation must begin with a corpse.... As yet there is no corpse. And a good thing. For if the recovery has indeed been killed, Clinton's men had better not search for the culprit too assiduously. They might find him in the Oval Office."

"The Streisand Factor"

The conservative tabloid Daily Mail carried a feature on Barbra Streisand's apparent influence in the White House (5/11). "All very satisfying for her, but Clinton's association with Streisand and other celebrities is troubling political analysts. They worry that he is so star struck that the performance of his duties may be affected.... Clinton had only 15 minutes to spare Attorney General Janet Reno when she telephoned him about the planned assault on David Koresh's compound in Waco that ended so disastrously. But he has all the time in the world for Streisand, whom he took out for dinner, with daughter Chelsea along to fend off rumors.... The Streisand factor has undoubtedly played a part in the disclosure that America's business executives have become disillusioned by Clinton's effort and policies...."

"The unsophisticated Clinton is obsessed with the glamor and fame represented by Streisand. It's a classic case of the provincial who suddenly finds himself elevated to the level of people he once adored from the obscurity of a Little Rock cinema. He can hardly believe that the Streisands and the Michael Douglasses now treat him with enormous respect, even awe."

"Clinton Remains His Own Best Salesman"

The Guardian observed (5/11): "President Bill Clinton plunged back on the campaign trail yesterday, starting a week of intense countrywide politicking to try to recover the faltering momentum of his ambitious program of domestic reform.... This week's domestic blitz follows a reorganization of the White House staff which is meant to bring focus and domestic priorities back to the Oval Office. Mr. Clinton's lackluster and inexperienced chief of staff, his kindergarten friend Thomas McLarty, is to be reinforced with a second deputy, Roy Neel. George Stephanopoulos, the abrasive young Rhodes scholar who is in charge of communications, will do fewer daily press briefings and plan more meetings and campaigning trips for the president--who remains his own best salesman."

"Funny Girl's Foot In White House Door"

The conservative tabloid, mass-circulation Sun (5/10) delved into reports of Barbra Streisand's connections with the Clinton administration in this piece: "Hillary Clinton is America's first lady--but close on her heels in the Washington power stakes is Hollywood star Barbra Streisand. President Clinton is so close to the millionairess that she is helping him run the country. She has even been given an occasional Secret Service guard and is attending official engagements just like Hillary. And the White House has confirmed a rumor that Barbra made calls from the president's Oval Office--from a phone right next to the one with the red button."

FRANCE: "A Question Of Leadership"

Regarding President Clinton's third official press conference on May 14, Alain Frachon reported from Washington (5/17) in influential Le Monde, "What was important was not the answers. During President Clinton's news conference...the important thing was the questions: All those about Bosnia dealt with the President's 'irresoluteness,' his lack of 'determination' toward the U.S. allies, his 'hesitation' to formulate a policy. In short, the question of Bosnia has become a test of the new President's leadership ability.... (Clinton's answers) seemed to confirm the only real commitment made by the Clinton administration in Bosnia: the United States is ready to deploy troops only in the framework of a peacekeeping force that would implement an accord formally signed by all the warring parties.... This time (contrary to the Gulf War), the Europeans have not had the impression of a firm U.S. commitment in one way or another; they don't feel the same degree of pressure from Washington. Even though the situation is different (from the Gulf War)...the Clinton administration did not give the impression that it had a clear idea of what to do. In that regard, it may have reinforced (the impression) that it lacked leadership."

GERMANY: "Hapless Henry In The Rose Garden"

Leo Wieland, Washington correspondent of right-of-center Frankfurter Allgemeine (5/17), filed this piece on President Clinton's press conference May 14: "He looked like Bill Clinton: Smiling, relaxed, his hair blow-dried. But the impression he gave was of a Hapless Henry, and this did not fail to register with millions of Americans. In actual fact, the young president's third formal press conference seemed to be a good idea. The time and

place were right: late on Friday afternoon in the White House Rose Garden. Framed by more tenacious spring blooms than are currently adorning his presidency at the end of the 'honeymoon period,' Clinton wanted to provide the journalists and weekend talk shows with fresh meat while the sun was shining and the sky was blue. But since he actually had nothing to say on virtually any issue, the 'talking heads' on the television talked about nothing but this....

"Occasionally sounding energetic between his 'vacillating' answers, Clinton closed by announcing that he had the courage to take unpopular decisions and that he was resolved to concentrate on the essential issues.... But nobody could seriously contend that this was a 'good week' for the Clintons."

"The Inexperienced President"

Washington correspondent Viola Herms Drath concluded in an editorial for business newspaper Handelsblatt of Duesseldorf (5/11), "In view of the drastic reshuffle of Clinton's staff in the White House, the defeat of his economic stimulus package in Congress, and the delay of the reform of the health insurance system...the inexperienced president is in a fix."

"Apart from that, the revival of the 'Perot factor' in the public is also creating problems for the president. There is no doubt that the moral imperative has got his own life in view of the horror reports from Bosnia in the media.... The next step will be the litmus test for the president. It is now up to him to explain the security policy objectives that could be achieved with a military mission. At stake is his credibility and his leadership power among the voters and his foreign allies."

ITALY: "More Problems Sighted On The Horizon"

Luca Ciarrocca, reported from New York in conservative Il Giornale (5/19): "More problems on the horizon for Bill Clinton.... Important sectors of the Democratic Party are now taking aim at the White House, expressing their disappointment with the young president's style of government. It is practically a revolt by moderate and conservative groups within the Democratic Party, accusing Clinton of betraying the spirit and the promises of the electoral campaign. They claim that, while speaking and acting like a moderate in November, the president has behaved exactly like an old-style liberal since his arrival at the White House."

"Bill's Isolation On The International Stage"

Furio Colombo wrote (5/17) on the front page of centrist La Stampa: "Behind the president are his generals. They used to be ready and quick off the mark in the past, but now they have let it be known that they are skeptical. They don't like the war 'theater' in the former Yugoslavia.... The president then sent his secretary of state around Europe, and the sad part is that Europe slowed down the United States but without offering counterproposals. Around the president, the silence of experts.... Clinton, however, is not giving up. His popularity is diminishing, but he insists. He wants to create a peace machine capable of preventing massacres. Once again, he is alone on the stage. No great American or international leader stands by him."

"What We Should Keep In Mind About Clinton's 'Failure'"

Antonio Gambino's weekly column in leftist newsweekly L'Espresso (5/14) made this observation: "Analyses of the first 100 days of the Clinton administration have generally been negative.... Who is to blame for the president's failures? Let's keep in mind, first of all, that, upon his arrival at the White House, Clinton had to face a very serious international crisis--Bosnia--which reduced his ability to focus on domestic problems and resulted in a decline of his popularity rate. Second, let's keep in mind the resistance opposed by Congress to the president's reform plans. In addition to these two 'objective' circumstances, a third obstacle comes from the slowness and the uncertainty surrounding the appointment of members of his administration...."

"One last aspect which we should not forget is that Reagan and Bush were able to formulate relatively consistent government programs because they had decided to deal only with the relatively prosperous sectors of the country. Clinton is showing instead that he intends to deal also with the less fortunate. Hence the obstacles encountered by the president's initiatives."

"Clinton Trying To Renew Glory Of Electoral Campaign"

Alberto Pasolini Zanelli wrote from Washington in conservative Il Giornale (5/11): "Disappointed on the domestic front, frustrated on the international front, a little irritated with his presidential duties, Bill Clinton has resumed doing what he is best at--electoral speeches.... In order to rebuild his image, the president is travelling to America's 'heart' again.... He will focus on the only point of the administration's program which meets with the approval of about half the population--the health system reform."

"Clinton's Inability As A President-Manager"

Claudio Lindner commented in centrist Corriere della Sera (5/11): "If Bill Clinton had delegated more power to his staffers,

especially Lloyd Bentsen, his popularity would probably be higher today than the 49 percent indicated by the most recent polls. The super dynamic president wants to do everything alone, is the recurring criticism, but he cannot succeed in doing everything well. Several observers claim that what has emerged in these first few months is Clinton's inability to emerge as a president-manager capable of deciding, organizing, mediating, reconciling his advisors."

"Clinton-America, Sour Honeymoon"

New York correspondent Roberto Pesenti commented in centrist Il Messaggero (5/10): "Bill Clinton has bitterly discovered that his 'team' has skidded sharply, taking him away from the right political direction. Merciless opinion polls indicate that it is not only a question of how the Americans view the 'first 100 days,' but show the reemergence of dissatisfaction and confusion among Americans."

BELGIUM: "Bosnia And The Economy: Clinton Sees No Way Out"

Washington correspondent Yve Laudy wrote in conservative Catholic La Libre Belgique (5/10), "Bosnia is a big problem: Bill Clinton is angry at having to devote so much time--and soon so much political capital--to a foreign crisis, since he was elected mainly to concern himself with the country, unlike George Bush.

"That does not mean that he neglects domestic issues. From the very beginning, he has launched so many projects that he is unable to have them adopted.... Clinton's team is also part of his problem. First of all, it is not complete. And, except in foreign policy, the president has surrounded himself with relatively young technocrats and professors without much Washington experience. They also are clumsy: they have aggravated the opposition by saying that 'Republicans don't matter.'

"While his team's amateurish approach is costing him dearly, Bill Clinton himself also lacks discipline. He wants to achieve too much at once, and did not understand that Washington is more complex than Arkansas."

FINLAND: "The Media Is An Increasingly Powerful Political Force"

Independent Helsingin Sanomat's biweekly magazine (5/15) carried this commentary by Finland's former UN ambassador and senior foreign affairs analyst Max Jakobson: "The United States expects President Bill Clinton to accomplish incompatible goals. On the one hand, Americans want him to improve the status of ethnic minorities and, on the other, stop the disintegration of the melting pot. He should cut the huge budget deficit while allocating vast amounts of money for building roads and schools.

"When Clinton's honeymoon was over, the media hastened to declare that the new president had failed. The media are becoming an increasingly powerful political force."

RUSSIA: "Despite Problems, Clinton Set The Stage For Change"

New York correspondent Yevgeny Rusakov wrote (5/13) in liberal weekly Novoye Vremya, "Bill Clinton continues to demonstrate an outstanding potential for taking lessons from his own mistakes and finding a good way out of the most complicated situations....

"The new president managed to shift the country's attention and make it think seriously for ways to resolve complicated economic and social problems which few people have [considered] since Lyndon Johnson's 'Great Society'....

"It is heartening that even as the ill-fated economic stimulation package is stalling in the Senate, Clinton does not give up his painstaking work to study Russia and its economic and political problems.

"Despite all problems, Bill Clinton managed to set the stage for major changes in the country during his first 100 days in office."

SPAIN: "The Shadow Of Jimmy Carter"

Barcelona's leftist Avui (5/13) remarked, "Clinton said that during the first 100 days of his mandate he would change the face of America, but the 100 days have passed and the only thing that seems to be confirmed is that the U.S. President hesitates a lot before making a decision.... The shadow of the errors that made Carter lose his re-election are starting to threaten Clinton."

TURKEY: "No Bush And No Baker"

In "A View From Washington," former Turkish ambassador Kemal Barutcu wrote (5/17) in left-of-center Cumhuriyet, "The Clinton administration, fearful of another Vietnam like situation, called for joint action [in Bosnia] with Europe instead of intervening by itself. For the same reason, the United States is not willing to send ground forces [to Bosnia]. The U.S. goal is to balance the two [options] by lifting the arms embargo to Bosnia and by hitting Serbian military positions with air strikes. The U.S. secretary of state tried to (get) EC support for this plan but came back from his European tour empty-handed. It is not so strange. President Clinton is not as strong as Mr. Bush in foreign policy, nor does Warren Christopher have Mr. Baker's talent for persuasion."

EAST ASIA AND PACIFIC

JAPAN: "Administration Should Not Flinch From Business Slowdown"

Liberal Asahi (5/13) opined, "With his administration's ties with Congress on the rocks and his popularity declining sharply, President Clinton has revived town meetings in Midwestern states to regain public support for his economic reconstruction plan. The president has become keenly aware that the lingering business recession is a major cause of his discord with Congress and the public.

"More Americans believe that the Clinton administration's economic policy will not be helpful at creating more jobs at home and that the introduction of an energy tax would give business corporations an additional financial burden. The people remain frustrated about the sluggish state of the job and spending markets.

"The Japanese government and Japanese industrial (and business) officials must accept--in a more serious manner--the fact that the hard-pressed U.S. administration is trying to launch a trade offensive against Japan in order to perk up the ailing U.S. economy.

"The Japanese should also be aware that although our government has criticized the United States for unfair practices in nine of 13 trade areas, Washington will not slow down its (trade) offensive against Tokyo. It is time for Japan to open its rice market and make its public works construction market more open and transparent."

"Clinton Must Use Leadership to Reconstruct Economy"

Moderate Yomiuri said under the headline above (5/11). "Having ended his 100-day honeymoon period with Congress, President Clinton has yet to demonstrate an ability to implement policies that would realize his campaign promises of change. Recent opinions polls show the bitterness of public reaction to the new president's leadership in domestic and foreign affairs. When Mr. Clinton assumed office last January, Americans evaluated him very highly because he clearly outlined major problems that had to be addressed in order to reconstruct the ailing U.S. economy. But now an increasing number of Americans have begun to see the president in a different light. They are also strongly opposed to his tax hike plans.

"Rehabilitation of the U.S. economy would help reinvigorate the global economy. President Clinton should convince Americans to bear the pain of accomplishing economic recovery by clearly spelling out the extent of tax increases. He should not only narrow down and define his key policies but also improve the way he decides policy. Clinton's foreign policy to date lacks a proper strategy for realizing world peace and stability. He has failed to convince the U.S. public that a possible military intervention in Bosnia-Herzegovina and massive aid to Russia are truly necessary and in the U.S. interest.

"It is also feared that his 'results oriented' diplomatic stand on trade affairs will further aggravate U.S. trade friction with Japan and Europe. The Clinton administration should realize that the policy of managed trade will not help rehabilitate the U.S. economy. The international community does not want the U.S. to turn inward, but rather to play a leading and constructive role in establishing world stability in the post-Cold War era."

AUSTRALIA: "Clinton's Divided Economic Team Heading For A Fall"

The conservative Australian (5/10) ran this op-ed item by its Washington correspondent: "For an administration which came to power proclaiming it would unite Americans, the Clinton administration is rapidly dividing the nation, with some of the deepest rifts appearing within the White House itself over the direction of the economic policy.... What was not as expected was the fury of the battle among individuals for the economic soul of the Administration.... The situation for Clinton is far more grim than many realize. It has been stunning--and tragic for the president--how quickly this administration has spent so much of its political capital, largely because of the way he bungled the gays-in-the-military issue by not consulting Congress or the military. Middle Americans have reacted against that. But potentially very damaging is the increasing perception, which Clinton will find hard to shake, that this is 'just another tax-and-spend Democrat.'"

MALAYSIA: "Kid In A Candy Store"

Second largest, Chinese-language Nanyang Siang Pau (5/16) commented, "President Clinton is inclined to get a job done quickly. But he is obsessed with details and minute aspects when he formulates a policy. His typical day goes like this: He discusses Bosnia, contemplates an economic package, hears a report on medical care plan and reviews a student loans memorandum. He is exactly like a kid walking into a candy shop where he impulsively grabs a fistful of this and a fistful of that... The president will have to traverse an arduous road to improve his image."

SOUTH KOREA: "What Is Clinton's Asian Policy?"

Conservative Chosun Ilbo's editorial (5/18) stated, "Though the Clinton administration's foreign policy has centered on Bosnia without fruitful results, it has too excessively neglected the many urgent Asian issues awaiting resolution. The Clinton government has to resolve crucial problems of vital concern to mankind and to formulate a new world order. We get the impression that Clinton is not doing what he must do as the leader of an unrivaled superpower. Whether to extend the MFN to China and how to react to North Korea's pullout from NPT are among the tasks that require prompt resolution."

LATIN AMERICA AND THE CARIBBEAN

ARGENTINA: "It's The Domestic Agenda, Not Bosnia"

Washington correspondent Fernan Saguier filed (5/15) for daily-of-record La Nacion, "If the situation in the Balkans heats up again, the domestic agenda will be set on the backburner in the blink of an eye. The people, however, have made it clear: It's for the latter and not the former that they sent Bill Clinton to the White House."

BRAZIL: "Clinton Tries To Resume The Initiative"

Conservative O Estado de Sao Paulo's Washington correspondent said (5/17), "In the next few weeks Clinton will be travelling through the country to try to again mobilize support for the topic that guaranteed his election: control of the federal deficit and the restoration of Americans' trust in the future. Foreign distractions, like the civil war in Bosnia, have no place in this strategy. The Europeans' lack of enthusiasm for tougher action against the Serbs, as proposed by Clinton, supplied the cover for the American withdrawal from a subject which never offered any good alternative for Washington...."

"Clinton knows that his most urgent challenge is to make the Americans feel they have a president and a leader.... If Clinton succeeds on this front, he will recover the push to attack the next items in his ambitious domestic agenda (among them ratification of the NAFTA). If he fails, the fate of his administration will be sealed."

"The chances for the approval of NAFTA are so uncertain at the moment that the discussion in Washington is no longer about the benefits of the accord but about the damages that its non-ratification may bring.... A politician who does not like to admit mistakes but does not shy away from learning by them, Clinton admitted last week that he is still perplexed with the peculiarities of Washington's political life."

"Clinton Tries Reconciliation With Journalists"

O Estado de Sao Paulo's Washington correspondent concluded (5/16), "There's nothing like a popularity crisis to make politicians discover the importance of a good relationship with the press in a democratic society. It happened to Clinton in recent weeks. When arriving in Washington in January, Clinton and his young advisers did not try to disguise their contempt for the prima donnas of American journalism who cover the White House."

"Believing, not without some reason, that the press in the capital is sometimes arrogant and presumptuous and tends to exaggerate the importance of problems with little resonance in the real country...Clinton decided to address the people directly.... It worked while the news was good...."

"Two weeks before the mark of 100 days in power, however, the administration started to skid.... Ignored in the first weeks of the government, the big press responded. With the usual exaggeration, Clinton, the harbinger of change, became an inexperienced, hesitant leader without messages or principles...."

"It is uncertain whether Clinton will overcome the little esteem he has for the press in Washington. However, now he seems to have become convinced that without the press he will not be able to change negative public opinion about his administration. In the last two weeks the president received several newspapers and magazines for extensive exclusive interviews. And the presidential spokesperson has already said that from now on Clinton will give press conferences more often."

"Clinton's Prestige Continues Falling"

Folha de Sao Paulo's Washington correspondent analyzed (5/15), "At a press conference (May 14), the president said that his administration is one of profound change and that nobody changes without going against some interests. This is the reason, according to him, for the negative polls on his performance...."

"At the press conference, in which he had to answer several highly critical questions, he showed irritation at least twice. He refused to broach again the topic of homosexuals in the Armed Forces...and did not want to answer a question about those who accuse him of indecision."

GUATEMALA: "Honeymoon Is Over"

Weekly Cronica (5/11) observed, "In 100 days, Bill Clinton has made more enemies, has gotten himself into more problems, has made more mistakes and has contradicted himself more times than George Bush did in his four-year administration.... No one ever knows what card he will play next. This man's character is a mix of naivete and pride, of honesty in recognizing his shortcomings, and of the will to get what he wants.... To that, he adds an invincible capacity for work.... One hundred days after seeing him in the Oval Office, Americans still are trying to get used to his style. It is clear, however, that the honeymoon...is over. From now on, Bill Clinton should pay careful attention to the two pillars upon which his possible re-election rests: economic policy and reform of the health system."

Wednesday, May 19, 1993

U.S. POLICY IN AFRICA: RIGHT ON TARGET

The press praised the first articulation of the Clinton administration's policy toward Africa by National Security Adviser Anthony Lake at the Brookings Institution on May 3 and found that its goals of democratization, economy reform, conflict resolution, and sustainable, environmentally sound development were right on target. A daily in Zambia was among many noting that relief from the onerous debt burden when combined with prudent economic management could go a long way in encouraging the development of democratic government in Africa. Lesotho's independent Mirror was pleased that Mr. Lake cited its country as an example of democracy at work in Africa. Several African dailies urged the U.S. to recognize the MPLA-controlled government as the official representative of Angola as a first step in normalizing U.S. relations. Journalists reasoned that this step might persuade UNITA leader Dr. Jonas Savimbi from continuing military conflict in Angola. Jamaica's moderate Daily Gleaner (5/7) called on the U.S. to take the leadership in preventing a racial bloodbath in South Africa.

With rare exceptions, the press worldwide enthusiastically commended the performance of the U.S.-led UN humanitarian mission in Somalia. There were a few complaints from those who at the inception wanted the U.S. to guarantee long-range security in Somalia. However, the overall assessment was that the U.S. had done a "brilliant job."

These observations are illustrative of commentaries received:

- * The independent Times of Zambia (5/5) said the Clinton administration's Africa policy "will go a long way to nurture democracy in Africa."
- * The liberal Montreal Gazette (5/6) called Operation Restore Hope "a roaring success."
- * In assessing the U.S. performance in Somalia, Bangladesh's leftist Ajker Kagoj (4/31) concluded: "Deployment of U.S. troops in Somalia...has saved the nation from dissolution."
- * Japan's liberal Asahi (5/8) said, "The U.S.-led multinational forces have done a brilliant job in giving assistance to the Somalis in the reconstruction of their country."

This survey is based on 58 commentaries from 16 countries, April 10-May 18.

EDITOR: Herman W. Henning, Jr.

AFRICA

LESOTHO: "Lake Cites Lesotho As An Example For Africa"

Maseru's independent Mirror (5/7) carried this editorial on National Security Adviser Anthony Lake's address at the Brookings Institution: "President William J. Clinton's National Security Adviser Anthony Lake cited Lesotho as an example of Africa's democratic rebirth, in a May 3 address at the prestigious Brookings Institution in Washington. Speaking on U.S. policy toward Africa, Lake told his audience how impressed President Clinton had been by developments in Lesotho after his conversation with Lesotho's ambassador to the United States T.E. Kitleli, upon Ambassador Kitleli's April 14 presentation of credentials.

"In his (first) public address since joining the Clinton White House, Lake said key points of U.S. Africa policies are

democratization, economic reform, conflict resolution, and sustainable, environmentally sound development. Lake, who emphasized that Africa occupies a special place in his work and personal experiences, described the hopeful signs for Africa's future. One of these is 'a new relationship with a new administration in Washington.'

ZAMBIA: "The Clinton Administration's Africa Policy"

The independent Times of Zambia (5/5) front-paged this editorial that praised and welcomed the U.S. government's Africa policy: "The Clinton administration's Africa policy appears to be a realistic one and promises to afford those countries of the continent that are serious about economic development room to forge ahead. It still has to emerge in its entirety but elements of it that are filtering through show a great deal of clarity about what should come first. The high debt burden is indeed one of the major problems. Economic realism is only just beginning to filter through to Africa but even those countries that are trying out policies based on that are already saddled with huge debts from the past which cannot be properly accounted for....

"That the Clinton administration should see this as a matter requiring priority action shows it is looking at Africa seriously and perhaps sympathetically as well.... This will go a long way to nurture democracy in Africa.... With the strong support from the United States that is emerging there is every reason to hope that the problem of debt will be dealt with properly and the struggling democracies of the continent will be afforded an opportunity to thrive and forge ahead."

GABON: "Libreville Will Be Better"

Independent Mpili (5/18) discussed the upcoming African-African-American Summit (AAA summit) scheduled to be held in Libreville, May 24-29 in this editorial: "Comparing the two AAA summits, the Abidjan summit was highly political, Libreville's will be more cultural and economic. Experts will emphasize the promotion of small and medium-sized businesses, the possibility of creating joint-ventures, the transfer of technology.

"As for the outcome of the Abidjan summit, we note the establishment of an automobile industry in Nigeria, the opening of an IBM training center in Cote d'Ivoire. What's most important is the cancellation of Africa's debt, the implementation of an African day and the launching of an aid program for development estimated at \$40 million."

"A Summit To Be Taken Seriously"

Independent La Griffe (5/18) commented: "Are the African-Americans coming to our sweet country to bring us Coca-Colas, hamburgers and to build fast-food outlets so that the Gabonese, who are generally a small people, can become fat. No, they are coming to ask other Westerners to help us cancel our debt. They are also going to encourage their businesses to invest in Gabon. Our people will be speaking English a lot: Too bad for the French. After the Abidjan summit, Rev. Sullivan helped create a program called "Bankers for Africa" to train 250 Africans in banking at the New York Stock Exchange and the U.S. Treasury Department. He also launched a program to struggle against disease in Nigeria, as well as the development of a project "A Thousand Schools For Africa" and the launching of the program "Teachers for Africa." This is, thus, a summit to be taken seriously."

KENYA: "Somalia: The American Effort Was Well Worth It"

The independent Weekly Review (5/14) carried this commentary by editor in chief Hilary Ng'Wendo that praised U.S. humanitarian mission to Somalia: "The Americans have turned over the command of the international peacekeeping force in Somalia to the United Nations. In less than six months, Operation Restore Hope cost the U.S. taxpayer more than \$2 billion. Though most of it was spent on American soldiers and Marines, the American effort was well worth it."

NIGERIA: "A Salute To America"

Under the headline above, the lead editorial in influential Guardian (5/18) commented: "When...the UNSC unanimously approved the deployment of troops to Somalia, under what became known as Operation Restore Hope, the gesture was viewed with skepticism by not a few Somalis.... Their grouse was that the American operation would not be the humanitarian response as it was advertised to be, but a covert means of imposing a new culture of imperialism.... It has become clear that this skepticism was unjustified.

"Operation Restore Hope has turned out to be a prototype of the kind of international cooperation and humanitarianism that ought to be norm in the emerging New World Order.... It has provided a new lease on life for Somalis and has created an enabling environment for reconciliation and peace..

"The United States at whose instance Operation Restore Hope was introduced deserves praise for providing useful leadership in ensuring all this."

"A Respite For Angola"

The top-circulation, federal government-owned Daily Times (5/1) commented: "It seems to us that the efforts of the principal backer of UNITA, the United States of America, has been inadequate in persuading Savimbi to abandon his belligerent posture. This inflexible posture is largely inspired by the failure of the United States to accord recognition to Angola since 1975. This is so in spite of the fact that most nations hitherto involved in the ideological Cold War have recognized the Luanda government.... As major partner in the peace process, the United States would facilitate the process in no small way if it applies a more favorable diplomatic instrument in advancement of the transition to multiparty democracy.

"We can afford to expect that the new dispensation under President Bill Clinton will enable Washington to change its policy toward Angola by giving a more positive push to the efforts being made to secure lasting peace. Recognition of Angola by the United States will achieve the effect of bringing about an early and just settlement."

SOUTH AFRICA: "National Union Is A Long Way Off"

The pro-government Citizen (5/18) carried this editorial: "We congratulate State President de Klerk and ANC President Nelson Mandela on being chosen to receive jointly the 1993 Philadelphia Liberty Medal.... Rather grandiosely, it is suggested in Washington that South Africa's government of national unity will begin on July 4 with the presentation of the medal. There is a long way to go before such a government is brought into being.... There might be...a suggestion that this is a typical American ploy to influence events in South Africa. We prefer to believe the two richly deserve the medal. Together...they will signal a future in which blacks and whites must co-exist in friendship and peace. And that is the message we hope they will bring not only to Americans but to fellow South Africans."

TANZANIA: "The United States Should Recognize Angola"

The party-owned Swahili weekly Mzalendo (4/30) front paged this editorial: "One of the things the world does not understand is why the U.S. administration under President Bill Clinton continues to support Jonas Savimbi.... We support the New York Times when it says, 'There is no meaningful reason for the United States to refuse to recognize the government of Angola.'"

EUROPE

CANADA: "U.S. In Somalia: A Job Well Done"

An editorial entitled as above, appeared in the liberal Montreal Gazette (5/6) assessed Operation Restore Hope "a roaring success.... Thousands of Somalis--perhaps even hundreds of thousand--owe their lives to the U.S.-led multinational force that has been providing badly needed security for deliveries of essential relief supplies.... The challenges remain considerable. But Operation Restore Hope lived up to its name."

"After The Anger, Will South Africa Survive?"

Former editor of the South African daily The Cape Times, Tony Heard, wrote this commentary in the liberal Ottawa Citizen (5/1): "Hani's death almost ranks in significance, in local terms, with that of Martin Luther King in the United States. It is worth recalling that, whereas the immediate response to King's killing was rioting, looting and chaos, the legacy was some advance for American blacks. The key point to watch for now is whether nonracial elections will be set for this time next year or not. If they are, the country might be able to accelerate politically away from the abyss...that could be ahead."

GERMANY: "Somalia: New Era?"

Centrist Stuttgarter Zeitung (5/5) carried an editorial under the headline above: "American foreign policy has not had it easy in Europe over the last 25 years, to put it mildly. From Vietnam to the Gulf War, many people here found it quite natural to criticize U.S. policy as being imperialistic. But the truth is that without U.S. intervention in Somalia, the dying, killing and burning would have gone on in that country. Now the U.S. flag has been lowered and the UN banner hoisted. The Commander of the U.S. troops General Johnston said proudly that the Americans had succeeded in stopping the starvation and creating the necessary safety for aid operations. After the Americans offered troops and sent them to the country, the UN mounted an unprecedented operation which could become a model for future intervention in an increasingly anarchic world....

"If efforts to establish a new order in Somalia succeed, this will indeed be a historic event. This mission has its risks, and it is shameful to see Germany letting other countries provide security in Somalia while German blue helmets are only allowed to go to 'secure environments' and not crisis areas. After all, the American soldiers took a risk in Somalia."

SWEDEN: "U.S. Operation in Somalia"

Stockholm's liberal Dagens Nyheter (5/7) concluded that "the UN

will have a tough job succeeding the United States" and judged that a lot has been accomplished in Somalia but a very risky job is only half done: "The UN will not get anything for free in Somalia. It may even be more difficult to carry out a peacekeeping mission as the successor to the American superpower. After all, the tribal warlords and unrestrained violent criminals showed at least some respect for the military strength of the United States. Americans are obviously proud of what has been achieved during the past five months. Their military presence guaranteed that food and medicine reached starving people. The United States has succeeded in 'returning the country to the Somalis.'"

EAST ASIA AND PACIFIC

JAPAN: "UN"Needs Soft Touch In Handling Somalia"

Liberal Asahi (5/8) said, "The U.S.-led multinational forces have done a brilliant job in giving assistance to the Somalis in the reconstruction of their country. As the Somali situation is improving markedly, the dismal picture in which as many as 300,000 people died from hunger or were killed in fighting is a thing of the past.... UN forces should not stay in Somalia for too long.... The Somalis must take their own initiative in reconstructing their country.

"The peacekeeping operations in Somalia cost more than 800 million dollars in the past six months. That is equivalent to one tenth of the total official Western development aid to all African countries. Once peace is lost, the work to regain it is very costly. The international community must strive to make good use of this lesson."

SOUTH KOREA: "'Operation Restore Hope' Entered New Phase"

Independent Dong-A Ilbo (5/11) said in a commentary headed as above: "The five-month U.S. military operation in Somalia has ended the urgent situation there, caused by famine and internal disorder. However, Somalia is left with many challenging problems, including fighting among 15 political factions and the Somalia National Movement's opposition to UN involvement. Since these problems have been handed to the UN, Somalis feel insecure with the U.S. withdrawal, wondering whether the UN can disarm Somali forces that caused the war."

SOUTH ASIA

BANGLADESH: "Somalia And Bosnia: Response of UN And U.S."

Independent Holiday (5/7) commented: "Somalia is a unique testing ground for post-Cold War international relations. When the United States committed its combat troops, with UN approval and participation by 23 other nations, to restore peace and order in Somalia as well as to ensure smooth distribution of relief to the Somalis dying of hunger in their thousands, it was a big gamble in peace-intervention. Operation Restore Hope ended successfully last week. Both the United States and the UN are learning new lessons from Somalia. What use will they make of their experiences gained from Somalia in handling the crises in other trouble-spots--Bosnia in particular?"

"Somalia Has Been Saved From Dissolution"

Leftist Ajker Kagoj (4/31) commented on the prospects of interim government in Somalia in this editorial: "Deployment of U.S. troops in Somalia and the UN initiative to bring the warring factions to the talks have saved the nation from dissolution. But it will take many years to overcome the losses of civil war and famine."

NEPAL: "New Experiment In The Use Of Force"

The semiofficial, top-circulation, English-language Rising Nepal (5/14) observed in this editorial: "In two years almost half a million of the estimated eight million Somalis starved to death. A part of the human family seemed on the verge of cataclysm.... And then someone said 'enough is enough.' In a bold and one of the few commendable cases of external interventions in modern history, on December 9 of last year U.S. Marines from the estimated 30,000 strong multinational force of the UN Security Council sanctioned and U.S.-led Operation Restore Hope landed in Somalia....

"Operation Restore Hope encountered limited resistance in Somalia and criticism outside has been mute and generally unjustified. Somalia is no more in the headlines as the world center of death and devastation. Some semblance of order has been restored. Thus, as the United States turns control to the United Nations.... Operation Restore Hope...demonstrated the use of the world's massive military might for humanitarian purpose, beyond the concept of the use of force only to protect 'narrow' national interest. Operation Restore Hope, thus, provides a new experiment in the use of force."

LATIN AMERICA

BRAZIL: "Somalia: UN Tutelage"

A conservative Jornal da Tarde (5/11) editorial called the transfer of responsibility for humanitarian assistance and peace guarantee in Somalia to the UN commander historic and unprecedented: "This precedent marks the end of the great illusion created by the movement of accelerated decolonization after the end of World War II and which was encouraged both by the former USSR and the United States, the first to take strategic advantage of the 'national liberation wars,' the second for aversion to colonialism....

"The desperate situation in Somalia, without a government, led to the U.S. military intervention.... It was also the first sign that, in the scope of the new international order, the civilized world could no longer, for moral reasons, keep disregarding the suffering, misery and human degradation prevailing in countries that are incapable of self government. The tacit conclusion finally reached was that the only form to guarantee those people a minimum of security and open some prospects for the future was to place them under a regime--even if not declared--of international tutelage until they show the capacity for self-government. The precedent has just been opened in Somalia and, from now on, the tutelage can be extended to other nations in the same situation."

"Americans End Their Humanitarian Assistance Mission In Somalia"

Liberal Folha De Sao Paulo's Washington correspondent said (5/2) under the headline above: "On May 4, the last U.S. military commands in Somalia will be passed on to the UN. Friday, May 7, the last thousand members of the American combat forces will leave the country.... It is the end of Operation Restore Hope announced with such pomp by Bush on December 4, 1992, approved by the American society and communications media. The result after 123 days and three American deaths is nil.

"Somalia continues drowned in a war between bandits who are trying to control the economy and politics. Hunger is still the principal adversary. No political structure capable of giving institutional stability to the country was erected. No significant and lasting improvement of living conditions was registered."

"Africa Disappears In The Geopolitics Of The Market"

A Folha de Sao Paulo's article (5/1) under the banner headline above said, "Humanitarian actions does not end drought and hunger in a region of tribes and without space in the New World Order. The U.S. military's departure from Somalia ends the (theatrical) staging of the New World Order. Humanitarian intervention does not solve social problems. The Somalis will continue dying of hunger. The United States was not even able to impose a statehood plan for the country.... Operation Restore Hope, which ends with the American departure from Somalia, was praised by the Red Cross. Perhaps it did help to feed a few thousand, but today geopolitics is the market and Africa as a whole does not interest the rest of the world."

JAMAICA: "South Africa: On The Verge"

The editor of the moderate Daily Gleaner (5/10) commented: "South Africa is on the verge of a horrible racial war. The conservatives on the far right are bent on wreaking havoc as they make a last-ditch effort to stop the negotiations leading to a one-man, one-vote democracy, euphemistically called a nonracial democracy.... We believe that the United Nations should keep the issue under close scrutiny, and that President Clinton and the European leaders should seek an early meeting with the Front Line states so that some international comfort can be brought...to the people of South Africa. For a racial bloodbath which would bring to nought the valiant diplomacy and leadership of Nelson Mandela must be avoided."

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===== END ATTACHMENT 2 =====

ARMS Email System

RECORD TYPE: PRESIDENTIAL (RECONSTRUCTED EMAIL)

CREATOR: Jonathan P. Gill (GILL_J) (WHO)

CREATION DATE/TIME:19-MAY-1993 17:06:00.00

SUBJECT: Dee Dee Briefing 5.19.93

TO: Roy Neel (NEEL_R) (VPO)
READ: UNKNOWN

TO: Thurgood Marshall, Jr (MARSHALL_T) (VPO)
READ: UNKNOWN

TO: Greg Simon (SIMON_G) (VPO)
READ: UNKNOWN

TO: Remote Addressee (MARLA E. ROMASH@EOP_OVP@CCGATE@EOPMRX) (DEFAULT)
READ: UNKNOWN

TO: Leon Fuerth (FUERTH_L) (VPO)
READ: UNKNOWN

TO: Jack Quinn (QUINN_J) (VPO)
READ: UNKNOWN

TO: Katie McGinty (MCGINTY_K) (VPO)
READ: UNKNOWN

TO: Remote Addressee (SALLY J. AMAN@EOP_OVP@CCGATE@EOPMRX) (DEFAULT)
READ: UNKNOWN

TO: Kukis, Heidi (HEIDI KUKIS@EOP_OVP@CCGATE@EOPMRX) (DEFAULT)
READ: UNKNOWN

TO: Remote Addressee (JIM KOHLENBERGER@EOP_OVP@CCGATE@EOPMRX) (DEFAULT)
READ: UNKNOWN

TEXT:

===== ATTACHMENT 1 =====
ATT CREATOR: Margaret M. Suntum (SUNTUM_M)

ATT CREATION DATE/TIME:19-MAY-1993 16:52:00.00

ATT BODY PART TYPE: B

ATT SUBJECT: 05/19 #73 Press Briefing

ATT TO: Jonathan P. Gill (GILL_J)
READ: UNKNOWN

ATT TEXT:
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THE WHITE HOUSE

Office of the Press Secretary

For Immediate Release May 19, 1993

PRESS BRIEFING
BY DEE DEE MYERS

The Briefing Room

2:22 P.M. EDT

MS. MYERS: Good afternoon. Just a little look ahead for the rest of the week. Tomorrow at 11:00 a.m., the President will sign the motor voter bill. Weather permitting, that will be on the South Lawn. Then he'll have lunch with the Vice President. Thursday afternoon he'll have his usual Thursday afternoon photo ops with different people. Friday morning at 10:00 a.m., there will be a Cabinet meeting. At 5:00 p.m., he'll meet with the President of Cyprus. On Saturday we're going to New Hampshire. The President will give the commencement at New Hampshire Technical College at 10:00 a.m. The rest of the scheduled is still pending.

Any questions?

Q Yes. Why was the Transportation Office fired? It looks like a massacre? And the is the FBI investigating? And did the President do this?

MS. MYERS: We've been looking at a number of different operations within the White House as part of the national performance review headed by the Vice President. We've been looking at the different functions within the Office of Administration, and last week we began to take a look at the Travel Office.

Within the Travel Office, we found sort of gross mismanagement, if you will. There's basically very shoddy accounting

practices, mismanagement, a number of things. And in order to correct those, we thought it was advisable to take immediate action. And so the previous staff has been dismissed. They'll be out of here by the end of today.

Q Is it criminal?

MS. MYERS: No, there's no criminal charges against them at this point. The investigations are ongoing. We'll continue to investigate. We brought in an accounting firm -- an independent accounting firm -- Peat, Marwick -- which did an audit over the previous few days and found a number of very, very shoddy management practices -- basically no accountability within the system. And we took immediate action.

Q Is that audit available to us?

Q Did you ask the FBI to look at the results of this accounting firm?

MS. MYERS: I think that's likely.

Q Is the audit available --

Q Why are you -- are you suggesting that all seven of these people were somehow involved in the shoddy accounting?

MS. MYERS: There was just overall mismanagement throughout the office. And as you know -- most of you have been dealing with --

Q So it doesn't matter if it was the manager of the office or the most junior person, all seven of them are brushed with the mismanagement brush?

MS. MYERS: All of them have been there for at least 10 years. And they were part of a rotating schedule, as most of you know, since you've dealt with them over the years. And they served a variety of different functions. It was -- in addition, it is part of the Executive Office of the President. They do serve at the pleasure of the President, as do other people here in the Executive Branch.

Q Nobody is questioning his right to do it, Dee Dee. the question is --

MS. MYERS: Okay, I think that -- may have been --

Q We all understand it's legal. Nobody is saying --

MS. MYERS: But, yes -- I think it's important --

Q -- charging the financial impropriety that has now put all seven of them as being --

MS. MYERS: The allegations here are of mismanagement and shoddy --

Q Are you having the FBI investigating mismanagement?

Q Can you describe what you're talking about?

MS. MYERS: For example, there's no invoice procedures, as I understand it. The bills went out on White House letterhead. There was no invoice system, very lax accounting principles, almost no documentation of previous -- of money that was coming in and going out. And the records that were there were found to be inadequate.

Q In what sense inadequate?

MS. MYERS: They just don't match up. The financial records just don't match up -- money coming in and money going out.

Q You're not talking mismanagement, you're talking about irregularities then.

MS. MYERS: No, we're talking about mismanagement -- at this point I'm talking about mismanagement.

Q How can you know that when you have been making the investigation for so short a period of time when other investigations of similar charges take months?

MS. MYERS: I think that the -- this is something that has been investigated now for about a week. Peat, Marwick went in and did a full accounting and looked at it. And there was enough ample evidence of mismanagement that we thought the best thing to do was to restructure the office immediately. We're going to reorganize the office. We think that we can save not only the government money, but the press. We think that there has been some -- a serious overbilling of the press. And we think that the best thing to do is to reorganize the office beginning immediately. And so we've taken immediate action.

Q Is his cousin going to be in charge?

Q A couple of questions. First of all, is the FBI involved at the moment?

MS. MYERS: There's no investigation at this point. I think it's likely that they will.

Q Okay. Secondly, the President has spoken frequently about the American people, about there being a crisis of confidence in government. What does it say to that if this group is involved and a woman who is the cousin of the President is appointed to head the office?

MS. MYERS: First of all, I think that it is exactly that crisis in confidence which has inspired the national performance review. And I think this is one example of the kinds of mismanagement that will be turned up throughout the government. The Clinton administration is committed to reinventing government and to weeding out these kinds of shoddy administrative practices. There's no way you could run a business the way the Travel Office has been run in the White House. It's been going on for years. As I said, all seven of the people dismissed today have been there at least 10 years. These kinds of practices have been going on for sometime. We took immediate action to correct it just exactly to address, I think, voters' legitimate concerns that their money isn't being well managed.

Q Did his cousin write the report?

MS. MYERS: No. His cousin works in the office -- it is a distant cousin, first of all, let me point out. Second of all --

Q Ooooh.

MS. MYERS: Well, it is, okay. It is. And second of all, she

Q What's distant? Let's define our terms.

MS. MYERS: I don't have the exact family tree available right now, but --

Q You don't have to have the tree to tell us, what is she? First cousin, second cousin, third cousin, fourth cousin?

MS. MYERS: No, she's not a first cousin. She's not - I don't know.

Q Not a first cousin.

MS. MYERS: Not a first cousin.

Q We're any of the seven questioned?

Q Wait a minute. Follow up on this.

Q Let her take the question.

MS. MYERS: Let me explain who she is. She has a business degree, worked in banking in Houston and was -- worked on the Clinton for President campaign in the travel office, ran the travel office for the Clinton campaign for well over a year and did a very good job; is qualified, has been working in the Office of Administration here in the White House since we came here on January 20th, and is very, very capable.

Q She didn't write the report, though?

Q Will you release the Peat, Marwick accounting report?

MS. MYERS: I'll have to double-check. I think that's a good question.

Q That travel office is still billing reporters with very poorly documented sources from the campaign -- still.

Q There's been very much mismanagement in that travel office, apparently.

MS. MYERS: I'm sure bills are still coming in. I think there -- there's adequate documentation for the campaign bills. I don't think that's necessarily true of the bills that have come out from the White House.

Q Well, as a matter of fact, there's some stray charges amounting to \$10,000 or more that have showed up on some reporters' bills that bear no relation to times they were on the campaign.

MS. MYERS: Well, I'm sure that --

Q Was there an audit done --

MS. MYERS: -- and once those are -- let me answer one question at a time here, guys. Once those -- if you bring those discrepancies to the attention of the people who are doing the billing, I'm sure we'll correct it.

Q They have, and they haven't.

MS. MYERS: I think, by and large the invoices that have gone out have been detailed and have provided a breakdown of what the

expenses are for. And when there are challenges to those we'll try to go back and correct it. I think with White House travel that you didn't even have the opportunity to dispute charges since they weren't itemized and you didn't get very good invoices.

Q Did this come about on a complaint?

Q What in this audit or in your decision-making process led you to decide to fire all seven people instead of instituting new management practices or identifying the person who should bear responsibility and perhaps changing them? Why fire them as the corrective action?

MS. MYERS: I think, first of all, a few of the things that were raised that were a problem were, again, the system of no invoices; bills went out on White House stationery. There's a pass-through account that has a very large balance that can't be accounted for very well; it is mostly your money. There was supposed to be a competitive bid process for the charter company. That hasn't happened for years. We were -- some of this information came to us from other charter companies who said that they've been trying to participate in the competitive bid process for the charter company for several years and have always been turned down cold.

We thought that given the rotating structure of the Travel Office, the fact that most of those -- all of those people had been there at least 10 years and that they serve at the pleasure of the President, the best thing to do was to reduce the size of the office, to restructure it and to do so immediately to address some of these problems.

Q Dee Dee, are you not troubled, however, by a situation in which seven people are summarily dismissed amid charges

of mismanagement and the most -- potentially the most serious kinds of things in which the FBI may or may not be involved; the effect on the reputation of such people when from what you say, what you basically have is a kind of preliminary accounting review done in a matter of days -- and the kind of effect that this has on people's reputation without anything that would remotely qualify for five seconds in a court of law as due process? I mean doesn't that smell?

MS. MYERS: I disagree with your premise.

Q What premise?

MS. MYERS: I think that this is somehow insufficient. We have uncovered in the process of these investigations --

Q But have you identified specifically who is responsible, which individual is responsible?

MS. MYERS: -- serious mismanagement. We believe that all of the seven individuals were part of a poor management operation. One that lacked accountability and something that we felt was very important to correct. Now, again, these people have been here for a long time, they participated in this. And as you pointed out, I don't need to explain that they serve at the pleasure of the President. It was our judgment that the best way to address these problems head on, right away, to make sure that you guys are getting the best management for your money and that the taxpayers are getting the best management for our money -- I know this isn't your personal money, so it's perhaps not as troubling to you if it were

Q That's not --

Q Wait a minute --

Q It's also not the taxpayer's money either.

MS. MYERS: Well, there are a lot of taxpayer issues here. First of all, there's more people than needs to be in the travel office. We believe we can do it for less --

Q How in the world would you know that? How could you possibly know that?

MS. MYERS: Because we ran a very large travel operation out of the campaign. We've been --

Q You're not exactly enjoying a host of rave reviews on that, are you?

MS. MYERS: I'm just a little surprised by the defense of that Travel Office here.

Q What about the perception, though, Dee Dee, that these people get cleared out with their reputations sullied in the process --

MS. MYERS: We believe that there is enough evidence here of mismanagement to support their dismissal. We absolutely stand by that 100 percent.

Q There's also a perception problem, though, that the replacement is the President's cousin. I mean, that smacks of cronyism, quite frankly.

MS. MYERS: Well, she's somebody who we believe is qualified, who worked on the campaign, who's worked in this

administration.

Q Did she write the report?

MS. MYERS: She did not write the report.

Q Did Jeff Eller select her to be the replacement since he was doing the briefing --

MS. MYERS: He had nothing to do with it other than he was the person who did the briefing of a couple of reporters this morning on that topic.

Q He had no involvement in the selection?

MS. MYERS: He had no involvement in the decision or in selecting her. She's been working in the Travel Office for the last couple of months.

Q Who made this decision to fire them?

MS. MYERS: David Watkins supervised the review. David Watkins runs the Office of Administration. It was his decision.

Q And had the acquiescence of the President?

MS. MYERS: Absolutely.

Q Dee Dee, have any of the seven been interviewed about this?

MS. MYERS: They've talked to David Watkins and apparently they've talked to a number of you as well.

Q Do you know what they said?

MS. MYERS: I don't.

Q Do you know what they were asked?

Q Before today did they talk to David Watkins?

MS. MYERS: No.

Q Why do you think it's likely that the FBI will investigate?

MS. MYERS: Given the kind of information and amounts of money involved we think it's prudent.

Q Dee Dee, are you hinting that any of these individuals gained personally from these accounting procedures?

MS. MYERS: No, I'm not making any allegations at all other than to suggest that there was serious mismanagement.

Q Dee Dee, how much money is involved and how much of that is taxpayers' money and how much of it is press money?

MS. MYERS: I don't have a breakdown of the specific dollar figures.

Q Do you have some idea of what ballpark are we talking in?

MS. MYERS: There's been large amounts of money passed through that office over the course of a number of years. I don't have a specific dollar figure.

Q Is any of it taxpayers' money?

MS. MYERS: Sure. There are a lot of accounting -- first of all, the office is too large. Second of all, there are management inefficiencies, we believe -- things like they never went out and got a negotiated rate for travel for White House staff. That's a simple thing to do because --

Q White House staff travels free.

MS. MYERS: They do not, not when the travel commercially. But,

Q I'm talking about on the press charter they travel --

MS. MYERS: I'm not talking about the press charter. I'm talking about White House staff that travel separately from the President in their --

Q -- booking your travel?

MS. MYERS: Yes, exactly. That's just one small example of the kinds of mismanagement that has cost taxpayers a lot of money over a lot of years.

Q Dee Dee, what happens right now? I mean, there's a trip on Saturday; how is it going to be managed?

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Q Badiy.

Q And also, you were talking about some other more long-term structuring. What, specifically, do you think at this point do you want to see?

MS. MYERS: Well, we'll reorganize the administrative office. Katherine Cornelius and a gentleman named Chris Walton will be in there. Then we'll bring over a sort of finance management expert from OMB to oversee it. We don't expect any change in the operation of the press travel. The New Hampshire trip and all future trips will be handled -- we expect the same level if not a better level of service for press and we expect the cost will go down.

Q With two people right now? How many --

MS. MYERS: Absolutely.

Q Two people?

MS. MYERS: There will eventually be three and we'll contract out some of the services.

Q Just for the record, there is already a negotiated rate for government travel on airlines.

MS. MYERS: It's government, but you can do better than a government rate if you negotiate it. We did during the campaign.

Q Are you saying the White House that's going to run a \$1-trillion deficit over four years, is firing half a dozen people here in the White House who have ended up with a big cash surplus?

MS. MYERS: I'm suggesting that this -- (laughter) -- I'm suggesting that this White House is committed to reinventing government, to a national performance review, to implementing stiffer standards of management and accounting, and we expect that this is just the first of many changes that we're going to make throughout the government to make sure that every dollar of taxpayer money is managed as efficiently as possible.

Q Are you saying that they would have gotten a better rating if they ran a deficit --

Q Can I make clear on this question here where you were talking -- Watkins -- as I understand it, none of the people in this office were asked for their explanation of what happened here, and only talked to Watkins about it either late yesterday or today, that is, that they were not -- they were fired without being offered the opportunity of even explaining?

Q Is that true?

MS. MYERS: I think that we found enough evidence of gross mismanagement --

Q Is that true, though? Just answer her question.

MS. MYERS: Yes, I said that already.

Q You didn't say that already --

MS. MYERS: Yes, I did.

Q She's asking about whether they were asked to give their side of the story.

MS. MYERS: Somebody asked me earlier if Watkins had talked to them before today, and I said no.

Q Did anybody -- so this was -- they got no hearing at all, I take it?

MS. MYERS: That's right.

Q No hearing?

Q So because -- this, as you know, could not happen in the civil service or any kind of government operation --

MS. MYERS: But this isn't the civil service.

Q -- because they agreed to serve at the pleasure of the President --

MS. MYERS: As you know, that's how it works in political --

Q Well, they're not political appointees, though.

MS. MYERS: Well, they are.

Q No, they're not political appointees by law, by civil service, by legal definition or any definition -- they fit a separate category, Dee Dee. You're saying you regarded them as political appointees?

MS. MYERS: That they serve at the pleasure of the President, yes. That's our understanding.

Q Well, that's not a definition of -- so our conclusion that you fired these seven people so you could put your own political appointees --

MS. MYERS: That would be incorrect.

Q -- and turn it into a political office is incorrect?

MS. MYERS: That is incorrect, absolutely. We dismissed these seven employees because we found --

Q If you think they were, why don't you think these people are? If you think the people you just fired were political appointees, how can you say that you don't consider the people in there now --

Q They serve at the pleasure of the President, too.

MS. MYERS: That wasn't -- if you guys would let me answer the questions here today, I think we could not have to repeat ourselves so often. But what Ann asked was, did we fire them so that we could replace them with our political appointees. That's not why they were fired. They were dismissed, fired today because we found gross mismanagement, a lack of accountability in that office. We think we owe it to you and to the taxpayers to do a better job, and we're going to, starting right away.

Q Are you replacing them with your own political appointees?

MS. MYERS: We're replacing them with, as I said, Katherine Cornelius, Chris Walton and somebody from OMB. Yes, they are working for us.

Q Who are classified as political appointees?

Q The OMB person is not a career person, he's a political appointee.

MS. MYERS: I don't know who that person is yet. It hasn't been confirmed.

Q But, Dee Dee, don't you think people who have worked for the White House for, some of them 20 or 30 years, at least deserve a hearing before they're summarily dismissed and their reputations are tarred like this?

MS. MYERS: I think that, given the evidence we found of mismanagement, that dismissing them was the best course of action. We thought that we had found problems that needed to be addressed immediately, so we took immediate action.

Q What is Mr. Walton's background? Or Ms. Walton.

MS. MYERS: He's a man, he's a young man and I don't know.

Q Is he of drinking age?

Q Is he related to the Waltons of Arkansas?

MS. MYERS: I don't believe so.

Q Dee Dee, among the changes, since you've been discussing the office's mismanagement of press money, will you then increase the documentation we get of what you and your staff pay for travel on the press charter?

MS. MYERS: What -- I don't know how the new billing system will be. Will we break down invoice as to how much you pay for press staff travel?

Q Every White House staffer who gets on the press charter, will then pay for that? Will we

MS. MYERS: We'll certainly take a look at that as part of the overhaul of the accounting practices. I think that's fair.

Let me just point out that we do fully expect that we can bring the costs down. We were asked by George Condon, who is the President of the White House Correspondents Association, and others to do something about the high cost of press travel, that the cost of press travel was so prohibitive that many of the smaller news organizations were no longer able to travel. We took that seriously. And one of the things we found was that we think that you're being overbilled and we've taken steps now that we think can correct that.

Q You've referred several times to the amounts of money involved here being so large. Could you give us an example? Could you tell us how much the fund is that was -- the pass-through fund which I assume is unaccounted for, and what the annual amount of money they handle in that office is?

MS. MYERS: I don't. I'll have to get back to you on that and see -- perhaps that can be part of the audit if we release it.

Q What amount is so large that it justified --

MS. MYERS: I think we're talking about gross mismanagement practices, and -- I mean, it is a large amount of money that goes to that office every year --

Q You said, amount so large --

MS. MYERS: No, I said the mismanagement practices were severe.

Q But you're not accusing anyone of being on the take?

MS. MYERS: I'm not accusing anyone of wrongdoing, other than mismanagement.

Q These services, though, that they handle

MS. MYERS: I don't, Frank. I don't have any dollar figures.

Q Can you divide the difference between the airline tickets they provide for White House employees, for instance, which is going to be placed out in travel agencies? Can you give us an idea of the scale of that business?

MS. MYERS: I'll say it again -- I don't have any dollar figures.

Q Can you get them for us?

MS. MYERS: I said I will get back to you on that.

Q Can you elaborate on what Jeff was talking about this morning on outsourcing? What types of things are not going to be done by the office and are going to be --

MS. MYERS: I think we will use -- and Jeff can probably provide some more details when this is over. I think he's here -- but I think we'll use a travel agent to do some of the actual booking of travel flights, which, as you know, they do on commission from the airlines. It doesn't cost anybody anything.

Q Dee Dee, is there any other example that you can point to in the Executive Office of the President where people were fired because of what was deemed to be mismanagement or shoddy practices?

MS. MYERS: Not yet. But we've just --

Q Is that going to be the cost of -- if such a case is found again, that is the cost, people lose their jobs?

MS. MYERS: Well, certainly I'm not going to prejudge future cases, but I think it demonstrates that we are serious about this national performance review, we're serious about implementing -- better management and more accountability in government operations, and we will do that throughout the government starting here in the Executive Branch.

Q What's the status of Judge Sessions?

MS. MYERS: No change. We're still waiting for a report from the Attorney General on that.

Q I want to make clear what you're saying about wrongdoing. You've said several times that the FBI has been asked to look at this, or is about to be asked. As far as I know, the FBI doesn't look at mismanagement. If they did, then we'd have to have -- in government you might have to have trillions of people at work here. The FBI looks at criminality or suspicions of criminal acts being performed. That's their function. So are you saying you suspect crimes here, or not?

MS. MYERS: I am saying that it's likely that the FBI will take a look at this, given the nature of the investigation. The internal investigation is ongoing. And beyond that, I'm not going to characterize it.

Q How will this likelihood occur? Is someone going to ask them? Has someone asked them?

MS. MYERS: I believe that there have been conversations.

Q There have already been?

MS. MYERS: Yes.

Q Has the FBI agreed to look into it?

MS. MYERS: There is no investigation going on right now.

Q At what level are we talking about? At the --

MS. MYERS: Well, David Watkins is supervising this.

Q Is Catherine Cornelius 24 years old?

MS. MYERS: I don't know how old she is.

Q Could you find out?

MS. MYERS: Sure.

Q How old is the deputy, whatever his name is?
Walton.

MS. MYERS: I'm not sure it's relevant, but I'll be happy to find out.

Q Doesn't the White House Travel Office operate under some other White House official and --

MS. MYERS: Correct. The office --

Q -- if the Travel Office has been operating grossly mismanaged for 10 or 20 years? Doesn't this indicate that some White House official or officials in the Bush administration are responsible for this gross mismanaged operation in the White House?

MS. MYERS: Well, clearly they operate under the auspices now of the Office of Administration. I believe that was true in the previous administration as well. I don't think it makes sense to --

Q So doesn't this investigation go on up into previous White House officials who cleared this arrangement?

MS. MYERS: Previous White House officials are -- our investigation deals with the White House Travel Office as it exists under the supervision of the Office of Administration. I can't speak to past administrations. It's beyond our control.

Q But presumably, their procedures are what have been authorized or approved or signed off by people for years.

MS. MYERS: Correct. And we're changing those procedures.

Q So those people are not in jeopardy or under investigation --

MS. MYERS: We are reviewing the operation under our control, which is the White House Travel Office as administered by the current administration.

Q Are any other audits being planned?

Q Dee Dee, why, in this case, did the need to change procedures, which you just referred to, also translate to the need to change the entire staff?

MS. MYERS: Again, because we believe that each of those employees has been there for at least 10 years. They participated in --

Q Is there something wrong with that?

MS. MYERS: No. I'm just -- this isn't somebody who came in --

Q You've said that several times like that's another charge. I mean, what does it matter having experienced employees?

MS. MYERS: If I can finish my sentence, I think it becomes clear. They've all been there for 10 years as part of a rotating management system, and I think all of them have participated in a fairly regular basis for a long period of time in the current management system.

Q But you are convinced that they -- what? -- would not respond to additional controls being placed on or new systems being brought in?

MS. MYERS: It was our judgment, given the severity of the mismanagement, that the best thing to do was to dismiss them and to restructure the office, which we have done.

Q When did this review start and who ordered it?

MS. MYERS: David Watkins was supervising it. It began, I believe, last Thursday and went on through the weekend.

Q What triggered it? Why did you decide to investigate that office and that office first --

MS. MYERS: We started with the whole Office of Administration within the White House. It's part of the national performance review. And, again, part of the reason that we looked at travel was because we had complaints from many of you that White House travel was prohibitively expensive. And so we thought we would take a look to see if there was a way we could streamline those costs. And we found out that there was, and we're taking those

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steps.

Q Are there audits of other departments underway at this time?

MS. MYERS: There will be. All the cash departments will be audited first.

Q Was any consideration given to the quality of the services performed, or was this strictly a bookkeeping audit?

MS. MYERS: We believe that we can -- yes, certainly we expect to provide at least the same level of quality of service --

Q In making the decision as to whether to terminate these people, was any consideration given to the --

MS. MYERS: Yes.

Q Let me finish -- any consideration given to how well they performed the services for the people ultimately whom they served?

MS. MYERS: We don't believe that the level of the quality of service, which all of you have certainly affirmed, and the mismanagement were necessarily related. We think we can save money and provide more accountability while providing the same level of service. So, yes, the quality of service was certainly taken into account and is something that we think we can improve upon even. I think we can get probably better planes for less money with a new system. I mean, as I pointed out before, that should be open to competitive bid. It hasn't been for years. That's just one of the --

Q You're opening it to bid now?

MS. MYERS: We will be, yes.

Q Dee Dee, I think we've used a number of different charters in the last few years. Are you saying there was no bidding at any point?

MS. MYERS: I think that the process was largely closed. I think -- I don't know when the last time they had some -- they had a contract at some point with another charter service and went back to the one that they have now. But there hasn't been an ongoing competitive bid process.

Q The problem here -- and these folks were asked about it several times -- the problem was the commitment that charter companies were willing to make to be able to provide a plane on the very short notice the White House provides them. Now, are you

willing to stand there and commit to us, who have to use the service more than anyone else, cheaper and better service?

MS. MYERS: I think at a minimum we can keep -- maintain the current level of service. We hope to improve it. And I certainly think we can do it for less money, yes. But I think there are a number of charter companies out there who we can work with to provide the kind of service that we need and do it very quickly.

Q So we're going to be flying around the country on the lowest bidder airline? (Laughter.)

MS. MYERS: You know, I don't know that you all have taken a good look at the planes you've been flying on.

Q -- they provide that you rarely find anywhere in the world.

Q As a result of this review, has any money been misplaced?

MS. MYERS: Money has been mismanaged, and I'm not making any other allegations about it.

Q What do you mean mismanaged? You don't mean any money is missing?

MS. MYERS: No, I'm not making any allegations of criminal wrongdoing here.

Q There has been competition for years, actually, in fact, and there are a number of companies that have refused to take charters because of the late notice, et cetera. How can you say that there's --

Q We've been there, Dee Dee.

MS. MYERS: Look, we took a look at this and found that this has not been open to a competitive bid process recently. We have found a number of mismanagement examples, and it was our judgment that the best thing to do was to reorganize the office and let the people go.

Q You talk about reinventing government, but are you really confident that what you're doing here is not simply reinventing the wheel?

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Q -- longer than anybody and we know them. They're the finest travel office and one of the best --

MS. MYERS: We are confident that we can do a better job.

Q How about these people -- can they get other jobs with the federal government?

MS. MYERS: That's up to them. We're not going to place them.

Q Have you thought about their families, their livelihoods?

Q Were any travel consultants involved in this process, or are you just assuming this is it?

MS. MYERS: We think we can do a better job.

Q Based on what?

Q Will you answer the question, Dee Dee? Based on what?

MS. MYERS: We think we can provide better quality of airplanes, less expensive service with the same level of service. I don't know --

Q My question was, who is telling you that you can do this?

MS. MYERS: That is our own assessment, and I don't know exactly how many people were involved in it, but that's our conclusion.

Q They're not barred from working in government?

MS. MYERS: Can we end this now, since it seems to have ended itself?

Q Reaction to the trade deficit before you go.

Q Oh, no.

MS. MYERS: Are you sure there's no more questions on this? I don't think we've exhausted --

Q Would you let us know when the FBI is called in?

MS. MYERS: Yes.

Q Would you also let us know if we can have a copy of this audit?

MS. MYERS: Yes. I took that question.

Q Since it's apparently our money that's concerning you.

Q When you come back with answers to these taken questions, Dee Dee, would you make sure that the answers are delivered to everybody? I mean, we're all interested.

MS. MYERS: Absolutely.

Q What is the precise evidence of mismanagement?

MS. MYERS: I think this might be more than a one-day story, what do you think?

Q Trade deficit.

MS. MYERS: Trade deficit.

Q Dee Dee, throwing seven people out of work, threatening FBI investigations and criminal charges is probably not as funny to them as it is to you. Why don't you answer Mr. Petit's question?

MS. MYERS: I thought I did answer his question. He asked if I could -- he said, when you take this question, when you come back with the audit, can you provide specific examples. And I said, yes. Is that correct, Mr. Petit?

Q No comment.

Q But you can't do it now.

MS. MYERS: I think I've given a number of examples, but I will be happy to try to come back with more. If we have -- I will look into the status of the Peat Marwick audit.

Q Are these seven people eligible for severance -- do these people get any severance pay for being summarily dismissed like this?

MS. MYERS: They will be paid two weeks.

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Q My God

Q After 25 years --

Q Your government at work.

Q -- I'm a little confused on the investigations that are going on. You said the FBI is not investigating right now, but may, and there was an interim investigation going on?

MS. MYERS: As part of the administration investigation of the national performance review.

Q I want to ask you about Webb Hubbell. Webb Hubbell today resigned from the Little Rock Country Club. Now, have other top administration officials, such as Mac McLarty, Vince Foster, going to resign from the country club, too? Or have they resigned from the country club?

MS. MYERS: I'll have to take that question.

Q We're all interested in it.

Q Trade deficit.

MS. MYERS: Trade deficit. It's a one-month figure, obviously, but I think it underscores the need for a more competitive economic policy. The President is working very hard to get that through Congress and will continue to do so.

Q I mean, replacing the energy tax with some other kind of proposal, or accepting caps in any form. Is this a position now that he's not going to change, that is, he will not accept either one of those proposals?

Q Question?

MS. MYERS: Ann asked, she thought the President made clear today that he was not willing to accept a change in the Btu energy tax or entitlement caps and she asked if that was correct.

Q No, I don't mean change in the Btu, I mean, big change. I mean changing the concept --

MS. MYERS: Well, like as in eliminate the Btu tax.

Q Yes.

Q Substituting.

MS. MYERS: And the answer is the President has a plan, which he has taken to Congress. He's working very hard now to get that plan through the House. He feels very good about his prospects there. He thinks that he has good support for the plan and we'll continue to work it for the next eight days.

Q So is it your view that concerns by the moderate Democrats amount to a tempest in a teapot, that is that they're not going to alter this plan any?

MS. MYERS: Well, I think the plan has been altered some already, but the President outlined his plan which includes an energy tax. He believes that's the best way to both raise revenue and promote conservation. He's committed to that. We think we have the support in Congress for it. In terms of entitlement caps, what he said about that today I think was fairly clear: that he believes that it would amount to cost shifting. What you need to do is to address the growth in the cost of entitlement, which is largely driven by medical, through a comprehensive health care reform which we're working on.

Q Can I follow on that?

MS. MYERS: Sure.

Q Does he believe now that --

MS. MYERS: Go ahead. Susan, you're next.

Q Does he believe that this conservative rebellion has been altered by this morning's --

MS. MYERS: Well, it was a very good meeting this morning. I mean, clearly, there are some disagreements in Congress about the best way to approach this, but the President has a plan. He made a good, strong pitch for it and they had a good conversation both in the House Democratic Caucus and at the leadership meeting and he believes that he can get it through.

Q Did he speak with McCurdy, Stenholm, Penny or --

MS. MYERS: They were there but I don't believe he's spoken to any of them at this point individually. They had the opportunity to raise some of their concerns and the President addressed them.

Q Did you mean to rule out any possibility of his accepting a flexible cap, like Spratt has proposed? Any cap at all?

MS. MYERS: I think he made fairly clear that he believes that really the only the way to address the growth in the cost of the entitlement is through health care reform. I wouldn't -- I think he's pretty clear that he's opposed to caps.

Q The White House thought when you got to the House Ways and Means Committee that you were pretty much -- the skids were greased for this budget bill to go to the House. What do you think it means that you have encountered these new objections, including from some of the House members who have in the past been more closely tied to Clinton -- the DLC types? Is this a sign of some political vulnerability on the part of the President that House members feel free to challenge him in this way?

MS. MYERS: Absolutely, not. I think that's what the process is for. The President said today that he thinks that his package is better coming out of the House Ways and Means Committee than it was going in, that some of the changes were necessary and good. There will continue to be a debate on this and obviously we'll continue to work with Congress to get this through, but the President believes that his package will get through the House intact.

Q Is there any penalty for House members like Dave McCurdy who got up yesterday and said very critical things about the President to reporters?

MS. MYERS: I think that we'll continue to work with Congress. Members are obviously free to pursue changes in the President's package if they feel that's appropriate, but we believe the package will get through.

Q Is the President's been given --

Q Is the President's policy on Bosnia changed now? Secretary Christopher gave the impression yesterday that the U.S. is no longer in the lead, that we're going to sit back and let the Europeans decide what they want to do and decide whether or not we want to go along instead of the other way around.

MS. MYERS: No, I think that the U.S. position has not changed. The U.S. has been in the lead, I think, throughout this process, beginning with things like enforcing the no-fly zone, supporting the Russians and Boris Yeltsin through the referendum, which allowed --

Q From now on?

MS. MYERS: No, this is part of an ongoing process. And I think that the U.S. has been in the lead throughout this process and will continue to do so. As you know, Secretary Christopher, is meeting with Foreign Minister Kozyrev tomorrow. He'll meet with Hurd on Friday and Juppe on Monday. The consultation process is ongoing. We're looking at a number of other things now. Perhaps enforcing the Serbia Bosnia border and other things.

Q Is the President going to see them, too?

MS. MYERS: No, the President is not scheduled to meet with them.

Q Do we have a proposal, as we did when Christopher went to Europe that we are now trying to sell, or are we now asking them, as Christopher said the other day, for their ideas?

MS. MYERS: Well, I think that all options are on the table including the military options that Secretary Christopher outlined earlier. The process is ongoing we'll continue including the military options that Secretary Christopher outlined earlier. The process is ongoing, and we'll continue to discuss with our allies. I don't think we've ruled anything in or out at this point.

Q So we don't have anything more as we did with the air strikes and arms embargo that we were trying to --

MS. MYERS: Those options are still on the table. We're going to continue to push for consensus and additional action. Our objectives remain the same, which is to stop the -- violence is stopped, the ethnic cleansing, and to contain the conflict. And we believe we're on target.

Q Have we issued an ultimatum to the Serbs regarding Macedonia?

MS. MYERS: No.

Q There is a report that --

MS. MYERS: What would the ultimatum --

Q That told them not to if they go into Macedonia --

MS. MYERS: I think it's clear that that's not a -- that that's something that we prefer that they not do in very strong terms.

Q But there is a policy holdover from the Bush administration, which this administration has also adopted that

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Kosovo is a trip wire. Is that true for Macedonia as well?

MS. MYERS: I'll have to take that question. I don't know.

Q There have been suggestions because of the somewhat -- the new complexities in the House budget situation that the health care plan now will be not coming out until perhaps the end of June or July. Has that been decided on yet?

MS. MYERS: No. No firm date has been decided on.

Q Is July an option?

MS. MYERS: I think we're looking to do it a little more quickly than that.

Q Is it still mid-June?

Q Is the White House content with Defense Secretary Aspin's refusal to pay for all -- for only 10 percent of repairs done to his home by the Defense Department at government expense?

MS. MYERS: I don't have a position on that.

Q Why was he here today?

MS. MYERS: Secretary Aspin?

Q Yes.

Q You don't know?

MS. MYERS: Yes, I don't know. I didn't know that he was here. I don't believe he saw the President.

Q Democrats in the Michigan delegation were here to talk to members of the National Economic Council today at lunch and emerged with the distinct impression that the administration is ready to apply increased pressure to open Japanese markets, but with no idea at all what the time line might be on that. The question is, do you have a time line on things like equivalent sanctions that were talked about today?

MS. MYERS: No, we don't have a specific time line. We're continuing to work on those issues, but there's no time line.

Q How are you going to measure progress if you don't have a way of measuring it?

MS. MYERS: We'll continue to work for it. I'm just not prepared to comment any further on today's meeting.

Q Aspin's schedule shows he having dinner with the President and Mrs. Clinton tonight at the White House. Is that the case? It's not on your schedule for the President.

MS. MYERS: It is a social dinner and a number of people are coming.

Q Who else?

MS. MYERS:

TOP ALL
- \p -

BOTTOM ALL
MORE
It's about 30 people. I don't have the complete guest list. It's a private affair.

Q Representatives of the gay community --

MS. MYERS: I don't think so, no. It's not a policy --
no

Q It's about -- no --

MS. MYERS: No. It is not. It is a purely social engagement.

Q Any members of Congress?

MS. MYERS: I haven't seen the guest list.

Q Dee Dee, has the President and Mrs. Clinton put their assets in a private trust? And do they have any intention to?

MS. MYERS: I don't think they put them in a blind trust.

Q They haven't, but do they intend to?

MS. MYERS: I don't think so.

Q Why not?

Q -- Clinton severing ties with the law firm

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MS. MYERS: She did that before we took

Q But she still --

Q -- took on Hubbell.

Q -- has a profit-sharing plan. Isn't there a danger of conflict in terms of --

MS. MYERS: I think she severed her relationship with --

Q According to the records you released yesterday, she has a profit-sharing plan from which she made six figures.

MS. MYERS: But that was from the previous year.

Q She no longer has a profit-sharing plan?

MS. MYERS: I believe that she's completely severed her ties with the Rose firm. I'm quite sure of it, but I'll be happy to double-check.

Q But you don't think that they need to shield themselves from their income -- I mean, that there's no conflict of interest -- to insure that there's no conflict of interests, as other Presidents have done?

MS. MYERS: I think they've taken careful steps. I will double-check to see if there's any plans to put their assets in a blind trust, but I don't know of any.

Q Are you doing Angola this afternoon, Dee Dee?

MS. MYERS: Yes. The President will have a statement on Angola when he meets with Bishop Tutu.

Q Dee Dee, regarding campaign finance reform, the President said that public financing will be paid for by this repeal of the lobbyist loophole. The word from Ways and Means is that that money is already committed to general revenues. There's nothing in the President's budget that would commit the repeal to pay for public financing.

MS. MYERS: No. I think that that's actually quite a big pot of money, and I think that it is committed -- the President will work with Congress to use that money to pay for public financing for vouchers for television and other things.

Q Rostenkowski says that's not possible, that's already been used as part of the deficit reduction --

MS. MYERS: I'll have to double-check, but it's my understanding that not all of it is used for reconciliation. It's about \$170 million.

Q Dee Dee, in a statement this morning, Secretary Brown said that the currency fluctuation should be adjusted through market-oriented measures. Is that to imply that the administration is moving away from working with the G-7 to set --

MS. MYERS: I'm going to refer you to Treasury on currency questions.

THE PRESS: Thank you.

END 3:02 P.M. EDT

#73-05/19

===== END ATTACHMENT 1 =====

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RECORD TYPE: PRESIDENTIAL (RECONSTRUCTED EMAIL)

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CREATION DATE/TIME: 20-MAY-1993 17:18:00.00

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TEXT:

THE WHITE HOUSE
Office of the Press Secretary

For Immediate Release May 20, 1993

PRESS BRIEFING
BY GEORGE STEPHANOPOULOS

The Briefing Room

1:30 P.M. EDT

THE PRESIDENT: The President's having lunch with the Vice President now. And I'm just ready to take questions.

Q George, what is the President's strategy for getting the economic plan through the House and then the Senate in the aftermath of Senator Boren's defection?

MR. STEPHANOPOULOS: Well, first of all, the President said he's against Senator Boren's alternative, and it's for a very simple reason: Senator Boren's alternative is going to lower taxes on the wealthy and pay for it by cutting Social Security benefits for millions of seniors. It's going to index capital gains, which will also have a benefit for the wealthy, but cut the earned income tax credit, which is a good start on welfare reform, in half. I mean, this is the kind of policies we had for the last 12 years, and it's time to turn it around.

Q George, what about Senator Breaux's criticism of the President's plan. Senator Breaux did not endorse Senator Boren's plan, but he put out a statement criticizing the administration's proposal and saying he won't support it as it now fashioned.

MR. STEPHANOPOULOS: I haven't seen those remarks. I can't comment specifically on the remarks except to say that the President is going to continue to meet with members of the House and members of the Senate and sell his package.

Q Isn't there a risk that in trying to reach the kinds of compromises that will help him in the Senate, the House coalition could come unraveled?

MR. STEPHANOPOULOS: Well, that's not what's happening right now. The President went to the House yesterday. The President said he was sticking with his package. The President said he

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believes that he's got a balanced package that brings the deficit down by raising taxes on the wealthy and having real spending cuts. And he's going to continue to try to and make that case in the House and the Senate.

Q George, you explained a moment ago why the President opposes Senator Boren's plan, but let me ask you about the other half of Wolf's question, which is what's he going to do about this? You don't have 11 votes on the Finance Committee right now. At best you have 10. How are you going to manage to get a plan that will get out the Finance Committee?

MR. STEPHANOPOULOS: Well, I think this is the beginning of the process. Let's take first things first.

Number one, we hope to have a vote on this plan in the House next week. We feel good about the President's visit to the Democratic Caucus yesterday. The President is going to continue to work throughout this week in order to get a good majority in the House and then we're going to move on to the Senate. He's met with members of the Senate Finance Committee as well, and we'll continue that. This is just the beginning of the legislative process.

Q Doesn't this seem eerily reminiscent of the stimulus package where you managed to get it through the House and you kept saying when we get to the Senate we're going to get it worked out; and you got to the Senate and you didn't

MR. STEPHANOPOULOS: No.

Q -

-
you were sort of caught between the two sides and couldn't get out of it.

MR. STEPHANOPOULOS: Well, I don't think so. Obviously, you have to work on all fronts at the same time. And the President has had discussions with the Senate Finance Committee, as you know, last week. He's had discussions continually with members of the Senate Finance Committee, including Senator Moynihan, Senators Boren, Breaux, Senator Johnston, many other members of the Senate. And those discussions will continue, but the President is using those discussions to point out the merits of his plan. And we have a long way to go in the process.

Q George, in the light of the flap over the firing of the Travel Office, has the White House considered any further action, perhaps reinstatement on leave or anything for these employees?

MR. STEPHANOPOULOS: A reinstatement?

Q On leave.

MR. STEPHANOPOULOS: No, not at this time, no.

Q One other question about -

-
somewhat travel related. There stories in the paper today that the President was delayed on the runway in Los Angeles while he had Monsieur Cristophe come in -

MR. STEPHANOPOULOS: Another haircut story.

Q -

-
to give him a haircut. Earlier he had sat on the runway at Andrews for 50 minutes while he finished his dinner with all the necessary personnel attending him. Is the White House at all concerned that this makes the President look a little foolish and self-

indulgent, this kind of behavior?

MR. STEPHANOPOULOS: No. (Laughter.) It's the short answer. Just to explain further, I think it's common practice -- as you know, President Bush would quite often go to the -

and have the plane on the runway overnight and sleep on the plane. And often would go early and have it held. And this is -

Q Excuse me -

-

Q Vice President Bush -

-

MR. STEPHANOPOULOS: Vice President Bush?

Q Not President -

-

Q Yes, he did it once.

Q He did it once going -

-

Q He did it once, but they flew in the middle of the night.

MR. STEPHANOPOULOS: Okay, well, that's just one point

--

Q And he was in the hangar when -

MR. STEPHANOPOULOS: At Andrews. But just -

-

on the
L.A. airport, no planes were held up at all.

Q Well, wait a minute, the FAA says that at least two were.

MR. STEPHANOPOULOS: According -

-

the information -

-

there was no hold placed on the air traffic at LAX. There was just no hold placed on air traffic.

Q So you've checked -

-

you've seen the wires with the
FAA spokesman saying that two runways were held up and so that -

-

citing the commuter planes that were 26, 18, 37 minutes late, you're saying they made that all up?

MR. STEPHANOPOULOS: No, I'm saying that there was no hold placed, according to our information, there was no hold placed on the aircraft at LAX.

Q Where does -

-

MR. STEPHANOPOULOS: I believe it came from the military

-

-

Q But, George, doesn't this lengthen everybody's day? I mean, you've all this staff that's got to work; you've got Secret Service agents; you've got these two Air Force guys at the bottom of the runway in formation. Everybody's got to stand there and do this, do what they do for an extra 45 or 50 minutes while this guy gets his hair done. Doesn't that smack of high-

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handedness at least.

MR. STEPHANOPOULOS: Again, I don't think so. I mean, the President has to get his hair cut. Everybody has to get their hair cut. I mean, if he would have stayed back -

if he would have stayed back at the hotel, it wouldn't have made any difference at all in any of the personnel. There are delays, as you know -

I mean, we're not always happy about them, but there are delays in all of the President's trips. There's often -

we often get behind. But the President had to get his hair cut, as most people do. And if it wouldn't have been done there, he could have -

I suppose could have had it done back at the hotel, but it wouldn't have made any difference on the personnel or anything like that.

Q What does it do in terms of his image, however -- that he gets a \$200 haircut while sitting on Air Force One? Forget about whether or not it costs any extra money, is that perceptually, is that the kind of image he wants to convey to people?

MR. STEPHANOPOULOS: Well, again, I mean, the President has to get his hair cut like everybody else has to get their hair cut.

Q Does he have to get his hair cut by Christophe of Beverly Hills? (Laughter.)

MR. STEPHANOPOULOS: I think he does have the right to choose who he wants to cut his hair.

Q Yes, we all believe in the right to choose, George. (Laughter.)

Q

Presidents -

get their haircuts on --

MR. STEPHANOPOULOS: I don't know whether other Presidents ever got their hair cut -

Q I don't -

MR. STEPHANOPOULOS: I'm not -

I can't swear that they didn't. I don't know that they have.

Q Well, I mean, your statement he's got to get his hair cut. Bush got his hair cut, too. He got it cut here; he went up the street; he got it cut on the Hill when he was up there for something else. Reagan used to get his cut by his favorite guy in Los Angeles when he was up there for three days of vacation. I mean, you don't see any difference between sitting on Air Force One for 60 minutes -- with two runways shut down for 60 minutes to get your hair cut, and a President going somewhat like a normal person goes to get their hair cut?

MR. STEPHANOPOULOS: I think the President normally gets his hair cut sometime during the week. It happens at different places. As you know, he has a very busy schedule. And he just tries to work it in when he can. That was when we were able to work it in.

Q George, did the President pay the full \$200 for the haircut?

MR. STEPHANOPOULOS: The President and his family have a personal services contract with Christophe to cover things like this?

Q Would you tell us the amount and -

-

MR. STEPHANOPOULOS: I don't know -

-

it covers things
like makeup and hair and they just -

-

they pay for it.

Q Does he do the President's makeup?

MR. STEPHANOPOULOS: It's for the whole family.

Q Does that cover the President's makeup when he's
made up here for an event?

Q And Socks?

MR. STEPHANOPOULOS: I don't know what -

-

(laughter) -

-

Socks. (Laughter.)

Q -

in the prior administration when Nancy Reagan
obtained the designer dresses on the basis that was not available to
ordinary people. And so to simply say there's a personal services
contract and not give us any details about what it covers or what it
costs invites speculation that he's getting a Nancy Reagan-

type deal.
So can you get us some details.

MR. STEPHANOPOULOS: The only details I can give you is
that they have a contract for these kinds of services. That's all I
know.

Q Can you find out -

-

Q Is there a going rate?

MR. STEPHANOPOULOS: I don't know what the going rate
is.

Q When was this deal inked? (Laughter.)

MR. STEPHANOPOULOS: I don't know the answer to that
either. I know that they used Christophe quite often during the
campaign.

Q Is he still the President of the common man,
George? (Laughter.)

MR. STEPHANOPOULOS: What?

Q -

-

still the President of -

-

MR. STEPHANOPOULOS: Absolutely. If you look at his
economic package, it's a package that's designed to turn this around
and to really make -

-

get some real benefits for middle-
class
America. That's what's important.

Q Getting back to the delays, I just wanted to make
sure -

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-

the point that you said there were no delays. The FAA just said, from California, just said that there were two arrival delays -- two commuter planes -- one for 25 minutes, one for 17 minutes, and that there may have been others, but they don't keep records -

-

MR. STEPHANOPOULOS: All I know is that there was no hold placed on the air traffic. As you know, LAX probably has -

-

I mean, I don't know the numbers, but it's probably hundreds if not more planes come in an hour. It wouldn't necessarily be unusual to have some sort of delays. All I know is there was no official hold placed on the air traffic.

Q By the military? I mean, is that -

-

MR. STEPHANOPOULOS: We've gotten that information from the military.

Q Who would put a hold on it?

MR. STEPHANOPOULOS: I suppose the Secret Service would do it, but I mean, this is our information.

Q But who would that go through? What I'm getting at is the credibility of the information you're getting from the military. Are they the ones who make the decision to hold the runways or are they just asking around as well?

MR. STEPHANOPOULOS: No, I think they generally make it with the Secret Service. But I can double-

check, but this is -

-

I was just told, as I said, that there was no hold placed on any of the air traffic.

Q Except the two runways were closed.

Q For 56 minutes.

Q I don't know if you put a hold on them -

-

Q Maybe the FAA does.

Q -

-

but two runways were closed.

MR. STEPHANOPOULOS: I can find out about that. I just don't know anything about that.

Q George, is there any concern that this would seem to be of a piece of the President's habit of being late for events, which is meant that people frequently have to wait for him, and the business with the dinner at Andrews and all of it, that it adds up to the picture of a man who is to some degree heedless of the consequences of his personal behavior on others?

MR. STEPHANOPOULOS: Again, the short answer is no. But, I mean, I think that he is obviously well aware of that. And I think that generally the President's been doing a better job of being on time. On these trips, they're packed with a lot of people. The President spent an awful lot of time out on the playground with the kids in South Central, and he ran a little bit behind. He had to get his hair cut. And this was a convenient way to do it. Obviously we're mindful of -

-

Q Was this -

-

had he otherwise planned to have a haircut and it was scheduled -

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-
what happened? How did this come
about that it would end up this way?

MR. STEPHANOPOULOS: I honestly don't -

-
Q It's no small thing with a little security and
everything to get some guy like Monsieur Christophe out to the
airport and onto the plane -

-
who raised all this, do you know?

MR. STEPHANOPOULOS: I don't know that it would
necessarily be all that difficult to arrange. But I don't know
exactly how it happened at the end. I just know that the President
needed to get his hair cut and this was the time he had to do it.

Q Why does the President have an agreement with a man
who is based in Hollywood? He's based in Hollywood, right?

MR. STEPHANOPOULOS: Actually, I think he's opening up a
shop here. (Laughter.)

Q Why do a West Coast deal with someone's who's
across the country?

MR. STEPHANOPOULOS: Again, I don't know all of the
details of the contract he has. I just know it does cover certain
events and certain services. And this is something that he chose to
do, and he's certainly free to do it.

Q Does he fly out here to do it?

MR. STEPHANOPOULOS: I don't know how often he even
comes out.

Q Then why do have a deal?

MR. STEPHANOPOULOS: Because the President chose -

Q George, is he the only person who cuts the
President's hair?

MR. STEPHANOPOULOS: I don't think so.

Q If he's not then, you come back to the original
question --

if he's not the only person who cuts the President's
hair, why did two commuter planes have -

-
and why did the entire
staff traveling with the President and the press have to be held up
for 45 minutes so that this particular time he could cut the hair?

MR. STEPHANOPOULOS: Again, I think the President needed
to get his hair cut, and he did it at that time.

Q Can I shift subjects here?

MR. STEPHANOPOULOS: Boy, I don't know. Are you sure?
(Laughter.)

Q Back to travel. (Laughter.)

Q As you know, you all are facing a -

-
already we're
facing a very tight vote in the House on the package because House
members -

-
Democrats are very nervous about voting for an energy tax
that was going to disappear on the Senate side and they were going to
be hanging out to dry. The question is if Senator Boren and Senator
Johnston, Democrats on Finance, and you know, in the Senate are
saying

MR. STEPHANOPOULOS: Johnston's not on the Finance
Committee.

Q -

in the Senate, Finance on the Senate, are saying now that the BTU tax is dead. And you're still talking about strategy and the vote next week. I'm curious, what are you expecting to see now in the House vote? What implications does this have for the House vote? And what are you doing strategically to try to --

MR. STEPHANOPOULOS: Well, I think we feel good about where we are in the House after the President's visit yesterday. And we're going to continue to work with members of the House through the week right up until the vote. I don't think that the fact that two Senators expressed their views is decisive in the House or the Senate necessarily one way or the other.

Q George, what are you telling those people in the House who are concerned that they're going to get whipsawed by the Senate, because right now you don't have the votes to get it out of the Finance Committee, and you're going to have to do something to move that process, which those House members don't know what it is. So what are you telling them?

MR. STEPHANOPOULOS: We're telling them what the President said yesterday. He says, I'm going to go out there and fight for my package. If you fight with me, I'll fight for you. That's exactly what he told them.

Q Senator Breaux has indicated that he might be willing to support a substitute for BTU's -

-

a gasoline tax or some other form of transportation tax. And since he is a pivotal vote on Senate Finance, wouldn't it behoove the administration to reconsider their position on that and perhaps consider an alternative to the --

MR. STEPHANOPOULOS: The President is not for a gas tax.

Q As you probably know, some of the groups that oppose your -

-

the gas tax -

-

I mean, oppose the BTU tax and some of the other parts of your package, are running quite extensive grassroots campaigns in states like Oklahoma. Is the White House doing anything to counter that?

MR. STEPHANOPOULOS: Well, the White House as you know, Vice President Gore had a press conference two days ago, met with organizations who are fighting for the package here. But also they activate their grassroots networks out in the states and will continue to do that. Obviously, as you know, the White House can't directly lobby -

-

Q The DNC can.

MR. STEPHANOPOULOS: And I suppose the DNC will continue to work on this package.

Q You're not doing anything -

-

I mean, you know what they're

-

I mean, they're doing individual Oklahoma taxpayer charts; they're doing, you know, surveys, some of them somewhat dubious to individual communities and stuff -

-

all of it very locally based. And there doesn't seem to be any White House answer out there.

MR. STEPHANOPOULOS: No, the White House answer is that that's not the only place it is. As you know, we continually do local interviews. We make sure that information on the package is spread out throughout the country. Groups have fanned out throughout the country and we're working with the members of Congress in their districts as well.

Q George, are you saying that unequivocally the President will not alter the BTU tax, that other parts of the tax package may be up for change, but you are absolutely committed? He is going to fight all the way through for the BTU tax?

MR. STEPHANOPOULOS: The President is fighting for his package and that's exactly what he's going to continue to do.

ARMS Email System

Q Specifically the BTU part of it?

MR. STEPHANOPOULOS: The BTU is part of the President's package and that's what he's fighting for.

Q But non-

negotiable -

-

except on the fringes in terms of BTU tax is considered an essential element of this package, not to be -

-

MR. STEPHANOPOULOS: The BTU -

-

Q -

-

it may be changed to help out with the vote here and there but in it's -

-

MR. STEPHANOPOULOS: The energy tax is an essential component of the package. The BTU is an essential component of the package we're going to continue to fight for -

-

absolutely.

Q Is there room to modify that BTU tax?

MR. STEPHANOPOULOS: Again, this is the legislative process. We're fighting for our BTU tax. We are not looking for changes. We are going to go for the vote in the House. We are then going to move to the Senate and continue to go for a vote on the President's package in the Senate.

Q But you weren't looking for changes on the ITC proposal either on the Ways and Means side, and you were willing to accept that being dropped. I mean, given the political reality -

-

MR. STEPHANOPOULOS: I don't know what the political reality is in the Senate until there's a vote.

Q Aren't you concerned with giving some cover to your supporters on the House side who are afraid of getting -

MR. STEPHANOPOULOS: And we've told them that we're fighting for the package. The President went there yesterday, and said if you stand with me, I'll stand with you. And he's going to continue to do it.

Q But, George, aren't you setting up perhaps a repeat performance, and David just suggested, of the stimulus defeat by refusing to budge now with your more moderate conservative members of your own party, you're in effect setting up a defeat down the road in the Senate, even if you get it through the House.

MR. STEPHANOPOULOS: Not setting up a defeat. First of all, we believe we have the best package. We are going to continue fight for it. We believe we have majorities in the House to support the President's package. We believe that we have support in the Senate for the President's package. The Chairman of the Senate Finance Committee is going to speak today about the President's package. Obviously, this is the beginning of the process, the legislative process. We still have a long way to go. But the President's committed to fight for the broad outlines of his package. And I would also point out that so far the budget and also in the progress through the House committees, the bulk of the President's package has remained in tact. And we're going to continue to fight for it.

Q George, can I get my question in?

MR. STEPHANOPOULOS: Sure.

ARMS Email System

Q Five hundred thousand Salvadorans will have their status in this country suspended by June 30th if the Clinton administration does not extend their temporary amnesty, which was extended by the Bush administration.

MR. STEPHANOPOULOS: I'll have to take the question. I don't have our latest.

Q George, there's an anonymous editorial in the New York Times today suggesting that the -

- not editorial, excuse me -

- novice piece, op-

ed piece, suggesting that the policy of the administration should shift toward U.S. troops to protect safe havens. Is this a consideration -

-

is consideration being given to this in any way?

MR. STEPHANOPOULOS: The President's position on ground troops is quite clear. He said he would only use ground troops to implement and enforce an agreement that was already reached among the parties. That position has not changed.

Q Do you know who wrote it?

MR. STEPHANOPOULOS: I wish I did.

Q Is the President -

-

are you trying to find out who wrote it?

MR. STEPHANOPOULOS: This just in. The source of the -- the fact that no hold was placed on the aircraft is the tower manager at LAX.

Q How about is the administration any attempt to find out who wrote this article?

MR. STEPHANOPOULOS: Again, we're not going to send out any kind of a witchhunt or anything. We're just going to

-

we don't know.

Q Are you interested in finding out?

MR. STEPHANOPOULOS: I'm interesting in finding out, but I don't know if there's any extraordinary measures being taken to find out, no.

Q On another matter, now the investigators have determined that Iraq was behind the thwarted the attack on President Bush, and that Bush was indeed the intended target, what does the United States intend to do?

MR. STEPHANOPOULOS: The investigation is not yet complete. I have no further comment.

Q But haven't investigators already determined, though, that Iraq was behind this?

MR. STEPHANOPOULOS: The investigation isn't complete, no. We have no final conclusions from the investigation at all.

Q Has the President been briefed on this -

-

on these preliminary conclusions?

MR. STEPHANOPOULOS: I don't know if he's been briefed on the preliminary conclusions. But I'm certain he'll receive the final report.

Q Is there any meeting now scheduled with the principals or the other -

-

MR. STEPHANOPOULOS: No.

Q So does that mean that we withhold any action because you just consider these preliminary conclusions?

ARMS Email System

MR. STEPHANOPOULOS: No, it means that we are going to continue our investigation. We are going to conclude the investigation. And it's just not finished yet.

Q Do you know how long that will take?

MR. STEPHANOPOULOS: I don't.

Q -

Sessions investigation?

Q George, I'd like to ask you about Mr. Watkins, the gentleman who fired the Travel Office. There's a wire report today that, from just a little while ago, that indicates that he has long ties to Worldwide Travel Inc, the organization to which he is now giving, at least on an interim basis, the White House's travel business. Couple of questions. Obviously, are you aware of these ties? Was he indeed the man who arranged for Worldwide Travel to do the Clinton campaign travel during the presidential election? And do you have any qualms about this situation?

MR. STEPHANOPOULOS: Worldwide Travel is the 23rd largest travel agency in the country. It's a travel agency we used in the campaign. It's probably the largest travel agency in Little Rock. It would make sense that we used them in the campaign. They served us well in the campaign. I would emphasize that this is, as you know, simply an interim agreement. Requests for proposals for a competitive bidding process for this travel service will go out over the next 90 days, and it will be a contract subject to competitive bid.

Q But does Watkins have a connection with Worldwide Travel? That was the question.

MR. STEPHANOPOULOS: I don't know what he's talking about. I just know -

I do know that Worldwide Travel is a large Little Rock travel agency. I do know -

Q Is it accurate that the woman who is running Worldwide Travel these days says that she and Watkins are former colleagues at a bank, that they worked together, that he's a long-

term client, and that he was the man who arranged for Worldwide Travel to do the Clinton campaign travel arrangements?

MR. STEPHANOPOULOS: Well, David Watkins was the administrator of the Clinton campaign. He did run those kinds of activities for the campaign, so it wouldn't be unusual that he would sign the contract with Worldwide Travel to serve the Clinton campaign. But I don't know that it's material.

Q And you have no problems with the image of a man who worked for this organization previously and has ties to it firing -

MR. STEPHANOPOULOS: Worked with the -

I mean, what worked with and ties -

Q Excuse me, let me finish my question. If firing seven people and then giving their work, in essence, at least on an interim basis, to the organization with which he worked?

MR. STEPHANOPOULOS: I have no problems whatsoever with after following through on an investigation, having Peat Marwick, an accounting firm, find sloppy management, bad accounting procedures, and reason to move forward on a change immediately in the travel arrangements doing that. At the same time, this is an interim

this is an interim arrangement to make sure that we can continue with travel for the time being while we institute a new system which will have tighter accounting procedures, competitive bids, that will be fixed.

ARMS Email System

Q George, could you just take the question of whether or not Watkins had any financial relationship -

-

MR. STEPHANOPOULOS: Okay. I certainly will.

Q -

-

with Worldwide? That is, did he get any money from them in any form when he was -

-

before he was in the White House? When he was -

-

at any period so that he has some financial interest in that firm?

MR. STEPHANOPOULOS: Okay.

Q And secondly, could you also tell us when you'll release the accounting

-

whatever this is -

-

review -

-

MR. STEPHANOPOULOS: The Peat Marwick report.

Q -

-

report, as we were told yesterday it would be --

MR. STEPHANOPOULOS: I know it's not in final form yet. It was in draft form. But, yes.

Q When it was in final form.

MR. STEPHANOPOULOS: Yes, I have to find out -

-

I'll take the question, but I think -

-

Q What is the status of the FBI potential, pending, whatever you want to call it review, investigation -

-

MR. STEPHANOPOULOS: I think they're going to take the final report as well and then make further decisions from there.

Q? So they haven't decided yet whether they are going to actually investigate?

MR. STEPHANOPOULOS: Well, they were -

-

I mean, I think that they were part of the discussions on Saturday.

Q How so -

-

Q How did this -

-

could you walk us through that, what exactly happened with that-

MR. STEPHANOPOULOS: I don't have all the details. I know that they were part of the discussions on Saturday with the accounting firm. I don't know if they actually had discussions with members of the travel office, but I know that they were brought in and that action was taken pursuant to that and that we are going to deliver the final report to them.

Q When you say action pursuant to that -

-

I mean, pursuant to the FBI's involvement, a recommendation by the FBI? What was their involvement precisely on Saturday? Who asked them to come in? What was their role? Did they make recommendations -

-

MR. STEPHANOPOULOS: First of all, I refer you to the FBI. I will find out who actually called them, but I refer you to the FBI for their involvement.

Q But they haven't had a formal investigation per se?

MR. STEPHANOPOULOS: I think they're waiting for our -

-

for the accounting report is the next step.

Q George, this morning we were told in the briefing that the FBI found that it would "be prudent" to go forward with an investigation.

MR. STEPHANOPOULOS: And then the next step is making sure that they get

-

there's no change in that. The next step is making sure they get the final report.

Q Did they mean it would be prudent to go forward with their investigation, or would it be prudent for the White House to follow up with its own review? What was the input -

-

MR. STEPHANOPOULOS: I know that they are going to review the accounting report from the White House, which is the next step.

Q But at this point, they have not made a judgment that there's any criminality that would require them to proceed with an investigation?

MR. STEPHANOPOULOS: The only next step is

-

well, the next -

-

they want to review the report from the accounting firm. They will then make subsequent judgments after reviewing the report from the accounting firm.

Q -

-

different from what were told this morning. We were told this morning that the FBI is going ahead with an investigation of these people -

-

MR. STEPHANOPOULOS: The next step in the investigation

-

-

this is -

-

I think you're -

-

it's semantics here. I mean, the next step in the investigation is reviewing the accounting report. And the FBI can choose at any time to stop it at any time. The next step -

-

they are open to the next step in the investigation, which is to review the report of the accounting firm.

Q The way you seem to be phrasing, you seem to be suggesting that the FBI has not decided for sure that they're willing to launch an investigation, or -

-

MR. STEPHANOPOULOS: I really do think we're getting into semantics here. The next -

-

their investigation -

-

the next step in their investigation is to review the accounting report. After they review the accounting report, they can then make other decisions and determinations based on that review.

Q So it would be accurate to say they are already investigating?

MR. STEPHANOPOULOS: It would be accurate to say that we have talked to the FBI. They have been part of the discussions. This is a review and investigation. It would be accurate to say that they are going to review the accounting report, which is part of an investigation. Again, I think that this is -

-

we're getting into semantics.

Q But what did they do Saturday, then, George? Did they just sit back and advise the accounting firm on what kinds of things to look for, or did they actually get their hands on and delve into this material themselves? I'm a little bit confused -

-

MR. STEPHANOPOULOS: Part of the problem with this whole discussion has been that one of the things the accounting firm found was that there weren't records to go over in many cases. That was one of the very real problems they discovered. There weren't accounting procedures of any kind. I do not know precisely what the FBI did every minute they were here on Saturday.

Q How long were they here? Do you recall that?

MR. STEPHANOPOULOS: I just don't know. I can try and find out.

Q Was the FBI contacted, George, because criminality was suspected? Ordinarily the FBI doesn't investigate shoddy accounting practices.

MR. STEPHANOPOULOS: Again -

-

I mean, I will find out exactly why the FBI was contacted. But clearly they came in. They were briefed. They were made part of this process and they would like to review the report of the accounting firm.

Q But who called them in?

MR. STEPHANOPOULOS: I assume David Watkins did, and I'll just double-check.

Q George, despite the strong language you've used to describe what went on in that office -

-

you and Dee Dee over the last two days -- do you have any qualms or regrets about how that language may have destroyed the reputations and careers of these seven people?

MR. STEPHANOPOULOS: I think that that's your language.
not mine. I think that what -

-

Q -

-

your quotes, George.

MR. STEPHANOPOULOS: That's not true, Deborah.

Q The language you've used, in the judgment of many
in this room, and myself, may have destroyed these people and made it
impossible for them to get jobs like this in the future.

MR. STEPHANOPOULOS: Again, I think if you do a review
of the transcript, I think that that's not true. I mean, I think
most of the inflammatory language was in the questions. In the
answers that were given -

-

in fact, in Dee Dee's brief yesterday she
said several times that no criminal allegations are being made here
at all. This was simply a matter of mismanagement.

Q George, your correct about that except that there
was a charge of overbilling, which you said -

-

you think that
happened. And you acknowledged later in the afternoon that you
couldn't establish that that was so. And there's also this: It was
made clear yesterday that only two people had access to or any
control over that bank account -

-

only two; and that the rest of the
people were deemed to be subject to firing because, well, they'd been
part of the place for a long time; there were too many of them anyway
doing not enough work; and we thought it was time to make a change.
And every time we pressed with questions about what exactly those who
did not have their hands on the bank account had done that had to do
with gross financial mismanagement with which they were all charged,
you -

-

the answers came from that platform and elsewhere: Well,
there were too many of them anyway; there wasn't enough for them to
do; they were all in one way or another, quote, "involved in this,"
which is a very vague allegation.

And what the question seems to be is, was it fair to
characterize everybody -

-

all seven of them -

-

with this gross
mismanagement, financial sloppiness charge, when it is fairly clear
that the bank account was handled by the two senior members of the
team there and nobody else.

MR. STEPHANOPOULOS: They had the signatory
responsibility over the bank account, that is true. There were lax
procedures throughout the office. That is also true. It is a small
office. It is also true that we feel this can be done in a more
efficient manner. There is no question about that. But I think
there is absolutely no question about what was also going on in this
office. And if you review -

-

and we will try to provide the Peat
Marwick report -

-

there is no question that there were serious
questions here about the way this office was run, the way the affairs
were being managed. And we believe we can do it in a better way and
in a way that is more appropriate.

Q Do you regret the loss of the institutional memory
of that office -

-

its contacts around the world and its ability to
perform under difficult circumstances for both the White House and

the press?

MR. STEPHANOPOULOS: I think that's true. But that's far outweighed by the fact that the office was not being run in a professional manner and the money was not being handled in a professional manner.

Q George, speaking of sloppy recordkeeping, I don't know anyone on the campaign plane who ever got a detailed accounting of the charges. I think most of us just got a charge on our American Express bill saying "signature on file." and had to then call up and hound Worldwide Travel to get some sort of detailed bill. I mean, did you hear any complaints from reporters about this during the campaign? And did you look into their accounting procedures at all before you selected them as an interim travel agency?

MR. STEPHANOPOULOS: Again, we've had no suggestion that they have problems with the accounting procedures at Worldwide as far as I know.

Q You didn't hear any complaints from any reporters during the campaign about being overcharged or being charged for things that they didn't even know what they were?

MR. STEPHANOPOULOS: I frankly didn't, but I'm certain that there are mistakes at times. But it wasn't a pattern and practice, such as was discovered here.

Q Okay. And the other thing is, Worldwide Travel is referring all press calls to the White House press office. Is that an arrangement that you made with them?

MR. STEPHANOPOULOS: Not that I know of. But they just might not feel comfortable talking to the press.

Q I know, but how are they are going to doing business with the press -

-

Q But do you feel all right having the White House Press Office represent a private company?

Q How can this be? They're going to do all our travel, but -

-

talking to us? Are they living in the real world here?

MR. STEPHANOPOULOS: I'll double-

check that. I haven't talked to anybody at Worldwide. I can double-check.

Q Is it appropriate for you to speak in any event for a private company that -

-

MR. STEPHANOPOULOS: Well, I don't know that we'd be speaking for the private company. We were speaking about our arrangement with that company.

Q What about the basic business questions you might ask about that company -

-

I mean

MR. STEPHANOPOULOS: -

-

they can choose to answer them or not.

Q -

-

refer it back to you?

MR. STEPHANOPOULOS: It's their choice to answer it or not.

Q But they say you told them to do that -

ARMS Email System

-
not
personally -

-
the White House Press Office.

Q No, no, no they just referred calls to the White House Press Office. They didn't say -

-
Q Well, I don't know what they told you, Susan. I know what they told me.

MR. STEPHANOPOULOS: I don't know what they told either one of you.

Q They said that the White House Press Office told them and that -

-
they'll give you the number and so forth.

MR. STEPHANOPOULOS: I will check on it, but again, they can choose whether or not to comment to the press. And we certainly answer any questions that we can about the business arrangement.

Q Are you speaking for that company? Should we -

-
MR. STEPHANOPOULOS: No, I do not -

-
no. No.

Q -

-
address business questions about Worldwide to you?

MR. STEPHANOPOULOS: No. I speak for the President. This office speaks for the President.

Q George, could you clarify the -

-
Q -

-
morning flight -

-
MR. STEPHANOPOULOS: (Laughter.) But we will be handing out right timetables.

Q Could you clarify the whole, if any, Harry Thomason connection with the charters and where does that fit into this mess?

MR. STEPHANOPOULOS: What's the question?

Q The question is did he complain to someone on the White House staff about the fact that no other charter companies were allowed to bid for the services of traveling with the President?

MR. STEPHANOPOULOS: I think other charter companies, not his, did call him and say that they were not being allowed to bid on these.

Q Did he call the President?

MR. STEPHANOPOULOS: I don't think he called the President. I think he had a conversation with people in the Travel Office.

Q No, I think he had a conversation with -

-
Q What's his standing to do that?

Q

are you saying he had no conversation with
someone -

Q Was he calling up as an -

calling out here, I'm an
FOB, can I -

MR. STEPHANOPOULOS: He was just passing on the
information, and then David Watkins took the appropriate action.

Q Can I ask one more question about the -

Q

use Harry Thomason as a conduit to the White
House? I mean is that what you're saying. Bill, that

I mean -

MR. STEPHANOPOULOS: Bill? (Laughter.)

Q Is that what you're saying -

that he was actually
contacted by other airline agencies because they know that he's a
friend of Bill's and that he can pick up the phone and have access to
the White House?

MR. STEPHANOPOULOS: Well, I mean they were passing on
information and they were saying that they tried to bid on a trip and
they were told that they couldn't bid on the trip -

Q Who was that, pray tell?

MR. STEPHANOPOULOS: I don't know which ones it was.

Q Does he have any financial interest in this?

MR. STEPHANOPOULOS: None. And he's not -

and none of
his companies are going to bid on any -

Q One of the things that was not made clear yesterday
in any of the venues where this was discussed was whether or not you
thoroughly investigated these charges that other people were not
allowed to bid or that there were -

MR. STEPHANOPOULOS: I think we've had a -

quite a
thorough investigation. There have been questions raised about this
for several weeks. There were also questions raised by employees in
our office who were reviewing the practices of the Travel Office

pursuant to those questions. And before any action was taken we called in an accounting firm for review of all the practices. That accounting firm did a very thorough review over several days and found a pattern of practice that was just simply not acceptable. And we took action after that investigation.

Q Was anybody from any other airline interviewed as part of this investigation? Or does this fall under the category as yesterday's senior administration official admitted, that the stories of kickbacks were simply hearsay?

MR. STEPHANOPOULOS: Well, again, those questions weren't necessarily the determining factor in whether the actions been taking. Questions were raised about the practices, other questions were raised by employees in the office. After it was reviewed by the accounting firm, there was certainly enough evidence developed to decide to take action. And that's exactly what happened.

Q Beyond that, are you standing by today -

-

I'm getting the impression that it's no longer operative that you believe flatly that we were overbilled as was asserted yesterday from that podium?

MR. STEPHANOPOULOS: That's not what was asserted yesterday from the podium.

Q Read the transcript. And it says

MR. STEPHANOPOULOS: I think there may have been.

Q No. Not what's in the transcript. The transcript says, we think that there has been some -

-

a serious overbilling of the press.

MR. STEPHANOPOULOS: They think has been. I mean we have made -

-

there is no final judgment on that yet. I can't tell you that there hasn't been.

Q But you're not saying that there has?

Q -

-

office -

-

get a refund. (Laughter.)

Q We want a refund.

MR. STEPHANOPOULOS: We are going to continue to review it, we are going to continue to investigate it. There is not a final judgment on that. I cannot tell you that there has not been.

Q And can you also -

-

Q How are you going to know? I mean, the billing costs included filing space, ground transportation, a number of things not connected to the air charter, if you can, in fact, put a price on that, since it was a nonbid situation. How are you going to know if we were overbilled?

MR. STEPHANOPOULOS: We're going to look through that. And you compare it to standard costs in an area, and you try to do your best. Part of the problem, again, is that these records were not being kept, and that's one of the reasons we took action.

Q Can you respond to the fact that at least two members of the people who were let go say none of the allegations of possible wrongdoing were brought up to them prior to their termination? That they were told that you simply wanted to downsize the office and reorganize it, and that all of this information about the FBI and the audits and that sort of thing came to them later in the day through news reports?

MR. STEPHANOPOULOS: I don't know anything about that. I don't know what conversations David Watkins has. But I do know

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that after the review by the accounting firm, we felt we had to take action and he did.

Q I hate to interrupt this, but where does the process stand on the President making a decision about whether or not to resume nuclear tests?

MR. STEPHANOPOULOS: As you know, he has not made a decision yet. And the final decision memo has not been placed on his desk yet, either. I believe there will be further discussions over the next several days and a little beyond.

Q Is there a

I mean, there are some events coming up that would seem to force some action on this.

MR. STEPHANOPOULOS: No hard deadline at this time.

Q George, let me just follow up one more thing on this.

Q Is he meeting with any members of Congress on this, particularly any of 25 or 27 senators who have sent him, together or separately, letters asking him not to resume tests?

MR. STEPHANOPOULOS: I'm certain that he'll talk with members of Congress. I don't know that he has any scheduled right now.

Q I need to return one more time -

Q One other question on the nuclear testing before we get back -

the decision memo on this is due -

MR. STEPHANOPOULOS: I don't think we have a time on it now.

Q George -

the Supreme Court do that

(laughter)

Q Back one more time on the issue of the Travel Office, the Wall Street Journal quotes an administration official as saying that on Saturday in the discussions with the FBI, you -

oh,
oh -

that you found signs of -

Q -

going to have to share -

Q -

lavish lifestyles, fancy houses, buying of racehorses and boats, and other extravagance that their salaries would not support. Did the White House find that on Saturday, and is that part of what you are alleging here?

MR. STEPHANOPOULOS: No. I can't say that that stuff

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hasn't happened, but it's not part of -

I don't think there's been
any final conclusions -

Q So as far as you know, there's been no evidence of

I mean, you have not seen it -

or anybody you've talked to on
this -

evidence of some lavish lifestyle

double, multiple houses,
racehorses -

that prompted you to start this investigation?

MR. STEPHANOPOULOS: I can't tell you that that's not
happening, but that was not part of the review by Peat Marwick.

Q And as far as you know, no one from the White House
alleged this to the FBI?

MR. STEPHANOPOULOS: I just don't know. Brit, you do
you got there?

Q Santa Fe, New Mexico, AP. The scissors, clippers,
and brush are going on display at Carl Vigil's hair styling salon.
(Laughter.) But there's no hard evidence of Vigil's encounter with
the Chief Executive. Vigil forget to save a few strands of President
Clinton's hair. Quote -

"I should have done that, but I didn't," he
said Tuesday. Vigil spent 45 minutes Monday with the President after
Clinton spoke in Los Alamos. He shaved Clinton's sideburns and neck,
then applied makeup to his face in a small room at the city's
airport. Is that true? (Laughter.)

MR. STEPHANOPOULOS: I'd better not comment on that at
this time. (Laughter.)

Q And we were waiting at Los Alamos for a shave?

Q "I worked on his jawline a little," said Vigil, 30.
"I left a red spot on his face that I couldn't get out." (Laughter.)
The sun had gotten to him a little too much. (Laughter.)

Q This is a serious question. The question is did he
have a haircut Monday in New Mexico before the haircut Tuesday?

MR. STEPHANOPOULOS: You're right. I'd better take this
a lot more seriously than I'm taking it. No, he did not get his hair
cut in New Mexico. I think he's talking there about a shave, from
what I can tell. (Laughter.)

Q Shaved his sideburns and neck -

Q I'd like to make to you a request that I made to
Dee Dee this morning, which is that you, having said that you were
taking a number of questions here that you're going to get back to us
on -

MR. STEPHANOPOULOS: How long was the FBI here? Who
called them? Does Watkins have a financial relationship

Q My point is, is how you're going to get back to
everyone. Last night it was a case of you, Dee Dee, apparently Mr.

ARMS Email System

Eller, and the accountant from Peat Marwick holding a whisper session up in the back for selected reporters as opposed to the whole bunch, and discussing a number of things out of the report under cover of anonymity. I'm wondering if you're going to do it somewhat differently with the things that you get back to us on today.

MR. STEPHANOPOULOS: We will try and get you the factual questions. And I'm sure if you call Lorraine, she'll have all the answers. (Laughter.)

Q Does Lorraine -

-

questions from the entire group -
all -

-

MR. STEPHANOPOULOS: We will make sure that Lorraine has all the information based on the questions we took here and if you call her she will be able to get you the answers.

Q Why not post the answers to questions you take?

Q How about an afternoon briefing -

-

MR. STEPHANOPOULOS: I don't think we need another briefing. We'll make sure you have access to all the answers.

Q -

-

follow Frank's -

-

why don't you post answers to
the questions.

Q Yes.

MR. STEPHANOPOULOS: Okay, that's fine. Easy. I think Lorraine would like that, too.

Q By the way, do you plan another background session tonight for the nets and the wires?

MR. STEPHANOPOULOS: No.

Q Why not? (Laughter.)

Q He's getting a haircut.

Q You need a haircut, George.

MR. STEPHANOPOULOS: I know. I've got to wait -

-

Q -

-

Leo, and then we'll end this.

MR. STEPHANOPOULOS: Okay.

Q Several weeks ago, Billy Dale said that since January 20th, he had tried, not once, but many times to set up a meeting with the White House Press Office and the White House Correspondent's Association to go over various cost

cutting options
to reduce the price of travel, and had never been able to get that meeting from you folks. Is that a fact? Have you checked as to whether -

-

MR. STEPHANOPOULOS: I mean, he -

-

David Watkins is
responsible for administration and I think that he -

-

ARMS Email System

David Watkins
had several discussions.

Q No, but I'm asking whether it's true that Billy Dale specifically tried to get a meeting with the White House Press Office weeks ago to discuss cost cutting possibilities.

MR. STEPHANOPOULOS: Not to my knowledge, no.

Q Can you check on that?

MR. STEPHANOPOULOS: I can tell you that nobody every contacted me and Dee Dee's saying nobody ever contacted her so.

Q Let me ask as a follow-

up. You mentioned that in the course of several days preceding the Saturday meeting members of your staff had begun to raise questions about the operation of -

-

MR. STEPHANOPOULOS: Not members of my staff. I said that members of the administration staff. There were, of course, people that dealt with -

-

Q I thought you said Press Office

-

MR. STEPHANOPOULOS: No, I didn't say Press Office.

Q Let me just follow up if I may. My question is at any time prior to Saturday was there an attempt made to call in Billy and his people and to say what about this, what about that?

MR. STEPHANOPOULOS: Oh, I'm certain there was. I'm sure David Watkins talked to them often.

Q George, can you document that prior to Saturday, Watkins had raised specific questions -

-

MR. STEPHANOPOULOS: I don't know about specific. He certainly had conversations with them and he went over the stuff with Billy?

Q With each of the individuals who were fired?

MR. STEPHANOPOULOS: Not necessarily, no.

Q So in other words people were fired without being given an opportunity to defend themselves?

MR. STEPHANOPOULOS: Well, again, I think that David Watkins has laid out the rationale for the decision he made. He made it after a full review of the operations of that office by Peat Marwick.

Q So you have no reservations about the fairness of this action?

MR. STEPHANOPOULOS: Well, I believe it was the appropriate action.

Q George, is serious consideration being given to disbanding the office entirely, as has been suggested this morning by one White House official who said that they would turn it over to the White House Correspondents' Association?

MR. STEPHANOPOULOS: I mean, if you guys want to petition for that. (Laughter.)

Q No, I'm just asking if that's a serious point of discussion, because one White House Official went to various members of the White House Correspondents' Association today and said we'll just turn it over to you.

MR. STEPHANOPOULOS: Well, if you have suggestions -- I mean, we're certainly willing to listen to them. It's not what I think is planned right now.

THE PRESS: Thank you.
END 2:15 P.M. EDT

#74

05/20

ARMS Email System

RECORD TYPE: PRESIDENTIAL (RECONSTRUCTED EMAIL)

CREATOR: Jonathan P. Gill (GILL_J) (WHO)

CREATION DATE/TIME: 20-MAY-1993 12:32:00.00

SUBJECT: AGAM 5.20.93

TO: Patricia A. Clark (CLARK_P) (OA)
READ: UNKNOWN

TO: Arthur L. Jones (JONES_A) (WHO)
READ: UNKNOWN

TO: Carter Wilkie (WILKIE_C) (WHO)
READ: UNKNOWN

TO: Eric Berman (BERMAN_E) (WHO)
READ: UNKNOWN

TO: Nestor M. Davidson (DAVIDSON_N) (WHO)
READ: UNKNOWN

TO: Stuart E. Trevelyan (TREVELYAN_S) (WHO)
READ: UNKNOWN

TO: Arnold Shore (SHORE_A) (OA)
READ: UNKNOWN

TO: Keith Boykin (BOYKIN_K) (WHO)
READ: UNKNOWN

TO: David Leavy (LEAVY_D) (WHO)
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TO: Thomas P. McLarty (MCLARTY_T) (WHO)
READ: UNKNOWN

TO: Doris O. Matsui (MATSUI_D) (WHO)
READ: UNKNOWN

TO: Margaret A. Williams (WILLIAMS_MA) (WHO)
READ: UNKNOWN

TO: Bruce K. Sasser (SASSER_B) (OMB)
READ: UNKNOWN

TO: Barry J. Toiv (TOIV_B) (OMB)
READ: UNKNOWN

TO: Leon Fuerth (FUERTH_L) (VPO)
READ: UNKNOWN

TO: Marla Romash (ROMASH_M) (VPO)
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TO: Steven Akey (AKEY_S) (WHO)
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TO: Janet Handal (HANDAL_J) (WHO)
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TO: Stephen B. Silverman (SILVERMAN_S) (WHO)
READ: UNKNOWN

TO: Christine A. Varney (VARNEY_C) (WHO)
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TO: Patricia A. Enright (ENRIGHT_P) (WHO)
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TO: Jonathan P. Gill (GILL_J) (WHO)
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TO: Richard Strauss (STRAUSS_R) (WHO)
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TO: Maria M. Tio (TIO_M) (WHO)
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TO: Joshua N. Silverman (SILVERMAN_J) (WHO)
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TO: Jess Sarmiento (SARMIENTO_J) (WHO)
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TO: Lavora R. Barnes (BARNES_L) (WHO)
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TO: C. Patricia Cogdell (COGDELL_C) (WHO)
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TO: Kimberly S. Hopper (HOPPER_K) (WHO)

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TO: Lorraine A. Voies (VOIES_L_) (WHO)

READ: UNKNOWN

TO: Margaret C. Sherry (SHERRY_M) (WHO)

READ: UNKNOWN

TO: Elizabeth A. Bernstein (BERNSTEIN_E) (WHO)

READ: UNKNOWN

TO: Carolyn Curriel (CURIEL_C) (WHO)

READ: UNKNOWN

TO: David B. Anderson (ANDERSON_D) (WHO)

READ: UNKNOWN

TEXT:

===== ATTACHMENT 1 =====

ATT CREATOR: NEWS (6=NEWS@2-ATTMAIL@1=US@MRX@EOPMRX)

ATT CREATION DATE/TIME:20-MAY-1993 07:37:00.00

ATT BODY PART TYPE: B

ATT SUBJECT: AGAM 5/20

ATT TO: TREVELYAN (TREVELYAN_S@A1@CD)

READ: UNKNOWN

ATT TO: RASCO (RASCO_C@A1@CD)

READ: UNKNOWN

ATT TO: PODESTA (PODESTA_J@A1@CD)

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ATT TO: INADOMI (INADOMI_L@A1@CD)

READ: UNKNOWN

ATT TO: GILL (GILL_J@A1@CD)

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ATT TO: ELLER (ELLER_J@A1@CD)

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ATT TO: BOYKIN (BOYKIN_K@A1@CD)

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ATT TO: ALEXANDER (ALEXANDER_DA@A1@CD)

READ: UNKNOWN

ATT TO: BAUER (6=BAUER@4=NCC-KC@5=OIRM@3=GOV+USDA.OIRM.KC@2=ATTMAIL@1=US@MRX@EOPMRX)

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ATT TEXT:

Enclosed file name.

0520.TXT

===== END ATTACHMENT 1 =====

===== ATTACHMENT 2 =====

ATT CREATOR: UNKNOWN (UNKNOWN)

ATT CREATION DATE/TIME:20-MAY-1993 07:37:00.00

ATT BODY PART TYPE: A

ATT SUBJECT:

ATT TEXT:

Thursday, May 20, 1993

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ACTION ON WHEAT EEPs (RFP-5/19, Reuter-5/19) -- Sec. Espy said USDA was "moving quickly" to finalize wheat EEP allocations for 1993-94, and he responded to a question by saying the timing of the allocations was "not necessarily" influenced by the progress of the GATT market-access negotiations. Trade sources expect the administration to discuss the EEP initiatives Monday, but some believe the issue will then be referred to a higher level. They expect USDA to announce all the eligible buyers of EEP wheat at once, instead of in individual releases.

(FVN-5/19) -- Sources say USDA has a "very aggressive" list of wheat EEP initiatives totalling around 32 million metric tons. They say it is clear from the recommendations that USDA wants to target Canada in addition to the EC, and if countries that are traditional Canadian markets don't show up on the list, "then some of the non-USDA agencies have been successful, again, in scuttling USDA's recommendations."

CHINA'S WHEAT NEGOTIATIONS (FVN-5/19) -- Sources say China got a good price of about \$88 to \$90 per ton for 750,000 tons of Canadian wheat for June-forward shipment, and are nearing agreement on pricing for up to 400,000 tons for Aug.-Sept. shipment. Analysts assessing China's wheat needs, and potential

sources, say their calculation "doesn't leave a large quantity" for the US.

WIC LOWERS INFANT MORTALITY (AP-5/19, Reuter-5/19) -- A study of Medicaid recipients who also took part in the WIC program, showed that the predicted infant mortality rates for WIC participants were one-quarter to two-thirds the predicted rate for non-participants. The \$2.9-billion WIC program aids 5.7 million people, including 40% of all babies born in the US.

USDA REORGANIZATION PROGRESS (Reuter-5/19) -- Sec. Espy said he hopes to have a reorganization plan for the USDA headquarters by June 15; the focus would then shift to field offices. The article points out estimates for saving "hundreds of millions" from USDA's reorganization are built into congressional and administration budget plans. One skeptic, commenting on Sec. Espy's plan to seek congressional approval of the reorganization, said, "Talk about a sure way to guarantee this issue falls on its face."

GULL SHOOTINGS TO RESUME (NY Times, AP-5/19) -- Despite protests, shooting of laughing gulls at JFK International Airport will begin under an emergency permit obtained by USDA. AP notes the drop in gull plane collisions in the last two years following shooting of 20,000 gulls. The airport says it has tried everything to keep the gulls away.

IRAQGATE REVISITED (NY Times) -- Columnist William Safire says if the US Justice Dept. wins its case to prove Italian bankers innocent in the BNL loans-to-Iraq dealings, USDA will have to pay over \$380 million to the bank. The commentary reviews other legal events surrounding the situation.

IRRADIATION DEFENDED (Reuter-5/18) -- FDA's commissioner said food irradiation was a useful tool in combating food contaminants. He disagreed with activists' concerns that irradiation would harm food. Seven groups wrote Sec. Espy to urge him against pursuit of a system to irradiate meats. Sen. Dale Bumpers (D-Ark.) said he might schedule a hearing on irradiation.

SOYBEAN FORECASTS EXAMINED (JOC) -- Analysts, citing farm-program considerations and weather concerns leading to crop switching, expect US soybean acreage to end up about 1 million acres above USDA estimates.

GATT DEVELOPMENTS (Reuter-5/19) -- The president of the American Farm Bureau Federation said if the EC doesn't recognize that access to their markets has to be as good as it is now, and then better, it would make it very difficult to sign a GATT deal. He said the AFBF will seek Congressional rejection of any deal that would further close the EC's market. AFBF's president was only moderately optimistic about a GATT deal being reached by year's end.

(JOC, Reuter-5/19) -- France's prime minister intends to explain France's GATT stand to the European Commission June 3. France's farm minister said Paris would not allow agriculture to be used as a pawn to obtain concessions in other GATT sectors.

US TRADE POLICY CRITICIZED (Reuter) -- Australia's trade minister criticized the US for blocking access to Australia's sugar, beef and other agricultural goods, while promoting global trade liberalization. They plan to bring the subject up at agricultural talks in Washington May 26-27.

JAPAN'S RICE TRADERS (Reuter) -- JAI, a rice information exchange that treads carefully within Japan's Food Control Law, is looking forward to a free market in rice. JAI released trading data for the first time in its 15-year history in hopes it will help change Japan's rice trading system. The article outlines specifics on Japan's rice trade.

FARMERS' CONCERNS ABOUT TAX HIKES (LA Times-5/19) -- The article runs through calculations of how much the administration's energy tax proposal would cost a Maryland farmer. An economist with the American Farm Bureau Federation says the energy tax "is going to be pretty devastating to the agricultural sector." The article says farmers have a hard time passing their higher costs on to consumers, because government regulation and foreign competition dictate the price at which they can sell their goods. Sen. Kent Conrad (D-N.D.) ridiculed an administration claim that a gasoline tax would be even harder on rural residents. The article closes noting that if Sen. Conrad and others have their way, farm fuels may get a full exemption.

(DM Reg-5/15) -- The article outlines complaints from legislators and farm-group officials about the effects the president's tax and budget-cutting program will have on agriculture.

BIO-PLASTIC PLANT TO BE BUILT (JOC, Reuter-5/19, PRN-5/19) -- Cargill Inc. plans to build the world's first large-scale plant to produce up to 10 million pounds annually of biodegradable plastic made from natural lactic acid obtained through bacterial fermentation of sugars from agricultural commodities. A Cargill official said they expect demand for the plastic will result in construction of an even larger plant to produce corn-derived lactic acid polymers as early as 1996.

CROP-BASED STAIN REMOVERS (AP) -- USDA scientists plan to patent a new stain remover that can be made from peanuts, soybeans and other oilseeds. The new product is friendly to the environment, non-flammable, and a better stain remover than products now on the market.

AHB'S MAY KEEP THEIR STING (AP-5/19) -- A study suggests that interbreeding of Africanized honeybees with more laid-back relatives may not reduce the ferociousness of the AHB's in tropical and sub-tropical areas. The scientists feel the hybrid bees may not compete well with pure-bred Africanized honeybees. But, the strategy may work better in cooler areas such as mid to upper Texas. One researcher said the AHB's are still becoming established in south Texas and may eventually overwhelm beekeepers' efforts to hybridize them.

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RECORD TYPE: PRESIDENTIAL (RECONSTRUCTED EMAIL)

CREATOR: Jonathan P. Gill (GILL_J) (WHO)

CREATION DATE/TIME: 20-MAY-1993 13:59:00.00

SUBJECT: Press Briefing by Dee Dee Myers -- May 20, 1993 (AM)

TO: (202) 456-6444 (WNS_1) (WHO)
READ: UNKNOWN

TO: Christian M. Baldia (BALDIA_C) (WHO)
READ: UNKNOWN

TO: Janet Handal (HANDAL_J) (WHO)
READ: UNKNOWN

TO: Remote Addressee (1=US@2=TELEMAIL@3=INTERNET@*RFC-822\JGILL(A)NSF.GOV@MRX@EOPMRX) (DEFAULT)
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TO: Remote Addressee (JIM KOHLENBERGER@EOP_OVP@CCGATE@EOPMRX) (DEFAULT)
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TO: Liz Bowyer (BOWYER_L) (WHO)
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TO: Alan J. Stone (STONE_A) (WHO)
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TO: Thomas O. Levenberg (LEVENBERG_T) (WHO)
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TO: Lisa Mortman (MORTMAN_L) (WHO)
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TO: Ernest D. Gibble (GIBBLE_E) (WHO)
READ: UNKNOWN

TO: Patricia A. Enright (ENRIGHT_P) (WHO)
READ: UNKNOWN

TO: Jonathan P. Gill (GILL_J) (WHO)
READ: UNKNOWN

TO: Richard Strauss (STRAUSS_R) (WHO)
READ: UNKNOWN

TO: Maria M. Tio (TIO_M) (WHO)
READ: UNKNOWN

TO: Joshua N. Silverman (SILVERMAN_J) (WHO)
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TO: Jess Sarmiento (SARMIENTO_J) (WHO)
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TO: Lavora R. Barnes (BARNES_L) (WHO)
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TO: C. Patricia Cogdell (COGDELL_C) (WHO)
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TO: Kimberly S. Hopper (HOPPER_K) (WHO)
READ: UNKNOWN

TO: Lorraine A. Voles (VOLES_L) (WHO)
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TO: David B. Anderson (ANDERSON_D) (WHO)
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TO: Roy Neel (NEEL_R) (VPO)
READ: UNKNOWN

TO: Thurgood Marshall, Jr (MARSHALL_T) (VPO)
READ: UNKNOWN

TO: Greg Simon (SIMON_G) (VPO)
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TO: Remote Addressee (MARLA E. ROMASH@EOP_OVP@CCGATE@EOPMRX) (DEFAULT)
READ: UNKNOWN

TO: Leon Fuerth (FUERTH_L) (VPO)
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TO: Jack Quinn (QUINN_J) (VPO)
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TO: Katie McGinty (MCGINTY_K) (VPO)
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TO: Remote Addressee (SALLY J. AMAN@EOP_OVP@CCGATE@EOPMRX) (DEFAULT)
READ: UNKNOWN

TO: Kukis, Heidi (HEIDI1 KUKIS@EOP_OVP@CCGATE@EOPMRX) (DEFAULT)
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TO: Remote Addressee (JIM KOHLENBERGER@EOP_OVP@CCGATE@EOPMRX) (DEFAULT)
READ: UNKNOWN

TO: Ethan J. Zindler (ZINDLER_E) (WHO)
READ: UNKNOWN

TEXT:

THE WHITE HOUSE
Office of the Press Secretary

For Immediate Release May 20, 1993

PRESS BRIEFING
BY DEE DEE MYERS
The Briefing Room

10:16 A.M. EDT

MS. MYERS: Hello. A couple of quick announcements. As you know, the President will sign the motor voter bill out on the lawn at 11:00 a.m. At noon he will have lunch with the Vice President and

-

Q Do lunch?

MS. MYERS: They'll do lunch. At 5:00 p.m. he will celebrate Cuban Independence Day in the First Lady's Garden. That will be a pooled event -

-

pool press op.

Saturday the President will leave early, 7:30 a.m. in the morning. He will give the commencement address at New Hampshire Technical College and meet with supporters there. We probably will not add any other events.

Q Any Sunday things besides church?

MS. MYERS: No Sunday schedule at this point. Probably church but -

-

Q Radio address?

MS. MYERS: I think we'll probably pretape the radio address.

Q You say meets with supporters -

-
what does that mean? Is that a private meeting or -

MS. MYERS: Yes, it will be a reception of some kind with the folks that supported us during the campaign last year.

Q What time are we going to be coming back?

MS. MYERS: It's unclear -

-
sometime in the afternoon.

Q What time is he speaking Saturday?

MS. MYERS: At 10:30 a.m.

Q WMUR says that they're working on a town meeting.

MS. MYERS: I don't think so. We considered doing that, but I don't believe we're going to do that. We'll let you know by the end of the day, but I don't believe that's going to happen.

Q There had been some rumbles at one point that Clinton would get involved with this Cheers finale. Has that happened, and if so, where did it happen?

MS. MYERS: No, it didn't happen. Unfortunately.

Q Dee Dee, what is your response to this Danforth-

Boren bipartisan approach to the budget which would eliminate the energy tax, put in entitlement caps and other cuts? What is your reaction and what is your analysis of how this might affect the -

-
MS. MYERS: Right. A couple of things. First of all, we're going to wait to see exactly what the announcement is. I believe Senator Boren and Senator Danforth are scheduled to have a press conference at 11:00 a.m., and it's not entirely clear what that's going to contain at this point. However, the President, as he made clear on the Hill yesterday, is committed to his plan. He believes that it has a great deal of deficit reduction in it, a great deal of spending cuts -

-
over 200 specific spending cuts -

-
This is just me. I don't do sound and camera. Just me. And as he said yesterday, he believes that the Btu tax is the best way both to raise the money needed in his plan and to promote conservation and he's committed to that.

We will see what the Boren-

Danforth plan, if that's what it is, includes. But the President is very concerned about a couple of things -

-
one, as he said yesterday, he doesn't support entitlement caps. He believes that would amount to cost shifting, and that those concerns about rising health costs, which he's talked about extensively in the last year and a half, are best addressed through comprehensive health reform which we're working on.

In terms of other spending cuts, I think he's concerned that the budget not be balanced on the backs of the most vulnerable. And he has a plan that he believes both achieves his objective, which is disciplined deficit reduction and new investment, and it's done through a combination of new revenue and very prudent spending cuts.

Q Did the White House have any warning that Senator Boren, one of their party members and supposed allies, was meeting with the Republicans and coming up with this plan?

MS. MYERS: We knew that was -

-
sure. I think everybody
knew that yesterday.

Q If you knew that, the President made a major effort
to head off trouble on the House side. Why -

-
MS. MYERS: We'll continue to work on the Senate side as
well. Again, we'll see what Senators Boren and Danforth propose
today. I think that the results of the President's trip to the Hill
yesterday were very positive. I think the House members feel good
about that consultation. The President believes he can get his plan
through the House. It sailed through the Ways and Means Committee.
We believe it will pass the House and we'll continue to work with the
Senate and believe we can get the plan passed.

Q Has anyone from here talked to Boren?

MS. MYERS: I'm sure there have been. I don't exactly
what -

-
who's talked to who. Conversations are ongoing.

Q The President hasn't talked to him?

MS. MYERS: He has not yet.

Q What about Mack?

MS. MYERS: I'm not sure.

Q They've made it clear for several days now what
they're proposing as additional spending cuts instead of the Btu tax.

MS. MYERS: Correct.

Q The President's reaction to that is, no way?

MS. MYERS: The President's reaction to that is, first
of all, we haven't seen it, and we'll take a look at what's exactly
in it. But in broad terms, as he said, he supports the Btu tax.
That was a decision that was made, it raises a significant amount of
revenue, and it promotes conservation, and it is equally distributed
geographically. It doesn't hit one particular region of the country
harder than any other, and it has a modest impact on the middle
class. Those are all things the President is concerned about. He
doesn't believe that we ought to put more of a burden on the middle
class or on more vulnerable people in this country.

Q Do you think Democrats like David Boren are being
disloyal by exploring these other options?

MS. MYERS: I think that the legislative process is
occasionally a messy one, and certainly there's room for dissent or
different opinions. And we'll continue to work with the Senate to
get through the President's package. And he believes that things are
going well. There's great support in the House. He also believes
that the package -

-
as he said yesterday, that the plan is better
coming out of the Ways and Means Committee than it was going in. And
so there's been improvements to the plan, that the legislative
process certainly can make adjustments and improvements in his plan.
But he is committed to the broad outlines of that plan and believes
that we can get it through Congress.

Q The President said he was interested in hearing
Republican ideas for ways to improve the package. Has he made any
overtures?

MS. MYERS: He will. He'll have talked to Democrats and
Republicans over the course of the next week in the House as the plan
works its way through.

Q Does he have a meeting with the Republican Caucus
coming up?

MS. MYERS: I don't think there's a scheduled meeting.
I wouldn't rule it out. There's nothing on the schedule now, but he
will certainly talk to some Republicans in the House.

Q Does the President continue to rule out a gasoline
tax even if it included some kind of relief for lower income
families?

MS. MYERS: At this point he's committed to the Btu tax.
We obviously looked at a number of different things including the
gasoline tax prior to the February 17th announcement and decided that
that hit certain regions of the country disproportionately and was
not as geographically balanced or was not as well offset as the BTU

tax. So the President prefers the BTU option and is committed to that.

Q Is that acceptable?

Q Does the White House think that Bob Dole is just plain wrong when he says the Btu tax promotes unemployment?

MS. MYERS: Absolutely. I think the President believes that the Btu tax is the best way to raise revenue, that we need it. Again, it hits different areas of the country. It doesn't have a disproportionate impact on one region and it has a very modest impact on the middle class.

Q Does the President, or are you on his behalf, drawing a line in the sand and saying that absolutely the Btu tax is untouchable? It sounds that way.

MS. MYERS: No, the President is committed to it.

Q So that's untouchable, he's not willing to negotiate?

MS. MYERS: He's committed -

-
as he said yesterday at the House, he's committed to the Btu tax and we're going to push that through. We think we can get it through the House. We feel very good about the meeting yesterday. And we'll continue to work with the Senate to get it through as well.

Q What does that do to you in the House if you can't get through to the Senate? I mean, that will be the final blow.

MS. MYERS: We think -

-
we're going to work with the Senate and we think we can get it through the Senate as well, obviously. But we haven't gone up to the Hill to meet with the Senate as we did yesterday at the House.

Q -

-
suggested replacing the Btu tax with either a gasoline or some other form of transportation tax.

MS. MYERS: He suggested that we look at it. We've already looked at it and ruled it out.

Q Dee Dee, The Washington Post says that Perot spoke to freshmen Republicans -

-
that the President was invited and they turned down -

-
the President turned down their invitation. Is that accurate? Has he been invited by freshmen Republicans to meet with them and are there any plans to do so?

MS. MYERS: I don't know whether there's a specific invitation. He met with them -

-
with all the freshmen earlier. I don't know that there's been a specific invitation and I don't know that it's been turned down, but I'll get back to you on it.

Q Dee Dee, if equity is the goal on the Btu tax and other similar things, why does the President choose to exempt some industries, like aluminum and exemptions like that? Why has he chosen to exempt anyone if equity is the objective?

MS. MYERS: That is the objective. I think that those exemptions were the result of the House Ways and Means process. For example, when you make steel I think there's -

-
Senator Bentsen is much better at giving the sort of chemical outlines of how the process works, but when you make steel or aluminum there are high energy use processes where the fuel is not a byproduct or not -

-
it becomes part of the end product. And if you want a more technical description, I can certainly get it for you. But, again, I will point out that that was part of the legislative process that came out

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of the House Ways and Means Committee. And the President supported the compromise that was worked out.

Q He supported as a compromise. I mean, he's not in favor of not making aluminum users pay the fair share of the electricity necessary to refine aluminum?

MS. MYERS: Yes, he -

-

again, that wasn't part of the original proposal, but that's what the House Ways and Means Committee came up with, and the President supported the compromise.

Q A couple questions on the President's haircut the other day. Is it true, as reported, that he kept Air Force One waiting 45 minutes while he got a haircut?

MS. MYERS: He -

-

I don't know if "keep Air Force One waiting" is exactly right. I mean, Air Force One is his plane and flies according to his schedule. But, yes, he got a haircut in Los Angeles.

Q While Air Force One was on the tarmac ready to take off?

MS. MYERS: Sure.

Q How much did that cost U.S. taxpayers?

MS. MYERS: I don't believe it cost them anything.

Q It does.

Q Keeping the engines running for 45 -

-

MS. MYERS: I don't believe -

-

I don't know if the engines were running.

Q It costs per hour.

Q An hour of ground time -

-

cost per hour, there is a figure available, if you could get it for us, of what Air Force One costs per hour.

MS. MYERS: Hour of sitting on the ground doing nothing?

Q Yes.

MS. MYERS: I'll look into it.

Q Well, it's cheaper than in the air, but

MS. MYERS: I mean, if he'd gotten -

-

Q There is a cost.

MS. MYERS: I mean, it's part of his schedule. He has a schedule on the ground when he travels. And he does different things

-

-

Q The haircut was scheduled?

MS. MYERS: Yes. I mean I don't think that that's

-

Q Every trip has a breakdown -

-

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time in the air, time
on the ground -

-

MS. MYERS: I understand that.

Q -

-

and what we're asking is what was the cost in
L.A., because each airport is different, for time on the ground.

MS. MYERS: I don't think that that's -

-

he's certainly
entitled to do some personal business when he travels. I think this
is something that all of us have to schedule, which is to get a
haircut, and the fact that he did it in L.A. as opposed to Washington
I think is irrelevant.

Q -

-

Washington haircuts -

-

MS. MYERS: I, being from L.A., I'm not going to say
that but --

Q Did he pay for it himself and did he pay Mr.
Cristophe's usual fee?

MS. MYERS: I don't know. Yes, the Clintons pay for
services and I don't know how much.

Q His normal fee is \$200 for a haircut.

MS. MYERS: A lot of interest in the President's
haircut.

Q Well, I'm just trying to -

-

MS. MYERS: I'd be happy to investigate it extensively.

Q? -

-

there was a barbershop in the White House.

MS. MYERS: There is not a barbershop in the White House
anymore. It's been gone for some time.

Q Oh, has it?

MS. MYERS: Yes, it has.

Q Dee Dee, what has the Marine Corps told the White
House about the crash of one of the aircraft in the presidential
fleet?

MS. MYERS: It was -

-

I don't have the paper with me,
but it was a helicopter -

-

I think it's a VH-

60 is the type of
helicopter. It is not the white-

top that normally serves as Marine
One. However it is the helicopter that flew the President to the
Roosevelt when we visited that carrier. All four -

-

Q The same one?

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MS. MYERS: It is the same one, correct.

Q The exact same helicopter?

MS. MYERS: The exact same helicopter. They are investigating the cause of the crash. We don't have any additional information on that. Obviously, the President deeply regrets the crash and the loss of life and has sent his condolences to the families of the crew.

Q Were they the crew when he was on that trip?

MS. MYERS: He had met the -

-

apparently the pilot had flown -

-

or the captain had flown the President once.

Q On that trip to the Roosevelt?

MS. MYERS: I don't know. It's unclear if had been on that.

Q Not the Major who was the pilot yesterday, but the Captain who was the co

pilot yesterday?

MS. MYERS: It's said -

-

no, it said -

-

the report I got just said that the pilot had flown the President once, the co-

pilot had flown the Vice President once.

Q When did the Clintons decide to put their assets in a blind trust?

MS. MYERS: I think it was something that they had considered for a while and have been in the process of for a while and are nearing completion on the details.

Q Why were we told yesterday they weren't doing that?

MS. MYERS: I told you yesterday that they didn't have it in a blind trust. I was unclear on how far along they were in that process.

Q You said that they were not doing it in specific response to a question.

MS. MYERS: They were not currently in a blind trust, and I did not know how far along the process was. It soon will be a blind trust.

Q One more question on the helicopters. Has it been decided whether or not it's safe for the President to use any of the Marine helicopters until a cause is determined in this crash?

MS. MYERS: Yes. First of all, the helicopter that he normally flies is a different kind of helicopter. Second of all, I think they've grounded a couple of this type of helicopter, the VH-

60s, pending the outcome of the investigation. But it is -

-

certainly, the Marine One the President flies is safe. And there's obviously routine maintenance, and good care is taken of those helicopters.

Q Now that there is apparently some corroborating evidence from an independent FBI investigation into the Kuwaiti prisoners involving the assassination attempt, what is the administration's next step?

MS. MYERS: We're waiting for complete results of that investigation. Obviously, we're taking it very serious, but we will wait for complete results before we make any final determinations.

Q Is there any meetings scheduled with the principals?

MS. MYERS: Not today.

Q When did the FBI actually start? Yesterday you said it was likely. When did the FBI actually start investigating?

MS. MYERS: This is on Iraq. The FBI Iraqi investigation started two weeks ago Monday.

Q How about the Travel Office, when did they start investigating that?

MS. MYERS: I thought you guys would never get to that.

Q You can count on it.

MS. MYERS: Yes, I should have known. There was a -

-
the
actual investigation will begin -

-
let me back up. The FBI interviewed the accountants over the weekend. And so they have some preliminary knowledge. Based on that, the decision was made that it was prudent to go forward with an investigation. Peat, Marwick did a review of the finances of the Travel Office. There's a draft report based on that review which is now being looked at by the White House Counsel. As soon as that has been reviewed and is a final, it will be forwarded to the FBI and they will be an investigation.

Q We were told yesterday that it was not certain that the FBI would investigate. But it was reported this morning that they were investigating, present tense. You say that they have not yet begun.

MS. MYERS: They have not -

-
what I just told you is
correct, that they have not yet -

-
they've had a preliminary -

-
they've interviewed the accountants over the weekend. So they're familiar with some of the facts in the case. Based -

-
what we've
done is we will hand the report over to them when it's -

-
as soon as
it's final, and they will proceed from there.

Q Who asked -

-
at whose instigation did they
interview the accountants over the weekend, and then who made the
decision to go beyond that -

-
someone at the White House or the FBI?

MS. MYERS: Obviously, the White House administrative office asked the FBI to review it.

Q David Watkins?

MS. MYERS: David Watkins' office -

-
I believe it was
Watkins -

-
it was both the Administrative Office and the White House
Counsel were involved in the decision. And the FBI -

-
again, as I
said, interviewed the accountants on Saturday, and based on that,
said it was prudent to go forward with -

-
Q The FBI said it was prudent to go forward?

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MS. MYERS: Yes.

Q With what?

MS. MYERS: With an investigation.

Q One of the charter companies which complained about not getting charter business from the White House partially owned by or some interest in Harry Thomason, the President's friend?

MS. MYERS: I don't know who the specific companies -

-

Q Could you take that, please?

MS. MYERS: Sure.

Q Because we understand that. And the other question is, why did the White House find it acceptable to turn over the travel business to the Little Rock travel agency with which many people on the staff have links from the campaign? Does that not smack of the same kind of cronyism that you're -

-

MS. MYERS: It's an interim decision. The permanent travel business will go out to RFP -

-

a government RFP. And we'll at some point hire a permanent replacement. This is an interim move to cover the office between now and the time we get the RFP process completed.

Q Will you put it out through normal procurement?

MS. MYERS: Oh, absolutely.

Q What is RFP?

MS. MYERS: A request for proposal. It's the competitive bid process set up by the government.

Q Is there any plan for the President to see Kozyrev today?

MS. MYERS: No. He's -

-

I believe he's meeting with Christopher right now.

Q There's definitely no plan for him to come over?

MS. MYERS: No.

Q And what is the White House view of the Russian initiative which would repackage a number of separate proposals into one resolution?

MS. MYERS: Well, we support -

-

certainly support additional monitors on the Serbian Bosnian border. We support going forward with a war crimes tribunal and we'll continue to work with our allies and with the Russians. We obviously whole-

heartedly welcome their participation in this.

Q Safe havens?

MS. MYERS: The safe havens we have a problem with. We believe that that is a reward of ethnic cleansing. It's something that we're not comfortable with.

Q An unrelated question. Can we ask, what is that?

MS. MYERS: That's a camera that is now -

-

makes these fabulous briefings available internally to White House staff on Channel 30.

Q And so at any time they can watch on the inside -

-

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MS. MYERS: It's focused on the podium. It is not moveable, I believe. But they can watch whoever is standing at the podium briefing. There's a lot of the offices that don't have audio monitors. This provides a way for staff throughout the White House and I believe the OEOB to turn their set to Channel 30 and find out what we're saying.

Q Is it on 24 hours a day?

MS. MYERS: No, I think it's only on -

-

I think WHCA turns it on -

.

and I'll double

check this -

-

WHCA turns it on when they turn on the sound system.

Q How much did it cost?

MS. MYERS: I don't know. I'll have to take that.

Q Will you please tell us?

Q Is it still mismanagement and shoddy accounting -

-

MS. MYERS: Absolutely.

Q Is there anything that's turned up since you characterized it that way?

MS. MYERS: No. I mean, there's been no change -

-

Q I'm talking now about the Travel Office.

MS. MYERS: Right.

Q Not the briefings. (Laughter.)

MS. MYERS: Clearly the briefings are mismanaged. No, there's been no change from yesterday on that.

Q I want to get back to the haircut for a second. While the President was getting his hair cut were other planes held up from landing -

.

MS. MYERS: Absolutely not.

Q No delays?

MS. MYERS: No delays.

Q How many police officers, security personnel were in the area waiting while the President was getting his hair cut?

MS. MYERS: I don't know whether the police officers stay, or not, once the President boards the plane.

Q Would you agree that the appearance here is that the President was indiscreet in letting this thing go on while -

-

in order to get a haircut. that he was indulgent, delaying all sorts of things?

MS. MYERS: I think that it is -

-

certainly the President, as do all Americans, has personal business that he needs to take care of; as it is for all people who are busy, difficult to schedule. First of all, it wasn't an hour. The haircut took about 15 minutes. And I think he made good use of his time and did something that he, like everybody else, has to do, he got his hair cut. I don't think there's more to it than that.

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Q Are there not enough good barbers in Washington?

MS. MYERS: I think he sometimes schedules it wherever he can. He uses barbers in Washington, he occasionally uses his barber in Little Rock, and he occasionally uses his barber in Los Angeles, depending on his schedule.

Q What's the propriety of tying up public property, which is to say Air Force One, and public safety people -

MS. MYERS: I think if the President had gotten his -

Q -

and overtime at great expense, while the President waits to get a haircut, which could have been done in private in his normal protective bubble either in Los Angeles in a hotel or in the White House?

MS. MYERS: I think that Air Force One still would have had to sit on the tarmac, the security personnel still would have had to wait for him. I don't think it changes things one bit, whether it's on Air Force One or in a hotel.

Q Dee Dee, I was on the pool. Air Force One sat for an hour after the President boarded. I was on the plane.

Q Fifty-

six minutes.

MS. MYERS: I don't know what the delay was.

Q And that's a ramp freeze.

MS. MYERS: It did not tie up -

Q Yes, if he's on the plane that's a ramp freeze.

MS. MYERS: It did not tie up traffic. Planes were continuing to land and take off as per normal until Air Force One was cleared to takeoff, which is the normal procedure.

Q Two runways were closed

Q But it still requires -

MS. MYERS: That's not true. We double-

checked that yesterday. It is absolutely not true.

Q The FAA said yesterday two runways were closed and only two commuter jets were affected. Small commuter planes.

MS. MYERS: Two small commuter jets were affected by him sitting on the tarmac?

Q During the 56

minute period.

MS. MYERS: So, I mean -

what we told was that the runway -

that the airport continued normal operations until Air Force One was cleared for takeoff, which is normal procedure.

Q It still requires, Dee Dee, this cordon of security.

MS. MYERS: But I think if he'd been at the hotel or at Valley College or in South Central, as long as he's in Los Angeles, that same cordon of security will be with him. It doesn't affect the arrangements. And, yes, it is sometime inconvenient for the President to have to take care of personal business, but I don't think it is out of the ordinary for him to need to get a haircut.

Q Does he want the people on those two commuter flights to contact their representatives in Congress to pass the economic plan? (Laughter.)

MS. MYERS: Absolutely.

Q Dee Dee, a few questions about the press charter. One, on Saturday, when he travels to New Hampshire, will White House press staff fly on board the White House press charter free of charge? And, two, how is the charter being handled this weekend? Is it going up for competitive bid for the trip Saturday?

MS. MYERS: They are in the process of securing a charter company now, the Travel Office. I don't know what the exact process is. But, yes, White House press staff will travel on the press charter, as they always do. And I don't believe there's going to be any change in the way that that's billed. If the White House Correspondents wants to have a conversation about that, or if you guys want to have a conversation about that, I'm happy to do that.

Q So that part of the policy will remain that the press corps will still support the cost of moving your staff?

MS. MYERS: I think since those staff travel primarily to support the activities of the press, that that's been an accepted procedure. Again, if people want to raise that as unacceptable, we can certainly discuss it. But since the whole reason that they travel is to support the functions of the press corps, that's always been accepted.

Q And in terms of the Tokyo summit and whatever stops you would add after that, will you have staff people -

-

how will you have transportation staff people set up the facilities for that, since that's -

-

obviously the Tokyo summit's already

the logistics are underway.

MS. MYERS: Right. As you know, we sent several people from the White House Press Office, along with the Travel Office on the preadvance trip. And I think -

-

Q And they're doing transportation?

MS. MYERS: Oh, it will all get done through the Advance and Travel Offices and the White House Press Office.

Q So the Advance Office will begin to take over some of the responsibilities of -

-

MS. MYERS: I think in the immediate short-

term, I think that's -

-

yes. And I think we'll work out the longer term -

-

I don't think there will be any changes in the way that you -

-

the operation looks from your perspective.

Q I guess what I'm getting at is, will the political appointees in the White House Advance Office or the White House Press Office assume responsibilities that had been done by the Travel Office who are not your or the Bush administration political appointees?

MS. MYERS: I think -

-

certainly in the interim, some of those duties will be handled by advance people. And that may be the

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long-

term result as well. I think we're still working out the details of that.

Q Dee Dee, I'd just to follow up on a couple of questions that you took yesterday that were not addressed in an open briefing since then. First of all, how much money was involved? That was a question you said you would take.

MS. MYERS: Peat, Marwick looked at a period from January of '92 until May of '93. And I believe it was about \$10 million, \$11 million -

-

somewhere between \$10 million and \$11 million that passed through the White House Travel Office during that period.

Q What are saying was mishandled, what amount?

MS. MYERS: It's not a particular amount, it's the process that we have a problem with. There were no -

-

very few receipts. Peat, Marwick went in with the intention of performing an audit. There weren't enough documents to do an official audit, so what they did was an accounting review. And there were very few records of -

-

for example, I believe there were no contracts for a lot of the domestic travel. There were some contracts for international travel. There were very few receipts. There was just not enough documentation there to even do an official audit.

Q You also said yesterday in your open briefing that the press was overcharged.

MS. MYERS: I said I thought that the press was overcharged.

Q No, you said -

-

MS. MYERS: Yes, I did. Check the transcript.

Q Read the transcript.

MS. MYERS: I did.

Q I've got it marked downstairs.

MS. MYERS: I've got it.

Q You said, we believe there were serious overcharges.

MS. MYERS: That's right.

Q In any event, you mentioned that subject more than once. Was the press -

-

MS. MYERS: No, I mentioned it once.

Q Was the press overcharged?

MS. MYERS: We -

-

that's one of the things that we're going to look at. I don't know that it's possible to know for sure, because there aren't enough records and there was no process for reconciling estimates with actual costs. It was done on a very -

-

on a guesstimate basis, so it may be impossible to determine with any certainty exactly what the discrepancies in what you paid and what it should have cost.

Q Are you aware that those charges include charges for rooms, services, that is telephones, press rooms, all of that ground transportation?

MS. MYERS: They did

-

we had an auditing firm go in and look at this, and obviously they interviewed people in the travel office to try to ascertain what the charges were. But there's no records.

Q I understand that it wasn't broken down, but what you're looking at is not just the charter -

-

MS. MYERS: Absolutely, they spoke to people in there and tried to get from them an understanding of how this system works.

Q Dee Dee, another question from yesterday was who is Chris Walton and what are his qualifications to handle the travel of the Executive Branch.

MS. MYERS: Right. He's a staffer. I'm sorry, I didn't get any further information. Let me make one more point just to clarify things. There will be somebody -

-

a person who is not yet named, who is a financial manager who will come in to oversee the operation of the travel department. Katherine Cornelius will do sort of the day-

to-

day contracting with charter plans and things like that. But there will be a financial person who will oversee the Travel Office who will be basically in charge.

Q Do you consider these people to be political appointees, the people that are coming in to run the Travel Office?

MS. MYERS: Well, I think by definition, all the people who are not protected by civil service are political appointees.

Q I'd like to get you to deal with two issues. One, you said in your briefing yesterday that you all took this action after this review that was started as part of the review of government -

-

overall government, the Vice President's thing. But some people who talked to staffers in Little Rock during the transition indicate that you all were talking then about replacing the Travel Office staff. How do you deal with that? Have you all been planning to fire these guys since the beginning?

MS. MYERS: No, no. I think that we will always or for quite awhile have planned on reviewing the management practices of a number of offices. I think we've been very straight forward about that. We have launched this national performance review to look at things and we started with what they call the cash accounts -

-

people that deal with large sums of money. And this was the first

one of the first offices we looked at with some detail. We believe that this action was taken on the basis of what we found through that review process and for no other reasons.

Q And the second thing that I wanted answered -

-

there were a number of questions that were posed to you during the briefing yesterday regarding the specifics which you will refer to later, with "we'll get back to you" and that sort of thing. Apparently, you and George and, apparently, Eller as well, and the accountant from Peat, Marwick decided to go over these specifics with a selected group of reporters last night on background back here. Why did you all choose to do that instead of coming out and making your accusations on the record?

MS. MYERS: I don't think we made any accusations that were any different than the charges of mismanagement that we made -- that I made here during the briefing yesterday. I think we thought that given the deadlines, given what was happening, that the best way to handle it would be to bring some people in and try to walk them through it. I understand that some people got left out, and I apologize for that. We did what we thought we needed to do in order to set the record straight. And one of the reasons we brought the wires in was so that everybody would have access to that information.

Q In that briefing a senior administration official said that the first warning that the administration had had that

ARMS Email System

there might be something amiss in the Travel Office came from complaints from other charter operators who alleged or conveyed hearsay that payoffs might have been requested for charter business. Other people have suggested that some of those charter operators were either friends of the President or acquaintances of the President or friends of friends and that they complained directly to him, and that that is what triggered this long before the performance review. Can you please take that question -

MS. MYERS: Sure.

Q -

and tell us who they were and what the specific instances were which triggered this?

Q Dee Dee, one of the things you might take as well -- when the President was asked in his photo opportunity -

and said that, in essence, he knew nothing at all whatsoever other than some people had told him it had to be done left some of us a little bit curious that this would have happened completely without the President's knowledge with a relative of his involved in it, particularly someone who had been with him during the long haul through the campaign.

MS. MYERS: I think that's appropriate.

Q The President would have known nothing about a shakeup this massive that involved a relative of his?

MS. MYERS: Well, I'm not sure that seven people qualify as a massive shakeup.

Q It's an entire White House office.

MS. MYERS: But I think, again, I don't know that that qualifies as a massive shakeup. I think that he was told as he indicated that there were some problems, that there had been an investigation and that the results of that investigation led administrative officials there to conclude the best course of action was to dismiss the people involved. I don't think the President makes it his business to second-

guess those kinds of administrative decisions. And so he was informed about it and allowed the judgment of the people that work here to go forward.

Q Getting back to -

Q And he wouldn't have known that a cousin of his was being shifted from one area of the White House into another?

MS. MYERS: No, that's not something -

Q Getting back to the use of Worldwide Travel in this interim period, we understand this will be until bids go out. But given the fact that they will stand to make thousands of dollars in ticket commissions for booking travel for Executive Branch personnel and whatever they get for arranging charters, doesn't this raise eyebrows or questions, given Ms. Cornelius' past association with them?

MS. MYERS: She did not work for them. I saw that a few places. That is not accurate. She worked for the campaign. Worldwide was the travel agency that contracted to the campaign, but she never was employed by them.

Q Well, but given the Little Rock connection with a Clinton outfit -

and again, they're going to be -

in this interim they can make thousands and thousands of dollars on ticket commissions. Why not give it to someone who is like neutral or not involved, has no past track record with the organization, with the Clinton organization?

MS. MYERS: I think given the fact that the decision was made quickly and it was the judgment of the administration to move quickly on this, that it would be prudent for us to bring in a company that had worked with us before and one that knew how we operated in order to facilitate the transition. It will be for a relatively short period of time. I don't know how much -

-

I don't know what the terms of their contract is, but I think in the interest of continuity and in providing the kind of service that we think is necessary we thought that was the best course of action.

Q One of the questions that was hanging from yesterday was the release of the audit itself.

MS. MYERS: It's not done. It's in draft form right now. And it is a review, not an audit because as I pointed out there weren't enough documents to do a formal audit. And I don't know

-

when the document is final we'll take a look at it.

Q Dee Dee, when the individuals were fired yesterday, where they informed of the allegations that were made from this podium?

MS. MYERS: I think that they knew about them. In fact, I know they knew about them. They were interviewed during the financial review process and knew that the management of that office was under serious review.

Q Who actually fired them?

MS. MYERS: David Watkins talked to them.

Q Several of them claim that what they were told was that the administration planned to restructure this office and that since they served at the pleasure of the President their services were being dispensed with and that was it.

MS. MYERS: I'm not sure that's entirely accurate.

Q Dee Dee, they also said that they were not aware of any FBI involvement. Were they actually told that the FBI was going to be involved in this?

MS. MYERS: I don't believe so.

Q Don't believe what?

MS. MYERS: That they were -

-

that they have not yet, as far as I know, been interviewed by the FBI. But I will refer all further questions about the FBI investigation to the FBI, other than to say that I don't believe that they knew about the FBI.

Q Are you now confirming that a Little Rock travel agency is going to start issuing tickets for all White House staff travel and make commissions on that?

MS. MYERS: I don't know what their financial relation -- I don't know how that's structured. Yes, Worldwide Travel, based in Little Rock, Arkansas, will provide interim travel services for the administration until we can get an RFP out and hire somebody on a long-

term basis.

Q And they -

-

and it's all right with the White House if they keep any profits they get? As any normal travel service works, they get payments every time they issue a ticket and they will profit from this?

MS. MYERS: I don't think that's a problem. I will review what the financial setup is with the White House, but it is our belief that they provided a good service during the campaign and they have offered to come in on an interim basis and to serve our needs on very short notice.

Q But they haven't come in

-

offered to come in pro bono or anything. They're still going to make money on it.

MS. MYERS: I don't believe so but I will double-check.

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Q How do you respond to Billy Dale's allegation that he tried -

-

he requested meetings with you and George from the beginning of the administration to find out what their status was and what you wanted them to do and he was refused?

MS. MYERS: I can't speak for George, but I know Billy Dale never ever asked me for a meeting. I would have been happy to meet with him.

Q Have they been treated fairly, Dee Dee?

MS. MYERS: I believe they have given the -

-

this is not pleasant for anyone; I want to make that point. This isn't something we sought to do. It isn't something that any of us have enjoyed. I think it's an unpleasant, unfortunate experience for everyone involved. But the point is we began a review as part of an overall administrative review. That turned up information that we thought forced us to take very direct action, and we did so. It's too bad.

Q Dee Dee, is there any way to specifically assess for us how long this has been going on -

-

the shoddy mismanagement?

MS. MYERS: Oh, I have no idea. I don't. I can't speak to that.

Q Dee Dee, refresh my memory. Is David Watkins also from Little Rock?

MS. MYERS: Yes. He was the Deputy Campaign Manager for Administration and runs the administrative office.

Q And what was his job in Little Rock?

MS. MYERS: He the administrative person. He was sort of like the CFO of the campaign.

Q No, I mean before the campaign.

MS. MYERS: He's a businessman.

Q Which businesses?

MS. MYERS: A variety of different businesses. I can get you a bio on him, if you'd like.

Q Did he have any association with this Worldwide Travel?

MS. MYERS: I don't believe so.

Q Did anybody in the campaign?

MS. MYERS: I don't know how they first came to us. Obviously, somebody in the campaign brought them in. They're a Little Rock-

based company, which is something -

-

we used a lot of Little Rock based vendors. It was something that we thought was a good thing for the community since we ran our campaign from there.

Q You don't think it shows evidence of favoritism in this instance?

MS. MYERS: No, I think that given the short-

term nature of the contract and our immediate needs, that it's natural that we would turn to somebody that we had worked with before that understood us and knew some of the folks here.

Q I believe you said in the public briefing yesterday that several charter agency -

-

several other airlines had wanted to bid for a White House travel and had not been able to. And I believe the Correspondents Association was involved during the period that the former charter, Pan Am, went under, and the Travel Office had to search for and find people to do the White House charter. Would you provide to us the names or the contacts of any of the charter agencies that were denied the ability to bid on White House travel?

ARMS Email System

MS. MYERS: I took that question.

Q That's a different question.

MS. MYERS: Slightly different variation. But you want to know what -

-

Q I wasn't asking particularly about ownership of it, and it was not based on a background. I'm asking about your public comments yesterday that others had asked to bid and had been denied.

Q Can you go get us the names -

-

the principals in Worldwide Travel who now stand to profit? And I'm curious, since there have been a lot of complaints from people who traveled during the campaign about Worldwide's operation, have you thought of perhaps auditing the travel campaign to see whether there was similar mismanagement by Worldwide?

MS. MYERS: I believe -

-

Worldwide is a private business. It's not our business to audit or not to audit. We believe we got good service from them. It is our responsibility to audit money managed by the White House and that's why we chose to take that course of action. I think we have found Worldwide has provided us good service. They're a reputable company. I'd be happy to get you more information about Worldwide.

Q The principals and the -

-

also, on the haircut, is it not correct that the President had another haircut in New Mexico the day before that?

MS. MYERS: That is not correct.

Q The stories about the President being made up and shaved and so on at this guy's place in New Mexico on Monday are not true?

MS. MYERS: What guy's place -

-

made up -

-

Q There was an AP wire story on it yesterday.

Q What kind of make-

up? (Laughter.)

MS. MYERS: I believe I was with the President all day in New Mexico and did not see him -

-

I'm quite sure he did not get a haircut.

Q Sounds like you're splitting hairs. (Laughter.)

Q Dee Dee, one last thing on the very same subject. Can you confirm that a couple of weeks ago when the President came back from a trip at Andrews that they sat on the runway while he had dinner on Air Force One? Is that correct?

MS. MYERS: This is the first I've heard of that.

Q For another hour or 45 minutes.

MS. MYERS: I'll be happy to take it. I never heard that.

Q When you come back with answers for a number of these questions that you've taken here today -

-

MS. MYERS: I'll do so in a public forum.

Q Thank you.

ARMS Email System

Q That would be nice.

Q Thank you.
END 10:55 A.m. EDT

ARMS Email System

RECORD TYPE: PRESIDENTIAL (RECONSTRUCTED EMAIL)

CREATOR: Jonathan P. Gill (GILL_J) (WHO)

CREATION DATE/TIME: 20-MAY-1993 13:23:00.00

SUBJECT: President's Remarks in Q&A with the Press 5.20.93

TO: (202) 456-6444 (WNS_1) (WHO)
READ: UNKNOWN

TO: Christian M. Baldia (BALDIA_C) (WHO)
READ: UNKNOWN

TO: Janet Handal (HANDAL_J) (WHO)
READ: UNKNOWN

TO: Remote Addressee (1=US@2=TELEMAIL@3=INTERNET@*RFC-822\JGILL(A)NSF.GOV@MRX@EOPMRX) (DEFAULT)
READ: UNKNOWN

TO: Remote Addressee (JIM KOHLBERGER@EOP_OVP@CCGATE@EOPMRX) (DEFAULT)
READ: UNKNOWN

TO: Liz Bowyer (BOWYER_L) (WHO)
READ: UNKNOWN

TO: Alan J. Stone (STONE_A) (WHO)
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TO: Thomas O. Levenberg (LEVENBERG_T) (WHO)
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TO: Jeffrey L. Riler (RILER_J) (WHO)
READ: UNKNOWN

TO: Lisa Mortman (MORTMAN_L) (WHO)
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TO: Ernest D. Gibble (GIBBLE_E) (WHO)
READ: UNKNOWN

TO: Patricia A. Enright (ENRIGHT_P) (WHO)
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TO: Jonathan P. Gill (GILL_J) (WHO)
READ: UNKNOWN

TO: Richard Strauss (STRAUSS_R) (WHO)
READ: UNKNOWN

TO: Maria M. Tio (TIO_M) (WHO)
READ: UNKNOWN

TO: Joshua N. Silverman (SILVERMAN_J) (WHO)
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TO: Jess Sarmiento (SARMIENTO_J) (WHO)
READ: UNKNOWN

TO: Lavora R. Barnes (BARNES_L) (WHO)
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TO: C. Patricia Cogdell (COGDELL_C) (WHO)
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TO: Kimberly S. Hopper (HOPPER_K) (WHO)
READ: UNKNOWN

TO: Lorraine A. Voles (VOLES_L) (WHO)
READ: UNKNOWN

TO: Margaret C. Sherry (SHERRY_M) (WHO)
READ: UNKNOWN

TO: Elizabeth A. Bernstein (BERNSTEIN_E) (WHO)
READ: UNKNOWN

TO: Carolyn Curjel (CURIEL_C) (WHO)
READ: UNKNOWN

TO: David B. Anderson (ANDERSON_D) (WHO)
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TO: Roy Neel (NEEL_R) (VPO)
READ: UNKNOWN

TO: Thurgood Marshall, Jr (MARSHALL_T) (VPO)
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TO: Greg Simon (SIMON_G) (VPO)
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TO: Remote Addressee (MARLA E. ROMASH@EOP_OVP@CCGATE@EOPMRX) (DEFAULT)
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TO: Leon Fuerth (FUERTH_L) (VPO)
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TO: Jack Quinn (QUINN_J) (VPO)
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TO: Katie McGinty (MCGINTY_K) (VPO)
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TO: Remote Addressee (SALLY J. AMAN@EOP_OVP@CCGATE@EOPMRX) (DEFAULT)
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TO: Kukis, Heidi (HEIDI KUKIS@EOP_OVP@CCGATE@EOPMRX) (DEFAULT)
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TO: Remote Addressee (JIM KOHLENBERGER@EOP_OVP@CCGATE@EOPMRX) (DEFAULT)
READ: UNKNOWN

TO: Ethan J. Zindler (ZINDLER_E) (WHO)
READ: UNKNOWN

TEXT:

THE WHITE HOUSE
Office of the Press Secretary

For Immediate Release May 20, 1993

REMARKS BY THE PRESIDENT
IN Q&A WITH THE PRESS

The South Lawn

12:50 P.M. EDT

Q Mr. President, can you talk to us?

Q Can you accept Senator Boren's entitlement cuts?

Q What's your reaction to Senator Boren's compromise with Danforth?

THE PRESIDENT: Well, my first reaction was that it was a huge shift in lowering taxes on people with incomes above \$100,000 and hurting people, both elderly people and working people just barely above the poverty line. It's basically a \$40 billion shift away from wealthy Americans right on to people just above the poverty line.

the elderly and the working poor. So I don't think that's -- I don't support that. I think that's a mistake.

Q Would you rule out that kind of compromise to get rid of the energy tax?

THE PRESIDENT: I think that that is not a good thing to do, if you read the details of it. Obviously, the main purpose of some of them is to do away with the BTU tax; but the mechanics shift over \$40 billion away from people with incomes above \$135,000 down to people --

elderly and working people just barely above the poverty line. I don't think that's good. There is also another provision which, if it's implemented in the way they propose, would continue to

ARMS Email System

shift health care costs onto private citizens and private employers, which would hurt the economy and hurt jobs. So those are the two things which concern me.

Otherwise, I'm glad to have people talking and coming up with new ideas. But those are bad things.

Q -

-

have you essentially heard enough -

-

THE PRESIDENT: I can just tell you what -

-

I've given you my answer. I don't think we should be

-

make

-

look, we had 12 years where we made this economy more unequal and unfair. And to move \$40 billion off of upper income people to people barely above the poverty line it seems to me is not a good way to go.

END12:55 P.M. EDT

ARMS Email System

RECORD TYPE: PRESIDENTIAL (RECONSTRUCTED EMAIL)

CREATOR: S. Collier Andress (ANDRESS_S) (WHO)

CREATION DATE/TIME:20-MAY-1993 17:32:00.00

SUBJECT: talking points- boren- danforth

TO: George Stephanopoulos (STEPHANOPO_G) (WHO)
READ: UNKNOWN

TO: Ricki Seidman (SEIDMAN_R) (WHO)
READ: UNKNOWN

TO: David Dreyer (DREYER_D) (WHO)
READ: UNKNOWN

TO: Jeffrey L. Eller (ELLER_J) (WHO)
READ: UNKNOWN

TO: Robert O. Boorstin (BOORSTIN_R) (WHO)
READ: UNKNOWN

TO: Michael Waldman (WALDMAN_M) (WHO)
READ: UNKNOWN

TO: Ann F. Walker (WALKER_A) (WHO)
READ: UNKNOWN

TO: David Kusnet (KUSNET_D) (WHO)
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TO: Lorraine A. Voles (VOLES_L) (WHO)
READ: UNKNOWN

TO: Dee Dee Myers (MYERS_D) (WHO)
READ: UNKNOWN

TO: Keith Boykin (BOYKIN_K) (WHO)
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TO: Amanda Crumley (CRUMLEY_A) (WHO)
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TO: Jason Solomon (SOLOMON_J) (WHO)
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TO: Liz Bowyer (BOWYER_L) (WHO)
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TO: David Leavy (LEAVY_D) (WHO)
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TO: Kathy McKiernan (MCKIERNAN_K) (WHO)
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TO: Jeremy M. Gaines (GAINES_J) (WHO)
READ: UNKNOWN

TO: Steven A. Cohen (COHEN_SA) (WHO)
READ: UNKNOWN

TO: Dawn A. Alexander (ALEXANDER_DA) (WHO)
READ: UNKNOWN

TO: David Seldin (SELDIN_D) (WHO)
READ: UNKNOWN

TO: Eric Berman (BERMAN_E) (WHO)
READ: UNKNOWN

TO: Meeghan E. Prunty (PRUNTY_M) (WHO)
READ: UNKNOWN

TO: Carter Wilkie (WILKIE_C) (WHO)
READ: UNKNOWN

TO: Kimberly Tilley (TILLEY_K) (WHO)
READ: UNKNOWN

TO: Ken Chitester (CHITESTER_K) (WHO)
READ: UNKNOWN

TO: Julie Oppenheimer (OPPENHEIME_J) (WHO)
READ: UNKNOWN

TO: Marla Romash (ROMASH_M) (VPO)
READ: UNKNOWN

TO: Lisa M. Caputo (CAPUTO_L) (WHO)
READ: UNKNOWN

TO: Gene Sperling (SPERLING_G) (OPD)
READ: UNKNOWN

TO: Stuart E. Trevelyan (TREVELYAN_S) (WHO)
READ: UNKNOWN

TO: Nestor M. Davidson (DAVIDSON_N) (WHO)
READ: UNKNOWN

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TO: Alexis Herman READ: UNKNOWN	(HERMAN_A) (WHO)
TO: Regina T. Montoya READ: UNKNOWN	(MONTOYA_R) (WHO)
TO: Bernie Nussbaum READ: UNKNOWN	(NUSSBAUM_B) (WHO)
TO: Howard Paster READ: UNKNOWN	(PASTER_H) (WHO)
TO: Susan Brophy READ: UNKNOWN	(BROPHY_S) (WHO)
TO: Steve Ricchetti READ: UNKNOWN	(RICCHETTI_S) (WHO)
TO: Lorraine C. Miller READ: UNKNOWN	(MILLER_L_) (WHO)
TO: John Podesta READ: UNKNOWN	(PODESTA_J) (WHO)
TO: Carol Rasco READ: UNKNOWN	(RASCO_C) (OPD)
TO: Bruce Reed READ: UNKNOWN	(REED_B) (OPD)
TO: Robert E. Rubin READ: UNKNOWN	(RUBIN_R) (OPD)
TO: Eli J. Segal READ: UNKNOWN	(SEGAL_E) (WHO)
TO: Christine A. Varney READ: UNKNOWN	(VARNEY_C) (WHO)
TO: Roy Neel READ: UNKNOWN	(NEEL_R) (VPO)
TO: Margaret A. Williams READ: UNKNOWN	(WILLIAMS_MA) (WHO)
TO: Rahm Emanuel READ: UNKNOWN	(EMANUEL_R) (WHO)
TO: Mark Gearan READ: UNKNOWN	(GEARAN_M) (WHO)
TO: Timothy J. Keating READ: UNKNOWN	(KEATING_T) (WHO)
TO: Unice B. Lieberman READ: UNKNOWN	(LIEBERMAN_U) (WHO)
TO: Dwight Holton READ: UNKNOWN	(HOLTON_D) (WHO)
TO: Lisa Mortman READ: UNKNOWN	(MORTMAN_L) (WHO)
TO: Jonathan P. Gill READ: UNKNOWN	(GILL_J) (WHO)
TO: Jocelyn Jolley READ: UNKNOWN	(JOLLEY_J) (WHO)
TO: Todd Stern READ: UNKNOWN	(STERN_T) (WHO)
TO: Stephen B. Silverman READ: UNKNOWN	(SILVERMAN_S) (WHO)
TO: Jonathan M. Prince READ: UNKNOWN	(PRINCE_J) (WHO)
TO: Kathleen L. O'Neill READ: UNKNOWN	(ONEILL_K) (WHO)
TO: Karen L. Hancox READ: UNKNOWN	(HANCOX_K) (WHO)
TO: Margaret C. Sherry READ: UNKNOWN	(SHERRY_M) (WHO)
TO: Carolyn Curiel READ: UNKNOWN	(CURIEL_C) (WHO)
TO: Jess Sarmiento READ: UNKNOWN	(SARMIENTO_J) (WHO)
TO: Erich Vaden READ: UNKNOWN	(VADEN_E) (WHO)
TO: Christine A. Varney READ: UNKNOWN	(VARNEY_C) (WHO)

ARMS Email System

TO: Natalie S. Wozniak (WOZNIAK_N) (WHO)
READ: UNKNOWN

TO: R. Paul Richard (RICHARD_R) (WHO)
READ: UNKNOWN

TO: Joshua Silverman (SILVERMAN_J) (WHO)
READ: UNKNOWN

TO: Andre C. Oliver (OLIVER_A) (WHO)
READ: UNKNOWN

TO: Maria M. Tio (TIO_M) (WHO)
READ: UNKNOWN

TO: Elizabeth A. Bernstein (BERNSTEIN_E) (WHO)
READ: UNKNOWN

TO: Julie A. Nash (NASH_J) (WHO)
READ: UNKNOWN

TEXT:

PRINTER FONT 12_POINT_ROMAN
May 20, 1993

To: WHITE HOUSE STAFF
From: Gene Sperling & John Angell
Subject: Boren-Danforth

Attached are talking points on the Boren Danforth proposal. They have decided to release specifics on the policy choices they propose to get \$114 billion to meet their entitlement cap. Most of these specifics involve cuts in Medicare and Medicaid. Some of these are cuts that might be reasonable in the context of paying for a health care plan. In the absence of such a plan, they will simply be hard on states, the poor and the elderly. OMB is currently working on an analysis of each measure.

HORIZONTAL_PITCH 17
PRINTER FONT 7_POINT_ROMAN
5/20/92 g.s.
HORIZONTAL_PITCH 10
PRINTER FONT 12_POINT_ROMAN
TALKING POINTS ON BOREN-

DANFORTH

Finally, we see some of what an alternative would look like. THE CLINTON/GORE PLAN:

- * The Clinton package cuts \$496 billion from the deficit, with \$255 billion in spending cuts and \$241 billion in tax increases. Included in the spending cuts were \$100 billion in entitlement caps.
- * There are three dollars in spending cuts for every dollar in new investments.
- * 75% of tax increases fall on the top 6% of Americans according to the CBO. The plan we had was strong, but fair. The only tax that affected middle class America was a BTU tax. Yet, we increased the Earned Income Tax Credit to benefit 10 million working families. The tax does not even take affect until the summer 1994. When it does, it is phased in three years. It would cost the average family making \$40,000 only \$1 a month in 1994, \$7 a month in 1995, and \$17 a month in 1997. Families making under \$30,00 would, on the whole, be held harmless.

HORIZONTAL_PITCH 17
PRINTER FONT 7_POINT_ROMAN
THE BOREN-

DANFORTH ALTERNATIVE:

- * They acknowledge that the Clinton plan has significant net spending cuts. They say the Clinton plan has \$174 billion in net spending cuts, while the actual number is \$255.
- * They claim to cut \$122 billion in taxes, while adding \$163 billion in spending cuts.

But lets look closer:

- * They cut Social Security benefits for 27 million middle class Americans, who now find that if they get \$7,200 in benefits to live on, some in Washington believe they should have their COLAs cut on everything over that by 2%.
- * Another \$15 billion is cut in the Earned Income Tax Credit, which benefits 14 million working families trying to stay above the poverty line.
- * \$50 billion of the taxes they cut are taxes that are nearly exclusively for upper income Americans - those with incomes of well over \$100,000.

* On top of the \$56 billion already included in the President's plan, they are asking for an additional \$114 billion in Medicare and Medicaid cuts. Some of these cuts might be

reasonable in the context of paying for a health care plan. In the absence of such a plan, they will simply be hard on states, the poor and the elderly. In particular:

- 1) It will cause hardship to millions of Americans, while leading to major cost-shifting to the private sector, thereby further driving up the cost of health care for average Americans.
- 2) States will lose at least \$31 billion in Medicaid and AFDC matching funds. Their specific health care cuts and AFDC cuts are designed to hit the poor and elderly disproportionately hard, and put tremendous burdens on states and put pressure on them to raise state and local taxes to make up the federal cuts.

3) If these cuts are made without health care reform, they will amount to a direct cut on the

poor and the elderly.

4) This entitlement cap could jeopardize rational attempts in health care reform to control spending. It will make it extremely hard to pay for national health reform, since they would be crudely taking away significant potential health care savings now to make up for their policy changes.

EXAMPLE OF WHAT THEY CUT AND WHAT THEY PAY FOR

If you want to know the type of choices this plan makes, consider the following three choices they make:

1. TAX CUT: They take away \$29 billion from the Clinton deficit reduction plan by lowering the Medicare increase on individuals making over \$130,000.

HOW THEY CUT: They have to pay for most of it by cutting the Social Security benefits of 27 million Social Security recipients who receive benefits of over only \$7,200 a year.

2. TAX CUT: An across-the-board capital gains tax cut, on top of the new one the President has already proposed. This will benefit the wealthiest Americans overwhelmingly without ensuring that it is targeted to job creating small businesses.

HOW THEY PAY FOR IT: They cut \$15 billion from the Earned Income Tax Credit, a program that goes to 14 million working families in danger of being below poverty line.

3. TAX CUT: They get rid of the energy tax. The BTU does have costs for many Americans. Yet, our energy tax holds harmless families under \$30,000. It does not even start until July 1994. It phases in over three years after that, costing the average family making \$40,000 only \$1 a month in 1994, \$7 a month in 1995 and \$17 a month when fully phased in during FY1997.

HOW THEY PAY FOR IT: This is paid for with \$114 billion in entitlement cuts. Most of it comes from Medicare and Medicaid, which -- in the absence of national health reform -- will cause major shifting of costs to the states and the private sector.

The result? The shift to the private sector will raise the costs of health care for average families and businesses, while the shift to the states will pressure the raising of state and local taxes. Most of all, it is a hard hit at the poor and the elderly.

ADDITIONAL BACKGROUND ON BOREN-

DANFORTH

- * If this Cap stays limited to Finance Committee programs, it will potentially hit these programs.
 - Medicare
 - Medicaid
 - Military and Civilian Retirement
 - Disability (SSI)
 - Unemployment Compensation
 - Title XX Social Services
 - APDC
 - Child Support Enforcement
 - Trade Adjustment Assistance
 - Foster Care and Adoptions Assistance
 - Child Care
 - Vaccine Injury Compensation
 - Black Lung Benefits
- * Other programs that could be hit with a full-entitlement cap, include
 - Social Security
 - Guaranteed Student Loans
 - Veterans Pensions and Benefits
 - Farm Price Supports
 - Title XX Social Services
 - Military and Civilian Retirement
 - Food Stamps
 - Child Nutrition

* The Administration has already proposed substantial cuts in entitlement spending.

HORIZONTAL_PITCH 10

PRINTER FONT 12_POINT_ROMAN

#8

Medicare savings
Medicaid savings
Agriculture programs
COLA delays for military retirees
COLA delays for civilian retirees
End Lump Sum retirement benefit for Federal employees
Pay restraint and other reductions for Federal workers
Veterans programs

#9

-\$48.0
billion
-\$8.3
billion
-\$3.0
billion
-\$2.3
billion
-\$.8
billion
-\$8.8
billion
-\$49.6
billion

ARMS Email System

-\$2.6
billion

\$8

HORIZONTAL_PITCH 17

PRINTER_FONT 7_POINT_ROMAN

Health Care spending is the fastest rising entitlement program. Our health care plan will directly take on the issue of how to control these runaway costs. Furthermore, an inflexible entitlement cap could jeopardize rational attempts in health care reform to control spending.

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CREATOR: Jonathan P. Gill (GILL_J) (WHO)

CREATION DATE/TIME: 21-MAY-1993 19:01:00.00

SUBJECT: Press Briefing by George Stephanopoulos 5.21.93

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TO: Remote Addressee (1=US@2=TELEMAIL@3=INTERNET@*RFC-822\JGILL(A)NSF.GOV@MRX@EOPMRX) (DEFAULT)
READ: UNKNOWN

TO: Remote Addressee (JIM KOHLENBERGER@EOP_OVP@CCGATE@EOPMRX) (DEFAULT)
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TO: Liz Bowyer (BOWYER_L) (WHO)
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TO: Jeffrey L. Eiler (EILER_J) (WHO)
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TO: Patricia A. Enright (ENRIGHT_P) (WHO)
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TO: Jonathan P. Gill (GILL_J) (WHO)
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TO: Richard Strauss (STRAUSS_R) (WHO)
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TO: Kimberly S. Hopper (HOPPER_K) (WHO)
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TO: Elizabeth A. Bernstein (BERNSTEIN_E) (WHO)
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TO: David B. Anderson (ANDERSON_D) (WHO)
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TO: Roy Neel (NEEL_R) (VPO)
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TO: Thurgood Marshall, Jr (MARSHALL_T) (VPO)
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TO: Greg Simon (SIMON_G) (VPO)
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TO: Remote Addressee (MARIA E. ROMASH@EOP_OVP@CCGATE@EOPMRX) (DEFAULT)
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TEXT:

THE WHITE HOUSE
Office of the Press Secretary

For Immediate Release May 21, 1993

PRESS BRIEFING
BY GEORGE STEPHANOPOULOS
The Briefing Room

4:10 P.M. EDT

MR. STEPHANOPOULOS: The White House has received a final report by the accounting firm of Peat, Marwick regarding its study of the White House Travel Office. We are making this report available to the FBI and the public this afternoon.

The FBI has determined from the information it has already obtained that additional criminal investigation of the operations of the White House Travel Office is warranted.

Before summarizing the findings of the Peat, Marwick report, which we will be handing out to you, let me begin by explaining why the White House has been moving aggressively to reform the operations of this office. The White House Travel Office is responsible for travel arrangements such as chartering aircraft for the members of the White House press corps and staff who accompany the President on trips. This office handled \$11 million in the last 16 months, reimbursements from news organizations which participated in trips. It appears now that these funds were handled without adequate accounting procedures.

Even though these funds belonged to private corporations and not the public, the White House believes that this operation, like every other, must function with professional business practices, efficiency and integrity. We have and will continue to review all White House and Executive Branch operations, as we have done since the transition, to ensure that these offices are in compliance with all these standards.

In the course of working at the White House and reviewing our operations we began to accumulate information indicating that the White House Press Travel Office was not being run in a professional or efficient manner. For example, when arranging

for travel by the White House press corps the Travel Office did not typically accept competitive bids from charter companies, the effect of which would have brought down the cost of this travel. We believe that is wrong and we have changed this practice.

Because we have moved to a competitive bidding process the White House press corps will travel with the President tomorrow on a better plane than the current company operates, with savings of \$8,000. Such savings will multiply with each trip made by the press corps.

Similarly, as the Wall Street Journal reported this morning, in booking individual airline trips for White House staff, the Travel Office did not always or generally seek the lowest possible price for the tickets being purchased.

Because we have a fiduciary responsibility to the media operations whose money is spent by that office, and because the President has a responsibility to the public to ensure that all White House operations are run efficiently, we chose to engage an independent accounting firm whose job it was to verify whether the practices and procedures of the office met professional standards.

Given the nature of the initial information we had collected, the Office of the White House Counsel sought the advice of the FBI. After meeting with the accounting firm's representatives on Saturday, the FBI determined there was sufficient reason to pursue a criminal investigation. The next step in that investigation is for the FBI to review the report from Peat, Marwick.

Let me take a moment to review those findings. There is a lack of basic accounting systems or records you would expect to exist when you are handling money. The record keeping is informal, sloppy, and disorderly. The office had no general ledger, no cash receipts book, and no accounts payable system.

The office is missing documentation in several areas, in particular, petty cash transactions. Eight checks from 1992 to 1993 totaling \$18,200 were written to cash. There is no supporting documentation available to determine the status of this money.

There was an absence of documentation between the White House Travel Office and the principal charter company. No contracts, nothing to spell the terms and conditions for the arrangement. Such documentation did exist with regard to international travel.

These and other findings are written into the Peak, Marwick report.

It is never easy to terminate people who serve at the pleasure of the President. Especially people who have served long tenures in their jobs. We could not, however, fail to act in the face of these findings. In fact, it would be irresponsible not to act. That is why we called for the review; that is why we acted upon the review; and that is why the FBI is investigating today. The White House has acted diligently and deliberately in dealing with problems that, at their minimum, suggest a long period of mismanagement in this office.

Questions?

Q Is there any indication that there's any criminal activity?

MR. STEPHANOPOULOS: The indication -

-
I would just refer you to the White House -

-
I mean, to the FBI statement, that, according to the FBI -

-
and I'm just quoting from the FBI statement -- that that contact produced sufficient information for the FBI to determine that additional criminal investigation is warranted.

Q George, we're still left with the question that was asked here yesterday -

-
you can link two of the people in the office who had access to the bank account to these practices involving the funds. The other five, however, neither you, nor your associates who have been asked about this before have been able to say that they were fired because of these practices. Can you now say, anymore than you could two days ago, about the activities of the other five?

MR. STEPHANOPOULOS: I think we have to separate the issues of sloppy accounting, overall mismanagement, and possible criminal activity. David Watkins, the Assistant to the President for Administration, believed in the face of these findings, in the face of the overall performance review, and in the wake of all of his experience in, one, in business and also in the White House over the

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last several months, that the best way to proceed from a management perspective was to replace everyone in the office.

Q I know George, but that leaves the question unanswered. Can you now say anymore than you could two days ago about the other five members of the Press Travel staff -

-

the White House Travel staff who did not have access to the bank account and who were not involved in the disposition of funds?

MR. STEPHANOPOULOS: I don't know who did what in the office specifically. The Peat, Marwick report documents the sloppy accounting procedures and throughout the office.

Q Does it identify people by name other than the two who had access to the bank account?

MR. STEPHANOPOULOS: I don't believe so.

Q George, can you clear up questions about Mr. Watkins' prior relationship, business relationship, with World Wide Travel; whether he had a vested interest in this outcome? The memo certainly suggests that there was a predetermination in February that the White House wanted to replace the Travel Office before this accounting procedure was looked into.

MR. STEPHANOPOULOS: Well let's take -

-

Q And secondly, what the role of Harry Thomason was, whether there was any inside

outside influence by people close to the President?

MR. STEPHANOPOULOS: Right. Let me take them one at a time. First of all, I mean, let's talk about the memo to begin with. This is a memo by a low-

level staffer -

-

Q How low level? She's going to head the Travel Office.

MR. STEPHANOPOULOS: On February 15th she was a low-

level staffer who did a memo analyzing current operations. That memo was given to David Watkins and he filed it.

Q A remarkably prescient memo, wouldn't you say, in light of the outcome of things? (Laughter.)

Q Can you finish the answer?

MR. STEPHANOPOULOS: And I think that, to go further, that memo was filed. In fact, we did not act upon that memo. That memo was written on February 15th. We acted in May, after a review by an accounting firm and by six people in a highly respected accounting firm who went through all the operations of the office and after the FBI, after consulting with that accounting firm, determined that there was reason to go forward with a criminal investigation.

Q Does David Watkins have a conflict of interest in this matter, and what was the role and the timing of the role of Harry Thomason?

MR. STEPHANOPOULOS: David Watkins had a relationship in the past when he was in the private sector with World Wide Travel. I believe World Wide Travel was a client. But subsequent to that, World Wide Travel, I would remind you, worked for the Clinton campaign, did a good job for the Clinton campaign. That is why we reached out to them.

As to the role of Harry Thomason, as I said yesterday, he did contact the White House Travel Office in the White House, it is my understanding, seeking information for charter companies. He is not bidding, to my knowledge, he is not bidding on any of the contracts.

Q And when did he do that, and has he ever discussed this with the President?

MR. STEPHANOPOULOS: I don't know when the timing was. I don't know what the timing was of the contact with the White House. I don't know the specific nature of the contact. I believe that he was seeking information on behalf of other charter companies. He may have mentioned it to the President. He did not have any long detailed discussion. I believe his detailed discussions were with David Watkins.

ARMS Email System

Q When you say he may have mentioned it to the President, clearly you know something -

-

you've asked the President whether this was discussed with him?

MR. STEPHANOPOULOS: It wasn't discussed. He had mentioned something about the Travel Office at some point, but it was just a brief passing reference.

Q Is it a mistake really, though, to have Cathy Cornelius, who wrote this memo suggesting this, now helping to run the office that she suggested be abolished?

MR. STEPHANOPOULOS: Again, Cathy Cornelius worked in the travel office. She worked in the travel office during the campaign. She is taking a relatively low level -

-

she had a relatively low level position. She will not be running the Travel Office in any way. She is going to be helping coordinate the travel in this office. It will be run by the Director of Administration and another person from the OMB who will be handling the money. She is not going to be handling billing or financial procedures.

Q What prompted the memo, her memo? And how come it came long before the national whatever review -

-

performance review, and so forth, and yet it was attributed to that -

-

this whole shakeup?

MR. STEPHANOPOULOS: We had reviews going on throughout the transition and beyond.

Q She was assigned to look over the office and -

-

MR. STEPHANOPOULOS: I don't know she was assigned necessarily

-

it may have been something she did on her own initiative.

Q She did it on her own?

MR. STEPHANOPOULOS: I honestly don't know.

Q Isn't that peculiar?

MR. STEPHANOPOULOS: Not necessarily. A lot of people, when they're going through looking for -

-

she had expressed an interest in working in the Travel Office. I think there's no question about that.

Q Do you think it's purely a coincidence that what has happened now is so remarkably like the very prescriptions that she made in terms of which travel agency and who would be in charge and how it would be run? That's all a coincidence?

MR. STEPHANOPOULOS: What I'm suggesting is that we did not act on that memo.

Q So the fact that things came out much as the memo suggested is a coincidence?

MR. STEPHANOPOULOS: Not exactly. I mean, I think that in her memo -

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Q I didn't say exactly. I said much

-

MR. STEPHANOPOULOS: No, but it's -

she proposed that she run an office at a very high salary. Instead she is having a coordinator's job at half the salary.

Q Why did she suggest that she run it at a high salary?

MR. STEPHANOPOULOS: I don't know.

Q You don't know?

MR. STEPHANOPOULOS: But it wasn't acted on.

Q How do you suppose she proposes World Wide Travel and, lo and behold, here we have World Wide Travel? That just happened?

MR. STEPHANOPOULOS: First of all, I would remind you World Wide Travel is being done on an interim basis. We are putting out requests for proposals for a competitive bidding process. And that will be done over the next 90 days.

Q How do you competitive bid a travel agent?

MR. STEPHANOPOULOS: Travel agents will come in and say how they can run the office and make a bid.

Q There's been a suggestion that Cathy Cornelius, over the past month, has worked in that White House Travel Office, having access to all of the documents, all of the information included. Has she also been asked to be put on administrative leave while this FBI investigation is underway, and is she under investigation as well since she spent the last month working in this office?

MR. STEPHANOPOULOS: Not to my knowledge. She was put in that office doing a job that wasn't being done, that in the past had been done by advance people, and that was booking hotel rooms and other travel arrangements -

booking hotel rooms for staff traveling with the President.

Q But there's some suspicion -

at least some of the people who were dismissed are raising the possibility that she, herself, might have done something that could have caused some of these irregularities that you're now suggesting.

MR. STEPHANOPOULOS: I know nothing about that.

Q She was put in that office, George. Did she report to Billy Dale as head of the office, or to somebody else?

MR. STEPHANOPOULOS: Well, David Watkins is the Director of Administration; I believe he has overall responsibility for that.

Q So she reported to David Watkins?

MR. STEPHANOPOULOS: I don't know who she specifically reported to. I know that David Watkins has ultimate responsibility for that.

Q And can you say if you're responding in any way, or the President is, to the letter from Senator Bond?

MR. STEPHANOPOULOS: Certainly we will have a response. We don't have it now.

Q Was Billy Dale ever asked about the \$18,000?

MR. STEPHANOPOULOS: He went through this with the auditors over the weekend.

Q And they were not satisfied with his answer?

MR. STEPHANOPOULOS: There was no documentation at all.

Q I mean, did he have an answer?

MR. STEPHANOPOULOS: Again, I can only say that the report says that there was absolutely no documentation for these petty cash checks.

Q Was there any explanation?

MR. STEPHANOPOULOS: Again, I don't know what the auditor said. It's not the auditor's job to evaluate explanations. Their job is to go over the accounting procedures, and they determined there was absolutely no documentation, no records of any kind.

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Q Sometimes you have to take someone's word.

MR. STEPHANOPOULOS: The problem here is that we had eight checks totally \$18,200 that had no documentation whatsoever. There were, I think, approximately 56 other checks which had problems with the documentation as well, totally several thousand dollars. And it was running throughout the office; there was a problem with no documentation, no accounting procedures.

Q Who were the checks written to?

MR. STEPHANOPOULOS: There were eight different checks for cash. And the other ones, the 56 were other checks for reimbursables which had inadequate accounting.

Q When you say the memo was filed, what do you mean by that? Did David Watkins not even read the memo?

MR. STEPHANOPOULOS: He says he did not read it at the time, no.

Q Did anyone else read the memo?

MR. STEPHANOPOULOS: Not to my -

I don't know where else it was circulated. David Watkins says it was given -

-

Q She did it on her own.

Q Has he read it yet?

MR. STEPHANOPOULOS: David Watkins? I don't know that he's read it.

Q George, now that you've read the memo -

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MR. STEPHANOPOULOS: I haven't really read it that closely.

Q Well, I can read you a piece of it. There's a part where she talks about the Travel Office as being overly pro-

press. Do you agree with that assessment, and if not, why is somebody who thinks the Travel Office is overly pro-

press being put in a position of some authority there?

MR. STEPHANOPOULOS: All I can say is we're looking to run a travel office that is going to do the best job at the lowest possible cost for the press. And we see the evidence of that this weekend. This weekend we've done a competitive bid and we've come up with a plane that has more first-

class seats than have been had in the past on press charters -

-

far more. In fact, I think it's all first class seats on the plane -

-

at a cost \$8,000 less than the press organizations have been paying. I mean, I think that shows what we're trying to do is serve the press in the best way that we can -

-

best quality at the lowest cost. And that's what we're trying to provide.

Q

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you respond to this memo to take people who have served from administration to administration and replace them with people who are politically loyal to the President, if not in fact hostile to the press or at least not accessible to the press or happy with the press? Why is that happening? And what do you say to people who talk about how you're trying to politicize a nonpolitical office?

MR. STEPHANOPOULOS: That's not what's happening. I think what you find when you look at the Peat, Marwick report is that

we've had over long periods of time -

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and this report only covers the last 16 months, but it's my understanding that there have been reviews like this in the past and these questions of mismanagement have come up in the past. And clearly now we have a report which shows that this operation is not being run in a professional manner, it's being run with sloppy accounting procedures, no accurate

-

no ability to account accurately the money that your organizations are spending. And that's not the kind of thing we're going to tolerate. We're going to try and end that kind of mismanagement. We're going to try and do it better in the interests of serving the press.

Q People look at this and it looks like you're politicizing the White House.

MR. STEPHANOPOULOS: Well, I think when people look at it what they see is that in the course of just a few days we've already saved \$8,000 and come up with a better plane. What they're seeing is that we're trying to run it in a better, more efficient manner.

Q You said that Harry Thomason mentioned something to the President about the Travel Office. What did he say, when did he say it to the President?

MR. STEPHANOPOULOS: I don't know. Dee Dee asked the President. He said that he may have mentioned something to me at sometime a long time ago. It wasn't a detailed conversation in any way.

Q Did the President take any action or make any comments -

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MR. STEPHANOPOULOS: Not to my knowledge. I know that Harry did have longer discussions with David Watkins and others in the Administration and Travel Offices.

Q Can you tell us what others?

MR. STEPHANOPOULOS: I don't know who he specifically spoke to. I know there were contacts of some kind, just seeking information.

Q David Watkins said -

-

Q Can I ask about the original relationship with World Wide? The owner of the company who is the sole owner and has been for many years and who is the closest associate with David Watkins here, said she sort of carried the campaign in its early days when they didn't have any money and agreed to bill them on a delayed basis as their contributions came in. And Watkins has been quoted as saying that that enabled them to free up money to use for advertising in the Michigan and Illinois primaries at a time when they might not otherwise have been able to do so. That sounds like it treads perilously close to corporate contributions and FEC violations. I wonder if you'd explore that a little bit and that relationship. It sounds like it might be germane to the selection of this group.

MR. STEPHANOPOULOS: I know that World Wide Travel served the campaign well, served it in an efficient manner. I don't know about the specific questions that you're raising.

Q Will Mr. Watkins be out here? He seems to know about them and he's commented on them in the past, but not to the people who are sitting in this room.

MR. STEPHANOPOULOS: I can take the question.

Q George, does World Wide Travel give political donations to Mr. Clinton, as reported in The Times this morning?

MR. STEPHANOPOULOS: Oh, I think some individuals may have made donations. I don't think there was any corporate donation, as far as I know.

Q How much?

MR. STEPHANOPOULOS: I don't have the exact number in front of me.

Q Are you familiar with whether they withheld billing to permit the campaign financial leeway during some -

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MR. STEPHANOPOULOS: I can't speak for the campaign. We can try and find out, but I just don't know.

Q George, are you saying The Times was wrong in reporting corporate donations -

-

Q George, can you identify the airlines that Harry Thomason interceded in the White House -

-

that he interceded with White House officials, on whose behalf he talked?

MR. STEPHANOPOULOS: I don't know, and I don't know that he did it himself.

Q Well, you said yesterday that he called after being contacted by several airlines -

-

friends in the airline business, that he called David Watkins to -

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MR. STEPHANOPOULOS: Or to the Travel Office. Yes, I just know that -

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I don't know the specific nature of the contacts. I know there were contacts. I don't know exactly when the contacts were and what was in -

-

or what the calls were.

Q Do you know which airlines he was acting on?

MR. STEPHANOPOULOS: I do not know the ones he was acting on. I know that he had gotten calls and was trying to get information.

Q George, do you know anything about the nature of the relationship between Harry Thomason and the airlines companies on whose behalf he was calling? Were they companies in which he had any financial interest, or companies that were headed by people who were friends of his, or were they merely people who called him up because they knew that he was close to the President and said, hey, look, we want to get in on this?

MR. STEPHANOPOULOS: I honestly don't know exactly what the relationship is between Harry and the companies. I don't know the specific nature. I know that he is not bidding. He has said that he is not bidding on any White House business.

Q Could you find out some more about what these companies are? Whether their companies -

-

I mean, he's not bidding, but are they companies in which he perhaps has some sort of financial interest even if he does not control them -

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MR. STEPHANOPOULOS: I don't know. I just don't know.

Q George, there's a report out that he may be picking up the tab for this personal services contract that the President and Mrs. Clinton have with the Beverly Hills hair stylist. Is that true, do you know?

MR. STEPHANOPOULOS: I don't.

Q Do you know if he's the guy who located or recommended Cristophe to Clinton?

Q Does he pay Cristophe?

MR. STEPHANOPOULOS: Does he pay Cristophe?

Q

Q Does he, a. pay Cristophe, and did he, b. recommend or locate Cristophe for the Clintons?

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MR. STEPHANOPOULOS: I think that he introduced them.
As far as paying, they pay for their services.

Q He doesn't cover that?

Q Harry Thomason doesn't cover that?

Q How much do they pay?

Q There's a report that says he does.

Q There's a report out that he -

MR. STEPHANOPOULOS: I will double-
check. I mean, I
just -

Q You will take the question then?

MR. STEPHANOPOULOS: Yes, I'll take the question.

Q And on the personal services contract, can you tell
us what the size of it is, whether it's for fair market value -

Cristophe's expensive services?

Q George, are you prepared to take another subject?

MR. STEPHANOPOULOS: Sure.

Q No, wait a minute. George, you said earlier -

somebody asked earlier whether there was any evidence of criminal
wrongdoing and I think you answered that the FBI was doing in
investigation to determine if there was criminal wrongdoing.

MR. STEPHANOPOULOS: I'll read you the FBI statement.

Q We've read it.

Q We've read it. I'm just wondering if there's a
distinction there -

if at this point you have any knowledge that
there was criminal wrongdoing in the Travel Office.

MR. STEPHANOPOULOS: That's for the FBI to determine.

Q So you don't have any information on this?

MR. STEPHANOPOULOS: I can -

again, I'll read you from
the FBI.

Q I've read it, but I just want to make sure I
understand -

MR. STEPHANOPOULOS: The FBI determined that there was
sufficient information to pursue additional criminal investigation.

Q To pursue the investigation, but you don't then
have any information showing that there was criminal activity going
on in the Travel Office?

MR. STEPHANOPOULOS: That's for the FBI to determine.
That is what they're doing. They are pursuing a criminal
investigation.

Q Okay. So were these people fired because of
mismanagement or because of possible criminal activity?

MR. STEPHANOPOULOS: They're completely separate issues.
I mean, and the termination was justified solely on the basis of
mismanagement.

Q Were they fired in any way -

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MR. STEPHANOPOULOS: And also, I mean, and again, this was a management decision by David Watkins that once these findings were discovered that it was -

-

the best way for him to proceed was to clean out the office.

Q Is there any chance these people would get their jobs back if they are found not to have committed any criminal activities?

MR. STEPHANOPOULOS: I believe, you know, we want to reorganize the office and make it run in a better way and that's what we're pursuing.

Q That same memo had some language about them considering the needs of the press above and beyond the needs of the President. Is that the official attitude toward the old office? Do you agree with those assessment?

MR. STEPHANOPOULOS: Again, I can't assess the old office.

Q Well, it's in the memo.

MR. STEPHANOPOULOS: But again, this is a memo by a low-level person that we just don't -

-

Q Excuse me, then you have an opportunity to disavow the attitude if it's not yours.

MR. STEPHANOPOULOS: I can completely disavow the attitude in the memo. We are looking -

-

I thought that's what we are trying to do.

Q She gets rewarded with a promotion.

MR. STEPHANOPOULOS: We are trying to come up with a system that is going to serve the press in the most cost-efficient and quality manner. That's -

-

and I think that that is the kind of attitude we're showing with the service we're providing this weekend.

Q

Q The five people who were dismissed below the Director and Deputy Director, in the Peat, Marwick final report you're going to give us, or even in David Watkins' conversations with them, was any evidence provided to them or are you going to provide any evidence to us that they had any responsibilities for the mismanagement that you talk about? Is there any specific information about those five that we or they will see about why they were terminated?

MR. STEPHANOPOULOS: Again, I would remind you that these people serve at the pleasure of the President. The office is not being run in a way that was consistent with professional practice, consistent with good accounting standards, consistent with any kind of well-

run operation. We believe that it has to be reorganized.

Q The answer is no, right?

Q The answer is no.

MR. STEPHANOPOULOS: The answer -

-

I just can't speak to the specifics right now. I can just tell you -

-

Q I know, but that's a specific question and you could answer the question, or not.

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MR. STEPHANOPOULOS: We believe that this office would be better run if we have an entirely new system.

Q We understand that. But his question is something else, isn't it, Mike?

Q Yes. I'm asking if there is any specific evidence tying those five people to the mismanagement you are citing as the reason for their dismissal.

MR. STEPHANOPOULOS: I can't say that there is not. I can just say that the whole office -

-
no, Brit, I mean that's exactly -

- I can say that when Peat, Marwick looked -

-
Q You take action against people because you don't know that there is not evidence against them? I mean, I don't understand that.

MR. STEPHANOPOULOS: We took action because we are reorganizing the office; an office that has not been run well at all.

Q That's what it comes down to, though, isn't it?

MR. STEPHANOPOULOS: No, it comes down to both.

Q It was all reorganization, isn't it?

MR. STEPHANOPOULOS: That's simply not true. We did not act until after the Peat, Marwick report and other suggestions. I mean, you can't say that we wouldn't have done things differently. We're looking at reorganization; we've reorganized every office. And that is the right thing to do. It is right to find ways to reorganize offices in a more efficient manner.

Q What reason did you give those five people and also Billy Dale and Gary Wright? What reason were they given for their termination?

MR. STEPHANOPOULOS: The office isn't being run the way we -

-
the way it should be run, it is being run in a sloppy manner. The procedures are not consistent with the kind of activity we want in the White House. We are going to reorganize. We've been looking at all offices to reorganize. We then gave these people two weeks notice. We also gave them an extra month to devote towards their retirement. We treated them in a professional manner.

Q Was that required by law or was that just something you were doing out of the goodness of your heart?

MR. STEPHANOPOULOS: I don't know what the requirements are. Do you want to follow?

Q Yes, I actually want to follow up because it's related to this. Is it your view and the President's view that even though people can be fired at will, that it's appropriate to terminate people without giving them an opportunity to state their side of the case and to hear them out?

MR. STEPHANOPOULOS: Well, I would say that we did not fire them at will, we fired them after -

-
Q At will meaning you can fire them without -

-
for any reason that you want, that they serve at the pleasure of the President.

MR. STEPHANOPOULOS: They certainly do serve at the pleasure of the President, but in this case we acted only after complete reviews. One, we had analysis by our own office. Number two, we then called in, after questions were raised, an independent accounting firm, going above and beyond the call so that no questions could be raised about this being done in a political manner. We hired an outside firm, which then looked at the entire operations of the office to the extent they could; found extensive documentation of improper procedures, sloppy practices, and mismanagement.

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Q Who is paying the outside firm?

MR. STEPHANOPOULOS: We're going to pay the firm.

Q How much?

MR. STEPHANOPOULOS: I don't know the cost. We have a letter of engagement.

Q What about her question, though, about whether they got a word in, whether they ever got their say?

MR. STEPHANOPOULOS: Let me finish. I'm trying to finish. And as far as I know, either four or five of the members were in discussions with the auditors and with David Watkins. There were two who I believe were overseas or on other trips. But again, that was a management decision consistent with the findings.

Q I'm curious if that was consistent with Bill Clinton's theory of how companies and other employers should treat their workers.

MR. STEPHANOPOULOS: Well, I think that one of the things that he wants to do is to make sure that the operations are run in a professional manner. Here you have a situation where they clearly were not run in a professional manner. When the President's staff discovered this they made a management decision. I think that David Watkins has 25 years experience in business. He has said that there are several different ways to move and often the best way is to move quickly once you find procedures that cannot be rectified. And I think that especially in this kind of a case where you are dealing with records not found and other improper procedures, it was important to move quickly.

Q George, could you tell me the -

-

she was first -

-

Miss Cornelius was first described as a cousin and then as a distant cousin. I'd like to know the exact relationship she is to the President. And secondly -

-

MR. STEPHANOPOULOS: Her great-

grandmother was the
sister of his great-

grandfather. So I think, by that standard, I think I'm related to most of the people in Greece. (Laughter.)

Q A follow-

up question. There are about -

-

a
conservative estimate -

-

Q If she's so distant, George, why does she pass herself off as his cousin?

MR. STEPHANOPOULOS: I can't speak to that. I don't know what -

-

Q George, there are about 20 people in the administration who are related -

-

are married to other people in the administration or married to prominent Democrats on the Hill. And I've been looking at this all week. This is not unheard of in other administrations. It seems to be much more prevalent -

-

MR. STEPHANOPOULOS: It certainly isn't,

Q -

-
in this administration. And my question -
-

MR. STEPHANOPOULOS: How do you make that case? Do you have any documentation of that? How can you say it's more prevalent? Do you know that?

Q I think so. I've been looking at it.

MR. STEPHANOPOULOS: Well, how do you know?

Q Well, I haven't looked at all 3,500 political appointees for the last 10 administrations, but I called and asked people who were in previous administrations and got them to list for me every person. And my question is, is there any question in your mind that there's a perception that in an administration which insider contacts and connections seem to be important, that having people who are married or daughters or sons of prominent Democrats creates an impression that this is an insider's game, that connections are more important than achievement to landing a White House job?

MR. STEPHANOPOULOS: I think when you look at our appointments, when you look at the breadth and the diversity of the President's Cabinet appointments, when you look at the breadth and diversity of his appointments throughout the government, when you look at the thousands of people he's gone through, when you look at the extensive personnel system that we've set up to make sure that we get people of the highest quality, highest standards of excellence from across the country, you find that we have far greater diversity and a far greater commitment to excellence and merit than we've seen in the past. And we're going to continue to pursue that.

Q Cornelius cites in her memo an article to buttress her point that the Travel Office served the press above and beyond the needs of the President. You haven't provided that article. Can you?

MR. STEPHANOPOULOS: I can find it. I don't have it. But again, let me speak to that. We are trying to do everything we can to make sure that this office works in a way that works for you. And we're going to continue to do that. And her -
-

Q Since there's no evidence to support her argument at all, this article would be helpful.

MR. STEPHANOPOULOS: I can try and find the article.

Q If I could just follow up on Matt's question. In addition to the article, the original copy of the Cornelius memo also included her resume and I think one other resume and maybe a couple of other pages, too. I didn't get a chance to look through the whole thing, but the copy that you all released are missing those. Is there some reason why those pages were left out?

MR. STEPHANOPOULOS: I don't know anything about that. I'll find out.

Q And are there other things other than the resume and the article that were left out?

MR. STEPHANOPOULOS: I'll have to check.

Q I asked you yesterday if the travel agency -
-

I said the travel agency had approached Watkins and Cornelius about this. You said you'd look into it and you didn't know about it at the time. Having not read this memo, was he, in fact, approached in advance by Mrs. Carney or Steve Davidson of World Wide?

MR. STEPHANOPOULOS: Was who approached?

Q Watkins or Catherine. They said that they were both approached and -
-

MR. STEPHANOPOULOS: I can't deny that they were -
-

Q You said yesterday you didn't know about it but would find out.

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MR. STEPHANOPOULOS: I don't know the exact nature of the contacts. I believe that they did work with World Wide Travel throughout the campaign and I wouldn't -

I can't deny that they probably look into ways of organizing the office, for advice and ways to replicate it in the White House.

Q The World Wide people said they did an analysis of the Travel Office last year that showed some of the very things that were used here as rationales for doing away with it -

overstaffed, underworked was the argument. And that they moved on implementing that during the transition, to suggest that this happen.

MR. STEPHANOPOULOS: I said that we looked at every office during the transition. We will continue to look at the offices and have them work in the best way.

Q The specific overtures -

you can't confirm the specific overtures which they say were made?

MR. STEPHANOPOULOS: I'm certain that they talked to World Wide Travel as they were reviewing the operations.

Q In the next 90 days when you put this service out to competitive bid, is World Wide Travel going to be barred from bidding on it?

MR. STEPHANOPOULOS: Barred from bidding on the final contract?

Q Yes.

MR. STEPHANOPOULOS: I don't believe so. I can take the question -

Q If they're going to be doing it in the interim and they'll also be allowed to bid for the permanent contract?

MR. STEPHANOPOULOS: I think so, but I'm not positive.

Q Wouldn't that be a conflict?

MR. STEPHANOPOULOS: How is it a conflict for them to go for the -

Q Because they know how to put in the lowest bid. They're working there already.

MR. STEPHANOPOULOS: They won't have the -

Q Of course, they will. That's an insider information situation.

Q Inside track.

MR. STEPHANOPOULOS: Let me check on the specifics on how the bidding is going to go.

Q Given Cornelius' questionable connections to Clinton and the Clinton administration -

MR. STEPHANOPOULOS: What are her questionable connections to Clinton?

Q Those are connections about which people raise a lot of questions. (laughter.)

Q And World Wide's questionable connections to the Clinton campaign, at best, you have a perception problem. Have you given any thought to simply dismissing World Wide and dismissing Cornelius and starting over here?

MR. STEPHANOPOULOS: One thing I would, first of all, go

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back to the facts. And the facts here is there's been a Peat, Marwick report which showed extensive irregularities in the Travel Office.

Q That's the problem. The question is about the remedy.

Q You have a perception problem, George. At best you have a perception problem. At worst you have a real conflict of interest problem with both of these parties.

MR. STEPHANOPOULOS: I don't know you can necessarily lump all that together. We're going to continue to review everything in this matter and when we have further announcements, we'll make them.

Q So the answer to his question is, no, you haven't considered doing something to remedy the perception problem?

MR. STEPHANOPOULOS: No, my answer is that, number one, we've released the Peat, Marwick report which shows in great detail why this action was taken.

Q We don't have it -

MR. STEPHANOPOULOS: Well, the copies are being made. We will continue to review the operations of the office and do what we think is appropriate.

Q George, what has the President's reaction been to the way the travel story and the hair story have been played in the press this week?

MR. STEPHANOPOULOS: I think that it says

I think it does raise questions about what's important in Washington and what's important in the rest of the country. And I think that when you look at the important things that are happening in this country and that we're trying to get down a huge budget deficit and come forward with an investment program that makes a difference in the real lives of real people out in the country, and there seems to be some sort of obsession with side issues -

particularly when, in this case, the President acted pursuant to independent reviews, something that had never been -

that is not usually done in the White House, and made sure that before any action were taken, that this was done in an appropriate manner. I think it does raise questions.

Q George, could you describe Larry Herman's relationship with the White House? He's the Peat, Marwick auditor who was in charge.

MR. STEPHANOPOULOS: Right. Larry Herman, as you know, is a senior auditor with Peat, Marwick. He's run, as far as I know, the performance reviews for the state of North Carolina, the state of Kentucky, and the District of Columbia and dozens of others in cities and counties. He's a specialist in government accounting practices. In that role as a senior accounting official on government practices, he has briefed the members of the Vice President's performance review and he has also been an advisor just reviewing -

helping to review their work. And that was -

he was called in, as he's been called in by many states and counties and cities, because he is one of the foremost experts in the country on government accounting practices.

Q Were two of the accountants volunteers on the Vice President's performance review commission?

MR. STEPHANOPOULOS: I know that -

I don't know about that. I know that Larry Herman was called in to brief the trainees of the performance review because he's an expert in this, which is perfectly -

I mean, it's perfectly appropriate. And he was also called in to review their work through a toll gate session.

Q This is a question about sloppy management, I guess basically at best. Maybe there's criminal behavior. But the fact that David Watkins hired, at least on an interim basis, a company that used to be a client of his in the advertising business -

isn't that sloppy management as well?

MR. STEPHANOPOULOS: I think what he hired was a company that we had long experience with in the campaign who had done a good job for the presidential campaign. And again, look at the results. This week they've put out a charter that is saving you all money.

Q You guys have said from the get-go here that you were going to observe the absolute highest, most scrupulous ethical standards. That always has included questions of appearance. Isn't it manifestly clear that for this chap to turn to this former client of his for the business, even on an interim basis, creates an obvious appearance problem? Just an appearance problem.

MR. STEPHANOPOULOS: We are going to do requests for proposals on -

Q George, that isn't the question. The question is whether you believe that it creates an appearance problem, or whether you're ready to stand on this platform and say it does not.

MR. STEPHANOPOULOS: I am saying we're going to continue to review everything in this matter.

Q So you're not going to answer that question.

Q George, one quick follow-up -

Q George, you promised me that I could have the floor.

MR. STEPHANOPOULOS: Sarah, go ahead.

Q As long as there is anybody out there who is homeless tonight and children, one out of four are hungry, and other people need jobs, this is a bunch of silly foolishness, is it not, for us to be spending so much time -

MR. STEPHANOPOULOS: I think a lot of the American people would agree with what you're saying, yes.

Q -

haircuts of both the President and the First Lady. And I will call your attention to the fact that there is absolute proof now that the Bush administration had committed treason during the Gulf War and congressmen are trying now to get the White House and the Justice Department to go ahead with prosecutions which they failed to do during the Bush administration.

MR. STEPHANOPOULOS: I don't know anything about that, but I think the first part of your statement made a lot of sense. (Laughter.) That's right. You've got to go top to bottom. (Laughter.)

Q Back to what you were saying about the dismissals of the people, can you clarify a point as to what you're saying? Were these people fired at will or for cause?

MR. STEPHANOPOULOS: Everybody who works in the White House serves at the pleasure of the President. We are engaged in a performance review of every office. We are engaged in reorganizing every office. In pursuit of that investigation, we also came upon questionable practices in the White House Travel Office. Seeing this weight of evidence, the need to reorganize, the need to run it in an efficient manner, the questions raised by the internal

by the review of Peat, Marwick, and the questions raised by the idea that

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the FBI is going to pursue a criminal investigation, a judgment was made.

Q Would these people, under your review, given this memo, likely have been out anyway?

MR. STEPHANOPOULOS: I can't say that. I mean, I don't

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-

Q You can't tie but two of them to the alleged mismanagement, so isn't it obvious that the rest of them would have been out anyway?

MR. STEPHANOPOULOS: That's not necessarily true. We acted after the Peat, Marwick report.

Q George, can we switch to the budget?

Q I had the first switch.

Q All right. Go ahead, Andrea.

MR. STEPHANOPOULOS: Are you on this or -

-

Q No, I wanted to talk about a different subject.

Q I want to ask a question for the first time back here. How about -

-

before we keep working on the front.

Q Thank you.

MR. STEPHANOPOULOS: Mitch, go ahead.

Q George, this was supposed to be a two

week period when the President and the White House was going to get back focused on big issues -

-

the economy and health care, and where he added a deputy to pay more attention to day-

to-

day issues. Why has this week been such a public relations disaster for the White House? (Laughter.) Who has not been minding the store and say, hey, this haircut may not be a good idea, or perhaps there may be some changes needed in the Travel Office, but we have to get the evidence together before we fire people?

MR. STEPHANOPOULOS: The evidence was got together and there was a review done by the Peat, Marwick report. And I would say the President is focused on getting his budget through the Congress. The President is focused on Bosnia. The President is focused on the issues that matter.

Q Can you see at least why it looks bad?

Q Excuse me, I'd like to follow-

up on your statement about the interest that your office has in the welfare of the White House Press Corps. (Laughter.) Over the course of -

-

and the only reason I ask it is because of some of the things we've seen over the course of some weeks here -

-

we've had an occasion with one staffer telling a reporter in the pool that he was going to remove him because he didn't like his attitude. We've had a case of another staffer, Rabinowitz, trying to get a television reporter to stop asking questions of the President in the pool situation. We've had a situation last night out here in the driveway where Vickie Rivas-

Vazquez attempted to physically block cameras taking pictures of people who were leaving the White House. And we have a memo here from Catherine Cornelius who is worried about a Travel Office being overly press. How concerned for our welfare can you really be?

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MR. STEPHANOPOULOS: Catherine Cornelius does not work for the press office. I mean, I think you've picked up three isolated incidents. I don't know the facts of all of them. They sound like something we need to look into, and if you'd like to document them, I'd be happy to look into it, talk to you about it and get it fixed. No question about it. Those kinds of things will not be tolerated. I think that we try to do our best. I think that there is often a lot of tension -

-

I think you know that

-

on both sides. And we're all trying to do our best.

Q What's the explanation for Ms. Rivas-

Vazquez's action last night?

MR. STEPHANOPOULOS: I don't know, but we'll find out.

Q Did some report -

-

MR. STEPHANOPOULOS: I doubt it.

Q Can I ask a new subject?

MR. STEPHANOPOULOS: Sure. Are you on this subject?

Q No, I want to ask -

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MR. STEPHANOPOULOS: Andrea and then Mark.

Q? Following the lunch with Christopher, can you give us any context for the President's remarks this morning which seemed to be very spectacle of the Russian proposal, whether there is now this new track that's being brought to the French and the British over the weekend?

MR. STEPHANOPOULOS: I just don't have a read on that at this point.

Q There have been people in the administration that have been critical of what Boren is doing, and I was wondering if there was any concern that there could be some sort of repeat of the Shelby incident in which Boren becomes -

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MR. STEPHANOPOULOS: Hold on. The President is -

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Q

Q Would you please repeat the question? We can't hear. You're having a private conversation up there and we are part of this briefing as well. Thank you.

MR. STEPHANOPOULOS: I apologize. Mark, did you want to speak up?

Q My question was whether or not there would be a repeat of the Shelby problem in which -

-

with David Boren in which Boren is actually becoming a hero because he's opposing the President and whether or not you're concerned with that?

MR. STEPHANOPOULOS: I would certainly hope not. I think the President has had good conversations with Senator Boren. We have a disagreement over substance. The President believes that the Boren alternative is misguided, because it lowers taxes on the rich at the expense of Social Security recipients and other people who are near the poverty line. We just think that's the wrong way to go. But it's not a personal battle; it's a substantive battle.

Q Have they talked today?

MR. STEPHANOPOULOS: No. I know they talked yesterday. I don't know if they've talked today.

Q The President of Cyprus was saying earlier today

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that he wanted the United States to get more directly involved -

-

take
a role as a guarantor, suggesting that that might break the gridlock
on Cyprus. Is that something that the White House has any interest
in -

-

MR. STEPHANOPOULOS: We'll have a read afterwards. We
support the U.N. process. We'll have a read afterwards.

Q Can you answer that question?

Q One follow

up question on the San Diego town hall
meeting. The first questioner, the gentleman who lectured the
President on taxes -

-

people who don't want to pay a lot of taxes -

-

it turns out is somebody who has himself not paid state, local, or
federal taxes for several years. (Laughter.)

MR. STEPHANOPOULOS: What?

Q Or his child support. Do you have any reaction to

-

-

MR. STEPHANOPOULOS: The President thinks that everybody
should pay their taxes. (Laughter.)

Q Lots of them.

Q Exon and Kerrey spoke favorably today about the
Boren proposal. Are you concerned -

-

is this evidence that more
Democrats are running away from the President's proposal?

MR. STEPHANOPOULOS: We think that the overwhelming
majority of Democrats will support the President's proposal and
believe, like we do, that the Boren proposal is misguided because it
simply goes in the wrong direction.

Q Are you talking to Kerrey and Exon?

MR. STEPHANOPOULOS: I think that Senator Bentsen has
talked to an awful lot of Senators on an off the Finance Committee,
and others are in contact. I don't know that the President has.

Q What happens to the President's plan if the energy
tax is knocked out? Is there any acceptable alternative?

MR. STEPHANOPOULOS: That's a hypothetical. We're going
to move forward and get the President's plan passed.

Q George, to follow on that, yesterday we were told
that you could get the energy tax out of the Finance Committee, even
if it were a 10-

10 tie. We were told from the Hill that that is not
possible.

MR. STEPHANOPOULOS: That's not exactly right. There's
a couple of different procedural alternatives. Obviously people have
the -

-

you're not certain that everybody is going to be there, number
one. Number two, if the Senate Finance Committee is not able to
report out a proposal, the responsibility for that falls to the
Budget Committee.

Q I was told that's not correct. I was told that by
another White House official, but I'm told by the Hill that
reconciliation -

-

that any tax bill has to come through Finance, and
that the Budget option is not an option.

MR. STEPHANOPOULOS: I'll double-

check. I've heard it
the other way. I will double-

check. And there are other ways to get
it out.

Q George, when is the FBI supposed to get this Peat,
Marwick report?

MR. STEPHANOPOULOS: I assume they'll get it today, but
their investigation will probably take several weeks if not longer.

Q Given all the perception problems that Mr. Stevens
raised earlier, would you at least be willing to concede that the
last two days would have been friendlier and easier here if the
President had gotten a normal haircut and that if you had hired a
travel agency to do this thing at some length that was somewhat
removed from the White House -

-

that a lot of the questions that seem
to be hostile and a lot of the hostility in this room might have been
dissipated and that might have been to your advantage and ultimately
to the country's advantage? Would you at all allow that as a
thought?

MR. STEPHANOPOULOS: I think that what we would say is
look at the facts. We obviously would like every day to go as easy
as possible.

Q George, I think the question is can you -

-

do you
at least see why this looks bad -

-

the haircut on the plane and the
hiring of this travel agency? Even if your motivations were
completely benevolent, can you see why it looks bad?

MR. STEPHANOPOULOS: And we'll do everything we can to
make sure that that doesn't happen in the future.

Q That he's not going to get another haircut?
(Laughter.)

THE PRESS: Thank you.

END 4:57 P.M. EDT

#75

0521

ARMS Email System

RECORD TYPE: PRESIDENTIAL (RECONSTRUCTED EMAIL)

CREATOR: Jonathan P. Gill (GILL_J) (WHO)

CREATION DATE/TIME: 21-MAY-1993 09:32:00.00

SUBJECT: AGAM May 21, 1993

TO: Patricia A. Clark (CLARK_P) (OA)
READ: UNKNOWN

TO: Arthur L. Jones (JONES_A) (WHO)
READ: UNKNOWN

TO: Carter Wilkie (WILKIE_C) (WHO)
READ: UNKNOWN

TO: Eric Berman (BERMAN_E) (WHO)
READ: UNKNOWN

TO: Nestor M. Davidson (DAVIDSON_N) (WHO)
READ: UNKNOWN

TO: Stuart E. Trevelyan (TREVELYAN_S) (WHO)
READ: UNKNOWN

TO: Arnold Shore (SHORE_A) (OA)
READ: UNKNOWN

TO: Keith Boykin (BOYKIN_K) (WHO)
READ: UNKNOWN

TO: David Leavy (LEAVY_D) (WHO)
READ: UNKNOWN

TO: Thomas F. McLarty (MCLARTY_T) (WHO)
READ: UNKNOWN

TO: Doris O. Matsui (MATSUI_D) (WHO)
READ: UNKNOWN

TO: Margaret A. Williams (WILLIAMS_MA) (WHO)
READ: UNKNOWN

TO: Bruce K. Sasser (SASSER_B) (OMB)
READ: UNKNOWN

TO: Barry J. Toiv (TOIV_B) (OMB)
READ: UNKNOWN

TO: Leon Fuerth (FUERTH_L) (VPO)
READ: UNKNOWN

TO: Marla Romash (ROMASH_M) (VPO)
READ: UNKNOWN

TO: Steven Akey (AKEY_S) (WHO)
READ: UNKNOWN

TO: Janet Handal (HANDAL_J) (WHO)
READ: UNKNOWN

TO: Stephen B. Silverman (SILVERMAN_S) (WHO)
READ: UNKNOWN

TO: Christine A. Varney (VARNEY_C) (WHO)
READ: UNKNOWN

TO: Jeffrey L. Eller (ELLER_J) (WHO)
READ: UNKNOWN

TO: Lisa Mortman (MORTMAN_L) (WHO)
READ: UNKNOWN

TO: Ernest D. Gibble (GIBBLE_E) (WHO)
READ: UNKNOWN

TO: Patricia A. Enright (ENRIGHT_P) (WHO)
READ: UNKNOWN

TO: Jonathan P. Gill (GILL_J) (WHO)
READ: UNKNOWN

TO: Richard Strauss (STRAUSS_R) (WHO)
READ: UNKNOWN

TO: Maria M. Tio (TIO_M) (WHO)
READ: UNKNOWN

TO: Joshua N. Silverman (SILVERMAN_J) (WHO)
READ: UNKNOWN

TO: Jess Sarmiento (SARMIENTO_J) (WHO)
READ: UNKNOWN

TO: Lavora R. Barnes (BARNES_L) (WHO)
READ: UNKNOWN

TO: C. Patricia Cogdell (COGDELL_C) (WHO)
READ: UNKNOWN

ARMS Email System

TO: Kimberly S. Hopper (HOPPER_K) (WHO)
READ: UNKNOWN

TO: Lorraine A. Voles (VOLES_L) (WHO)
READ: UNKNOWN

TO: Margaret C. Sherry (SHERRY_M) (WHO)
READ: UNKNOWN

TO: Elizabeth A. Bernstein (BERNSTEIN_E) (WHO)
READ: UNKNOWN

TO: Carolyn Curiel (CURIEL_C) (WHO)
READ: UNKNOWN

TO: David B. Anderson (ANDERSON_D) (WHO)
READ: UNKNOWN

TEXT:

===== ATTACHMENT 1 =====
ATT CREATOR: NEWS (6=NEWS@2=ATTMAIL@1=US@MRX@EOPMRX)

ATT CREATION DATE/TIME:21-MAY-1993 07:35:00.00

ATT BODY PART TYPE: B

ATT SUBJECT: AGAM 5/21

ATT TO: TREVELYAN (TREVELYAN_S@A1@CD)
READ: UNKNOWN

ATT TO: RASCO (RASCO_C@A1@CD)
READ: UNKNOWN

ATT TO: PODESTA (PODESTA_J@A1@CD)
READ: UNKNOWN

ATT TO: INADOMI (INADOMI_L@A1@CD)
READ: UNKNOWN

ATT TO: GILL (GILL_J@A1@CD)
READ: UNKNOWN

ATT TO: ELLER (ELLER_J@A1@CD)
READ: UNKNOWN

ATT TO: BOYKIN (BOYKIN_K@A1@CD)
READ: UNKNOWN

ATT TO: ALEXANDER (ALEXANDER_DA@A1@CD)
READ: UNKNOWN

ATT TO: BAUER (6=BAUER@4=NCC-KC@5=OIRM@3=GOV+USDA.O1RM.KC@2=ATTMAIL@1=US@MRX@EOPMRX)
READ: UNKNOWN

ATT TEXT:
Enclosed file name.

0521.TXT

===== END ATTACHMENT 1 =====
===== ATTACHMENT 2 =====
ATT CREATOR: UNKNOWN (UNKNOWN)

ATT CREATION DATE/TIME:21-MAY-1993 07:35:00.00

ATT BODY PART TYPE: A

ATT SUBJECT:

ATT TEXT:
Friday, May 21, 1993

* * * * * COPYRIGHT NOTIFICATION * * * * *
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OPPOSITION TO BTU TAX (FWN-5/20) -- The article details opposition by farm-state lawmakers to the energy tax proposals (the Btu tax, waterways fuel tax and lack of an exemption for ethanol). They say farmers "get it coming and going" as their production costs rise and they are asked to pay for increases in food stamps and other programs through cuts in farm programs. Rep. Pat Roberts (R-Kan.) says it is "fundamentally unfair" to ask farmers to make yet another sacrifice for a plan that will raise taxes \$3.23 for each dollar cut in spending. Sen. Tom Harkin (D-Iowa) intends to press for an ethanol exemption, and FWN says he could get some ammunition by reviewing a USDA analysis of the issue which points out advantages that could occur if the fuel were exempt. FWN outlines the argument over the barge fuel tax too. The article notes optimism about passage of the proposals, but congressional watchers say it may be easier said than done, especially in the Senate.

(Dailies) -- Sen. David Boren (D-Okla.) and several other senators offered a compromise budget measure that would not contain a Btu tax. A W.Post article outlines the lobbying efforts that are believed responsible for Sen. Boren's action. It notes a University of Oklahoma study indicates a Btu tax would devalue farmland by \$1 billion and have other adverse economic effects.

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(UPI-5/20) -- The National Farmers Union president said they will have a hard time supporting the president's energy tax as long as farm income remains depressed. He said a recent USDA report showing average farm households earned only \$5,742 from farming last year revealed a "disastrous" situation. NFU wants increased commodity loan rates and index target prices in conjunction with an increased ARP. NFU's president said a USDA official assured him all those options are under consideration.

TAXES FOR POLLUTION CONTROL (Reuter-5/20) -- Rep. Gerry Studds (D-Mass.) proposed legislation to pay for water pollution control projects through taxes on toxic waste discharges, commercial water users, pesticides, fertilizers and animal feeds. Fifteen percent of the funds would be spent on control of non-point pollution. The Fertilizer Institute said the measure was a scheme to take money from rural America to pay for urban public works.

REDUCTION IN FARM CHEMICAL USE SOUGHT (Reuter-5/20) -- The World Wildlife Fund and Public Voice for Food and Health Policy released a set of six recommendations for reducing use of farm chemicals. They said farmers should be required to report all use of agricultural chemicals and the US should change policy to help farmers reduce their use of chemical pesticides and fertilizer.

(PRN-5/20) -- The president of the National Food Processors Assn. said agrichemicals, when properly used, are safe, effective and essential to food production. NFPA actively supports development and application of integrated Pest Management which blends all suitable techniques for controlling pests.

CRP REPORT CRITICIZED (PRN-5/20) -- Pheasants Forever, the nation's largest upland wildlife conservation group, said a GAO report that dismisses the benefits of the Conservation Reserve Program, is "shallow" and "badly mistaken." The article presents some of PF's conclusions about the benefits of CRP and its "resounding success." PF said full funding of the CRP is likely to be a top priority in its conservation proposals for the 1995 farm bill, and they plan to fight to keep the program.

SLAUGHTERHOUSE CLOSED (AP-5/20) -- USDA closed the Omaha, Neb., slaughterhouse featured in a CBS food-safety story. Officials identified the plant Wednesday and confirmed fecal contamination on carcasses and rodent infestation. Sec. Espy said USDA is investigating why the plant failed to follow meat inspection procedures and why USDA employees had done nothing about the problem sooner.

POSSIBLE RETALIATION IN WHEAT-TRADE DISPUTE (KRF-5/20) -- USTR Kantor hinted the US may move toward punitive trade action against Canada because of little headway in settling a dispute over Canada's alleged subsidies of durum wheat exported to the US. Canada's share of the US durum market has gone from zero to 25% since the US-Canada Free Trade Agreement went into effect. A Canadian official denied there were subsidies and said Canada's market share is growing because increasing US exports of EEP wheat have raised wheat prices in the US and made the market more attractive to Canadian exporters.

WHEAT TALKS STILL UNDERWAY (Reuter-5/20) -- A Chinese official said China and USDA are still talking about a potential purchase of EEP wheat, but would not comment on how talks on the subsidy amounts were progressing.

FUTURE FOR VALUE-ADDED EXPORTS (JOC) -- The chairman of Cargill Inc. said the future of farm trade lies in value-added exports. He cited growth in meat and poultry exports while exports of basic commodities have declined. He adds that employment in value-added processing is offsetting loss of farm jobs.

GATT DEVELOPMENTS (JOC, Reuter-5/20) -- USTR Kantor said it is critical that Congress approve renewal of President Clinton's fast-track negotiating authority before the G7 meeting in early July. Sen. Daniel Patrick Moynihan (D-N.Y.) said he would introduce fast-track legislation today. USTR Kantor suggested keeping the measure clean by proposing tough trade tools in separate legislation. Kantor noted that there are tough negotiations ahead. While praising the EC and Canada for their attempts to compromise, he said it was apparent to the US and EC that Japan has yet to make its full contribution.

(Reuter-5/20) -- Thousands of Taiwanese farmers marched to demand an increase in farm subsidies when Taiwan joins the GATT. They fear Taiwan will be forced to cut tariffs and import restrictions on commodities.

FmHA HOUSING FOR THE HOMELESS (AP-5/20) -- USDA said more than 2,500 houses now owned by FmHA will be available for rent or purchase by homeless or ill-housed families.

BILL BANNING BAD-MOUTHING OF FOOD REJECTED (UPI-5/20) -- The Texas Senate rejected a bill that would allow farmers and ranchers to sue for treble damages if someone made false allegations about the safety or quality of Texas agricultural products. The measure had passed the Texas House.

NUTRIENT MANAGEMENT PLANS REQUIRED FOR FARMS (PRN-5/20) -- Pennsylvania's governor signed legislation requiring many of the state's farmers to develop nutrient management plans. The article outlines steps Pennsylvania has taken to protect the watersheds of the Susquehanna River and the Chesapeake Bay.

TRACTORS DEFENDED (DM Reg-5/17) -- An editorial points out a number of environmentally responsible actions farmers have taken, and questions complaints that fumes from tractors pollute too much. It says there are a number of problems worth worrying about, but zeroing in on tractors "only pollutes the debate with a cloud of fuzzy thinking."

VIRUS AFFECTING FLORIDA BEANS (UPI-5/20) -- Farmers in southeast Florida have lost about 10% of their bean crop to a new virus strain spread by the sweetpotato/silverleaf whitefly. The article notes other problems caused by the whitefly and outlines USDA field tests of a fungus that kills the whitefly and some other problem insects.

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ARMS Email System

RECORD TYPE: PRESIDENTIAL (RECONSTRUCTED EMAIL)

CREATOR: Jonathan P. Gill (GILL_J) (WHO)

CREATION DATE/TIME: 22-MAY-1993 15:11:00.00

SUBJECT: Transcript of Radio Address of May 22, 1993

TO: (202) 456-6444 (WNS_1) (WHO)
READ: UNKNOWN

TO: Christian M. Baldia (BALDIA_C) (WHO)
READ: UNKNOWN

TO: Janet Handal (HANDAL_J) (WHO)
READ: UNKNOWN

TO: Remote Addressee (1=US@2=TELEMAIL@3=INTERNET@*RFC-822\JGILL(A)NSF.GOV@MRX@EOPMRX) (DEFAULT)
READ: UNKNOWN

TO: Remote Addressee (JIM KOHLENBERGER@EOP_OVP@CCGATE@EOPMRX) (DEFAULT)
READ: UNKNOWN

TO: Liz Bowyer (BOWYER_L) (WHO)
READ: UNKNOWN

TO: Alan J. Stone (STONE_A) (WHO)
READ: UNKNOWN

TO: Thomas O. Levenberg (LEVENBERG_T) (WHO)
READ: UNKNOWN

TO: Remote Addressee (1=US@2=WESTERN UNION@3=@5=EASYLINK@*ELN\62955104@MRX@EOPMRX) (DEFAULT)
READ: UNKNOWN

TO: Remote Addressee (1=US@2=COMPUSERVE@3=CSMAIL@*ID\73030,21@MRX@EOPMRX) (DEFAULT)
READ: UNKNOWN

TO: Remote Addressee (JACK BELCHER@1=US@2=TELEMAIL@3=HOUSE@MRX@EOPMRX) (DEFAULT)
READ: UNKNOWN

TO: Remote Addressee (BULLETIN@1=US@2=TELEMAIL@3=HOUSE@MRX@EOPMRX) (DEFAULT)
READ: UNKNOWN

TO: Remote Addressee (MATT GELMAN@1=US@2=TELEMAIL@3=HOUSE@MRX@EOPMRX) (DEFAULT)
READ: UNKNOWN

TO: Remote Addressee (1=US@2=TELEMAIL@3=INTERNET@*RFC-822\WH-OUTBOX-DISTR(A)LEX-LUTHOR.AI.MIT.EDU@MRX@EOPMRX) (DEFAULT)
READ: UNKNOWN

TO: Remote Addressee (1=US@2=TELEMAIL@3=INTERNET@*RFC-822\JCMA(A)REAGAN.AI.MIT.EDU@MRX@EOPMRX) (DEFAULT)
READ: UNKNOWN

TO: Remote Addressee (1=US@2=TELEMAIL@3=INTERNET@*RFC-822\HES(A)AI.MIT.EDU@MRX@EOPMRX) (DEFAULT)
READ: UNKNOWN

TO: Remote Addressee (1=US@2=TELEMAIL@3=INTERNET@*RFC-822\USIA01(A)ACCESS.DIGEX.COM@MRX@EOPMRX) (DEFAULT)
READ: UNKNOWN

TO: Remote Addressee (ALEXIS BYRNE@1=US@2=ATTMAIL@3=GOV+USDA.SIES@5=SIESNET@MRX@EOPMRX) (DEFAULT)
READ: UNKNOWN

TO: Remote Addressee (1=US@2=TELEMAIL@3=INTERNET@*RFC-822\JPOLEY(A)ESUSDA.GOV@MRX@EOPMRX) (DEFAULT)
READ: UNKNOWN

TO: Remote Addressee (1=US@2=TELEMAIL@3=INTERNET@*RFC-822\DLYTEL(A)NSF.GOV@MRX@EOPMRX) (DEFAULT)
READ: UNKNOWN

TO: Jeffrey L. Eller (ELLER_J) (WHO)
READ: UNKNOWN

TO: Lisa Mortman (MORTMAN_L) (WHO)
READ: UNKNOWN

TO: Ernest D. Gibble (GIBBLE_E) (WHO)
READ: UNKNOWN

TO: Patricia A. Enright (ENRIGHT_P) (WHO)
READ: UNKNOWN

TO: Jonathan P. Gill (GILL_J) (WHO)
READ: UNKNOWN

TO: Richard Strauss (STRAUSS_R) (WHO)
READ: UNKNOWN

TO: Maria M. Tio (TIO_M) (WHO)
READ: UNKNOWN

TO: Joshua N. Silverman (SILVERMAN_J) (WHO)
READ: UNKNOWN

TO: Jess Sarmiento (SARMIENTO_J) (WHO)
READ: UNKNOWN

TO: Lavora R. Barnes (BARNES_L) (WHO)
READ: UNKNOWN

TO: C. Patricia Cogdell (COGDELL_C) (WHO)
READ: UNKNOWN

ARMS Email System

TO: Kimberly S. Hopper (HOPPER_K) (WHO)
READ: UNKNOWN

TO: Lorraine A. Voles (VOLES_L) (WHO)
READ: UNKNOWN

TO: Margaret C. Sherry (SHERRY_M) (WHO)
READ: UNKNOWN

TO: Elizabeth A. Bernstein (BERNSTEIN_E) (WHO)
READ: UNKNOWN

TO: Carolyn Curiel (CURIEL_C) (WHO)
READ: UNKNOWN

TO: David B. Anderson (ANDERSON_D) (WHO)
READ: UNKNOWN

TO: Roy Neel (NEEL_R) (VPO)
READ: UNKNOWN

TO: Thurgood Marshall, Jr (MARSHALL_T) (VPO)
READ: UNKNOWN

TO: Greg Simon (SIMON_G) (VPO)
READ: UNKNOWN

TO: Remote Addressee (MARLA E. ROMASH@EOP_OVP@CCGATE@EOPMRX) (DEFAULT)
READ: UNKNOWN

TO: Leon Fuerth (FUERTH_L) (VPO)
READ: UNKNOWN

TO: Jack Quinn (QUINN_J) (VPO)
READ: UNKNOWN

TO: Katie McGinty (MCGINTY_K) (VPO)
READ: UNKNOWN

TO: Remote Addressee (SALLY J. AMAN@EOP_OVP@CCGATE@EOPMRX) (DEFAULT)
READ: UNKNOWN

TO: Kukis, Heidi (HEIDI KUKIS@EOP_OVP@CCGATE@EOPMRX) (DEFAULT)
READ: UNKNOWN

TO: Remote Addressee (JIM KOHLENBERGER@EOP_OVP@CCGATE@EOPMRX) (DEFAULT)
READ: UNKNOWN

TO: Ethan J. Zindler (ZINDLER_E) (WHO)
READ: UNKNOWN

TEXT:

THE WHITE HOUSE
Office of the Press Secretary

Embargoed For Release
Until 10:06 A.M.
Saturday, May 22, 1993

RADIO ADDRESS
TO THE NATION
BY THE PRESIDENT

The Oval Office

THE PRESIDENT: Good morning. For the first time in more than a decade, Washington is changing and we've begun to break the logjam that has kept our economy from growing. We're moving away from trickle-

down special interests, anti-

middle class policies,
toward fairness and opportunity for all Americans.

Congress is moving our economic plan, which makes real record cuts in the deficit. After a decade of neglect and decline, it also makes carefully targeted investments to create high-

skill,
high-

wage jobs again and to better educate and train our people to fill those jobs so that we can restore our economy now and leave a prosperous America for our children. Our plan challenges the status quo, and this is always hard to do in Washington, especially when there are tough choices involved.

For starters, we take on government spending, beginning with a cut in the White House staff of 25 percent, a freeze in federal pay, a reduction of 150,000 in the size of the federal work force, and cuts in more than 200 specific spending programs, including huge entitlement programs affecting almost every special interest group. These are tough decisions, but they're the right thing to do because they move America forward.

The plan also raises taxes to bring the deficit down.
Seventy-

ARMS Email System

four percent of the new revenue comes from people with incomes over \$100,000, just six percent of the American people who got most of the tax cuts in the 1980s. The rest comes from the middle class in the form of an energy tax which will help to clean up our environment. What will it cost you? If your income is between \$30,000 and \$100,000, the energy tax will cost you \$1.00 a month next year, \$7.00 a month the year after, and between \$14.00 and \$17.00 a month, depending on how many kids you have, in the years after that. All the money, the cuts and the taxes will go into a deficit reduction trust fund. There will be no taxes without the cuts.

Is it worth it? You be the judge. Millions of Americans have already refinanced their home mortgages and business loans. Lower interest rates on car loans and student loans are also coming, because the interest rates are down following our clear determination to reduce the deficit. If you're one of the Americans who has already refinanced a home loan or a business loan, if you're getting lower car loans or student loans, the chances are that this year you will save more than you will pay in four years under the economic program in the energy tax.

For example, if you had a \$100,000 mortgage on your home at 10 percent, due to lower interest rates we're experiencing that mortgage can be refinanced at about 7.5 percent. What does that mean for you? It means \$175 a month, or \$2,100 a year that you save in interest payments -

-

\$2,100 a year in interest savings on home loans alone, just because the interest rates have gone down since we've been working to bring the deficit down.

All told, experts estimate that if we can maintain these lower rates, we can pump another \$100 billion into our economy. That means more jobs for Americans -

-

\$100 billion more spent on our families, spurring investment, raising incomes. It all creates jobs. That's a definition of a plan that will work.

When you put that with all the incentives we've given to lower taxes for families with incomes under \$30,000, increases in small business expensing provisions, investment incentives for bigger businesses, real incentives for people who invest in new businesses, this means more jobs.

The plan is also fair because it asks contributions from everyone while asking the most from people who have the most and who have benefitted the most from trickle-

down policies. It cuts Medicare costs and some retirement benefits. It does include the energy tax. But it requires the wealthy to pay their fair share and the lion's share of the load.

When I presented the plan to Congress I said then that if the interest groups picked the plan apart the whole principle of shared contribution could be lost. Now, just days before the plan will be voted on by Congress the opponents and the special interest are trying to get their way. Some of my opponents want to cut Social Security and tax credits to working families with incomes of under \$30,000 just to get a tax cut for the rich. The big oil lobby is trying to wiggle out of its contribution to deficit reduction and force senior citizens barely above the poverty line to get lower Social Security benefits. And senior citizens who are better off who are already being asked to pay taxes on more of their income to pay for a second time.

It's simply wrong for a powerful interest to try and opt out of this program by asking the elderly and the working poor to contribute more so they can contribute less. Making middle America pay more may be business as usual in Washington, but to the rest of the nation it must be unjust, unfair, and unacceptable.

I regret that otherwise good and responsible legislators would even consider this proposal, but I will fight it. The principles of fairness in reducing the deficit, the principle of resisting special interest and having uniform contributions from all

-

-

these must be protected to make this plan work.

And if we don't pass the package, what will happen? If we don't continue to cut the deficit our new and carefully-

won credibility will crumble as a nation and interest rates will start to rise again, squeezing out the investments we need to make to grow new jobs. And if interest rates take off again it will further increase the deficit, ultimately consuming not only ours but our children's standard of living.

We can't let this happen. We can't. We have to instead bring the deficit down, keep the interest rates down, make available

ARMS Email System

some funds to invest in new technologies and helping communities and companies and individuals hurt by defense cuts -

-

doing those things
to create jobs and make us competitive.

That's why I need you to raise your voices. Ask Congress to turn down the special interest and to preserve this program that asks fair contributions from everyone so that we can reduce the deficit and create more jobs and provide benefits to everyone.

Together we can all win. In just a few months, working together, we've tackled tough problems with new ideas. And we're stronger for it. Congress has passed laws from family leave to motor voter, long stalled by gridlock -

-

proposals from welfare reform to national service to pay for college education, to putting more police on our streets or on deck. But we have to get this economy moving.

The spirit of new hope I believe will prevail. Staying together we can make it work until there is a permanent rebirth of hope in every household across this great nation. I need your help, and so does America.

Thank you very much.

END

ARMS Email System

RECORD TYPE: PRESIDENTIAL (RECONSTRUCTED EMAIL)

CREATOR: Jonathan P. Gill (GILL_J) (WHO)

CREATION DATE/TIME:24-MAY-1993 10:59:00.00

SUBJECT: AGAM May 24, 1993

TO: Patricia A. Clark (CLARK_P) (OA)
READ: UNKNOWN

TO: Arthur L. Jones (JONES_A) (WHO)
READ: UNKNOWN

TO: Carter Wilkie (WILKIE_C) (WHO)
READ: UNKNOWN

TO: Eric Herman (HERMAN_E) (WHO)
READ: UNKNOWN

TO: Nestor M. Davidson (DAVIDSON_N) (WHO)
READ: UNKNOWN

TO: Stuart E. Trevelyan (TREVELYAN_S) (WHO)
READ: UNKNOWN

TO: Arnold Shore (SHORE_A) (OA)
READ: UNKNOWN

TO: Keith Boykin (BOYKIN_K) (WHO)
READ: UNKNOWN

TO: David Leavy (LEAVY_D) (WHO)
READ: UNKNOWN

TO: Thomas F. McLarty (MCLARTY_T) (WHO)
READ: UNKNOWN

TO: Doris O. Matsui (MATSUI_D) (WHO)
READ: UNKNOWN

TO: Margaret A. Williams (WILLIAMS_MA) (WHO)
READ: UNKNOWN

TO: Bruce K. Sasser (SASSER_B) (OMB)
READ: UNKNOWN

TO: Barry J. Toiv (TOIV_B) (OMB)
READ: UNKNOWN

TO: Leon Fuerth (FUERTH_L) (VPO)
READ: UNKNOWN

TO: Marla Romash (ROMASH_M) (VPO)
READ: UNKNOWN

TO: Steven Akey (AKEY_S) (WHO)
READ: UNKNOWN

TO: Janet Handal (HANDAL_J) (WHO)
READ: UNKNOWN

TO: Stephen B. Silverman (SILVERMAN_S) (WHO)
READ: UNKNOWN

TO: Christine A. Varney (VARNEY_C) (WHO)
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TO: Jeffrey L. Eller (ELLER_J) (WHO)
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TO: Lisa Mortman (MORTMAN_L) (WHO)
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TO: Ernest D. Gibble (GIBBLE_E) (WHO)
READ: UNKNOWN

TO: Patricia A. Enright (ENRIGHT_P) (WHO)
READ: UNKNOWN

TO: Jonathan P. Gill (GILL_J) (WHO)
READ: UNKNOWN

TO: Richard Strauss (STRAUSS_R) (WHO)
READ: UNKNOWN

TO: Maria M. Tio (TIO_M) (WHO)
READ: UNKNOWN

TO: Joshua N. Silverman (SILVERMAN_J) (WHO)
READ: UNKNOWN

TO: Jess Sarmiento (SARMIENTO_J) (WHO)
READ: UNKNOWN

TO: Lavora R. Barnes (BARNES_L) (WHO)
READ: UNKNOWN

TO: C. Patricia Cogdell (COGDELL_C) (WHO)
READ: UNKNOWN

ARMS Email System

TO: Kimberly S. Hopper (HOPPER_K) (WHO)
READ: UNKNOWN

TO: Lorraine A. Voles (VOLES_L) (WHO)
READ: UNKNOWN

TO: Margaret C. Sherry (SHERRY_M) (WHO)
READ: UNKNOWN

TO: Elizabeth A. Bernstein (BERNSTEIN_E) (WHO)
READ: UNKNOWN

TO: Carolyn Curiel (CURIEL_C) (WHO)
READ: UNKNOWN

TO: David B. Anderson (ANDERSON_D) (WHO)
READ: UNKNOWN

TEXT:

----- ATTACHMENT 1 -----
ATT CREATOR: NEWS (6=NEWS@2=ATTMAIL@1=US@MRX@EOPMRX)
ATT CREATION DATE/TIME:24-MAY-1993 08:10:00.00
ATT BODY PART TYPE: B
ATT SUBJECT: AGAM 5/24

ATT TO: TREVELYAN (TREVELYAN_S@A1@CD)
READ: UNKNOWN

ATT TO: RASCO (RASCO_C@A1@CD)
READ: UNKNOWN

ATT TO: PODESTA (PODESTA_J@A1@CD)
READ: UNKNOWN

ATT TO: INADOMI (INADOMI_L@A1@CD)
READ: UNKNOWN

ATT TO: GILL (GILL_J@A1@CD)
READ: UNKNOWN

ATT TO: ELLER (ELLER_J@A1@CD)
READ: UNKNOWN

ATT TO: BOYKIN (BOYKIN_K@A1@CD)
READ: UNKNOWN

ATT TO: ALEXANDER (ALEXANDER_DA@A1@CD)
READ: UNKNOWN

ATT TO: BAUER (6=BAUER@4=NCC-KC@5=OIRM@3=GOV+USDA.OIRM.KC@2=ATTMAIL@1=US@MRX@EOPMRX)
READ: UNKNOWN

ATT TEXT:
Enclosed file name.

0524.TXT

----- END ATTACHMENT 1 -----

----- ATTACHMENT 2 -----
ATT CREATOR: UNKNOWN (UNKNOWN)
ATT CREATION DATE/TIME:24-MAY-1993 08:09:00.00
ATT BODY PART TYPE: A
ATT SUBJECT:
ATT TEXT:
Monday, May 24, 1993

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PEANUT PROGRAM ASSESSED (AP) -- The article reviews USDA documents and GAO findings on the allocation of US peanut program quotas which Rep. Dick Army (R-Texas) calls "a remarkable concentration of benefits in the hands of a very few people." Supporters say the program provides economic stability for thousands of small farmers. The head of the Peanut Advisory Board says most farmers would be willing to discuss changes to the program, but he didn't know how to go about telling any farmer they could have only so much quota.

MILK BID-RIGGING EVIDENCE EXAMINED (NY Times-5/23) The article reviews the many facets and findings of investigations into bid-rigging by those who supply milk to schools and military bases. The investigation, one of the largest conducted by the Justice Dept., is expected to continue for another year. The article indicates the attitude that the practice was acceptable, so long as one did not get caught, may have been supported through official inaction. GAO criticized USDA for not barring defendant corporations from future participation in federally financed child nutrition programs; GAO says it undercuts the deterrent value of bid-rigging prosecutions.

WHEAT EEPs TO BE REVIEWED (FWN-5/21) -- The article says the Trade Policy

Review Group will review a USDA request for 36 million tons of wheat EEP initiatives. Sources say the State Dept. is opposed to approving a wheat EEP for Mexico (which is included in the USDA list) because "then Canada would just export more of its wheat and other items to the United States." The State Dept. and others are expected to oppose EEPs for Indonesia, Venezuela and Pakistan; a source says the US commercial sector should be given a chance to sell wheat there without EEPs. FWN closes with arguments of some for approval of a fairly status quo package to give the administration time to focus on domestic farm policies and trade policies such as NAFTA.

CONJECTURE ON FARM PROGRAM CHANGES (FWN-5/21) -- Although a consultant said USDA is under pressure to reopen the 1993 farm program signup to 0/92 enrollment and the signup for 1992-crop feedgrain reserve, a USDA official said "there has been very little pressure" to take either action. A USDA official said pressure on the 1992 feedgrain reserve is coming from those who want USDA to allow recourse/low quality corn into the reserve if producers promise to replace that grain with better quality 1993-crop corn. The official noted it takes legislation or a proposed rule to allow that.

(FWN-5/21) -- A USDA official, asked by FWN whether USDA's review of all options to increase farmers' income would include 1993 farm program crops, said no final determination has been made concerning loan rates and USDA is aware of the difficulties involved in implementing a loan rate increase for 1993 crops. FWN says a USDA analysis shows a 10-cent increase in loan rates would have only a 0.3-cent impact on the season average price for the crops.

EPA'S BUDGET PROBLEMS (Dailies, AP-5/23) -- A study by the Center for Resource Economics says political interference and mismanagement within EPA have crippled the agency, and it indicates EPA's budget is substantially short of what is needed to fulfill their obligations to comply with environmental laws. It says the agency "cannot say with certainty that the pesticides and toxic chemicals we use are safe." The study says a case in point is the EPA program which has evaluated less than 1% of 19,000 pesticides in two decades.

PESTICIDE EXPOSURE LINKED TO CANCER RISK (Reuter-5/22, W.Times 5/23) -- A simple blood test has shown that farm workers exposed to pesticides have a higher rate of genetic instability which could lead to lymphoid cancers. The researcher plans to study other groups, such as foresters, who have potential exposure to carcinogens.

FIGURING OF FARM INCOME ANALYZED (AP-5/22) -- The article says some praise Sec. Espy for changing the way USDA reports farm income; critics say the new number showing average household income from farming misrepresented how the farm households are doing. AP says the new report from which Sec. Espy obtained the number does tell a lot of different stories about from where farm income is derived and how it is distributed throughout the farming sector. A critic of commodity support programs who argues the farm economy is basically stable warns that Sec. Espy "will make a big mistake if he politicizes the thing," adding that "farmers will expect him to deliver."

OLD GROWTH SALES HALTED (Reuter-5/21) -- The Forest Service has halted all timber sales involving old growth east of the Cascade Mountains (Oregon & Washington ?) for two weeks while it studies a petition filed by environmental groups who want forest plans modified to protect habitat for a number of animal species. Old growth sales west of the Cascades have been halted to protect the spotted owl.

ELIMINATING SUBSIDIZED TIMBER SALES URGED (ChiTrib-5/21) -- A letter from The Wilderness Society's counselor criticizes industry actions to fight Forest Service moves to phase out taxpayer subsidized timber sales. He presents counter-arguments and says the time to fight the forces of change is over, especially when the environmental and fiscal payoffs are so high.

CONCERNS ABOUT ENERGY TAX (ChiTrib-5/21) -- Farmers say the proposed energy tax is still a "heck of an increase" despite juggling by the House Ways and Means Committee. The article reviews how some of the proposed taxes would affect farmers.

EXEMPTIONS FOR SOME AGRICULTURAL AIR POLLUTION (UPI-5/22) -- The Texas House passed a bill to exempt feedlots and large farm operations from clean air permitting requirements unless a specific injury or substantial adverse effect on public health could be demonstrated. A number of environmental and consumer groups oppose the measure; supporters say it relieves farmers from costly over-regulation.

CARGO-PREFERENCE REFORM SOUGHT (JOC) -- Shippers expressed reluctance to buy new vessels unless there are changes in the cargo-preference programs so they can assure lenders the bulk industry has a long-term market. The article outlines some of the industry's concerns about needed reforms, and their reasons for high rates to ship to Russia.

RUSSIA SITUATION (KRF-5/21, JOC) -- A USDA official said Russian officials are expected here this week to finalize details on the aid package, and they are expected to tender for commodities as soon as they have signed the agreement. The official said there are some technical details on a letter of credit to work out, as well as addressing concerns US-flag vessels are being discriminated against in Russian ports.

CORN CROP PREDICTIONS (WSJ) -- Analysts project a smaller corn crop this year because of cold, wet conditions; the article outlines the problems caused by the weather. Traders will be watching this week's USDA planting survey for signs that planting is further behind than expected.

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TEXT:
THE WHITE HOUSE
Office of the Press Secretary
(Stratham, New Hampshire)

For Immediate Release May 22, 1993

REMARKS BY THE PRESIDENT
IN COMMENCEMENT ADDRESS TO
THE GRADUATES OF NEW HAMPSHIRE TECHNICAL COLLEGE

Stratham, New Hampshire

11:05 A.M. EDT

THE PRESIDENT: Thank you very much. Madam President, members of the faculty and staff, distinguished members of Congress and other platform guests, and ladies and gentlemen, and most importantly, the members of this graduating class. (Applause.) To answer the President's question, I came here to address this class because you were the people that I ran for President to serve. It was your America that I hope to make better. (Applause.)

I'm proud to come back to the state that 15 months ago made me the "comeback kid" in this country. (Laughter and applause.) On February 7, 1992, when I came to this college, the people I met here asked me about things that matter to mainstream Americans

about jobs and health care and getting the economy moving again and whether the future for our young people would be better than the present.

After I finished speaking, one of your students, Greg Fuller, then asked me to come back and speak at this graduation. Stand up, Greg. (Applause.) And then he wrote me a letter to confirm his request. (Laughter.) That itself was miracle enough. In three months and two weeks we had received more mail at the White House than had come in in all of 1992. There may be another letter from Greg somewhere we haven't found yet. (Laughter.) But I'm delighted to be here. (Applause.)

This is the first graduation ceremony I have

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addressed as President, and I am -

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(applause.) I don't know, but it may be the first time a President has ever addressed a graduation of a technical college. But I will say this: more colleges like yours should have visits from the President, because people who work hard and study hard and who have to raise children and go to work while they go to school and who are really on the cutting edge -

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up and down -

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of this economy, you are the heart and soul of our present and our future.

The world in which you -

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(applause) -

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your families are clapping for you. (Applause.) The world in which you live, to be sure, has been full of bad news here in New Hampshire for the last few years, but it's also a very exciting and challenging place. And it will be different from the world in which I grew up in two very important ways. First of all, more than ever before, America will be captured by the reality of the global economy. More and more of our jobs will depend on trade. And more and more of our future will depend on not only how well we are doing, but how well our trading partners are doing. One of our problems today is that Europe and Japan's economies are down, so it's hard for ours to go up.

More and more, our national security will depend not just on military power, but on our renewal of economic strength. More and more, we'll have to find ways to cooperate as well as to compete with other countries. We'll have to find ways to preserve the global environment and still make it possible for the economies of our world to grow. That's the first thing.

The second thing is something you already know, or you wouldn't be here. We are moving very rapidly in all forms of production and service to a knowledge-

based economy in which what you earn depends on what you can learn. Not only what you know today, but what you're capable of learning tomorrow. And in which every graduate of high school needs at least to go on to two years of further education and training. You know that, or you wouldn't be here. (Applause.)

All of you have invested your money, your time, your energy to take personal responsibility for your own lives, developing your own skills, and in recognition of this new world reality. Your investment in a way is an act of faith. You know the world is knowledge-

based; you know you have to do this. Now having done it, you have to have faith that there will be opportunities for you, that if you have worked hard and played by the rules, you will be rewarded.

As President I share that faith. I believe we can make our system work. I believe we can see our country once again reflect the values with which all of us were raised. I don't think any of us can ever lose sight of that. It's appropriate that I'm at this graduation, because New Hampshire taught me all these things once again.

In the fall and winter of 1991 and 1992, when I spent so much time here, I literally, as we say in my part of the country, went to school with you. Two winters ago I came face to face with middle-

class people who had lost their jobs and their homes and their health care. I met people whose business loans had been cancelled, even though they had never missed a payment in their lives. I saw people who went down to the public assistance office and began to draw welfare checks just to make their home payments to keep from putting their kids in the street -

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middle class people who had had jobs and never thought they would be unemployed.

Every day when I get up in the White House and go to the Oval Office to work, I think about the people I met here and people like them all over America whose quiet courage and determination inspires me to keep fighting to restore the middle

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class and the fundamental strength and purpose of this country. I'll never forget people like Ron Macos, Jr., who couldn't get a job with health insurance because his little boy had open heart surgery. And when the First Lady's health care task force presents the national health care proposal in the next few weeks to the Congress, if that proposal passes, the Ron Macoses of this world will be able to keep working and raising their children in the future. (Applause.)

I'll never forget a young woman I met named Emily Teabold, who was a senior in high school when I met her. Her father lost his job in New Hampshire, and he spent her entire senior year in North Carolina, because that's the closest place he could find a job. I met a man here named David Springs, who was a month away from having his pension vested when he was fired from his company because people who owned his company sold it out in one of these leverage deals, and they bailed out with a golden parachute to a happy life and left their employees on the rocks.

I remember some stories of courage, too. I went to Clairmont and met the people who were working in the American Brush Company, trying to help revive that community. And I tried to help them find some customers for their products. I remember going to Manchester and visiting a company called Envirotote that made bags that we wound up buying all during the campaign and giving out with our little Clinton-

Gore stickers on all across the country. I saw people who were trying to make this country work again and trying to make New Hampshire a beacon of opportunity again.

Most of the people I saw, for all their hurts, never lost their hopes. And I'm here today to thank you for not losing yours -

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for going through this program and believing in it. Your President said something I want to reiterate. For most of the 20th century there's been a big division in our minds about what kind of learning counts and what kind of learning doesn't count as much; the big division between what is vocational and what is academic; between what is practical and what is intellectual.

In the last few years really smart people realize that that's a bogus distinction and that we have seen all over the world, and especially here in America, the line drawn down between the vocational and the academic, between the practical and the intellectual. All work requires knowledge, and it's not so bad if it has a practical application. That is what you have proved here. (Applause.)

So here we are with you; you have done your job. You have done anything that could be asked of you. Many of you have done this at great personal sacrifice. I wonder how many of you have gotten up in the morning wondering about what you were going to do for child care that day. Wondering about whether you should keep doing this given the fact that it costs money and the unemployment rate in the state is above the national average. Wondering about all kinds of uncertainties -

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you have done it. You have done your job.

You have now a right to ask what is our job. What can you expect of your country; what can you expect of your government; what is our job? If you have been responsible, what opportunities should you be able to claim? Our job is to try to put your values and your dreams into law and into facts. It means we have to have a new economic policy that recognizes that for 20 years, through the administrations of Democrats and Republicans alike, most working people have been working harder for lower hourly pay. One that recognizes that for a long time we have been the only advanced industrial country that didn't provide basic health care to all of our citizens; the only one that puts people in the trap of not being able to change jobs if anybody in their family has ever been sick because they've got a preexisting condition that will cost them their health insurance if they change jobs. That's a huge handicap in a world where the average 18-

year-

old will change work eight times in a lifetime. And where, because of global competition, most new jobs are created by small businesses that are coming into existence and going out of existence all the time.

And then, for 12 years we have seen our national debt go from \$1 trillion to \$4 trillion and our national investment in many things that are critical to our future go down. So we're spending less on what we should be spending money on and costs are exploding.

You have a right to better than that. You have a right to an economic policy that puts our people first, our jobs,

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our technologies, our education. You have a right to an economic policy that brings this deficit down so that we are not crushed and paralyzed with it into your children's children's lifetime with high interest rates and a mortgaged future. (Applause.)

You have a right to be treated fairly and to be given a chance to make it. You have a right to live in a country where everybody is given a chance to make it, which is not prejudiced against the wealthy -

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we don't like to be that way --
but gives those who aren't a fair chance to earn their due.

That is what you have a right to. And that is what you do not have today. We are doing our best in Washington to turn that around -

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to get control of the deficit, to bring it down, to invest in those things that will create more jobs, and to guarantee over the long run that we'll have jobs and incomes and health care that will justify the efforts you have made by going through this program. That is our responsibility.

I've asked the United States Congress to adopt a program that begins with spending cuts, starting with a reduction in my own staff, a reduction in the size of the federal government by 150,000 over the next four years; big cuts in the administrative budgets; and asking the federal employees to accept a wage freeze and lower increases in later years so that we can bring the deficit down. I have asked also that more than 200 other spending programs be cut, including the entitlements that have so much special interest support.

Second, it is clear to anyone who studies this problem that we need new revenues also to bring the deficit down. I've asked those who can best afford to pay, whose taxes went down in the 1980s, the wealthiest Americans, to pay most of what we need to raise. Over 74 percent of my tax program comes from the top six percent of income earners.

I also have proposed -

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(applause.) I also have proposed an energy tax which most Americans will pay. It is one that's called a Btu tax which will help promote conservation and the use of the most clean and fuel efficient fuels. But listen to the way it works. Because we offer income tax cuts to working families with incomes under \$30,000, those will offset the impact of the energy tax. And for larger families under \$25,000 there will even be a relief in the tax burden. For people with incomes above \$30,000, at \$40,000 and \$50,000 and \$60,000, here's what it costs. You're entitled to know in plain language.

Next year it costs a dollar a month per family. The next year after that, \$7 a month; and the next year after that, depending on the size of your family, between \$14 and \$17 a month. You have to decide if it's worth it to bring the deficit down. But let me tell you, all the tax increases and the spending cuts will be put in a trust fund so that they can't be used to do anything but bring the deficit down and -

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(applause)
-- and we can't have the taxes without the spending cuts. That's what the budget resolution that was adopted a few weeks ago means. We must cut spending. So we're going to do that, both things.

Now, is it worth it? You have to be the judge. But let me ask you just to consider this. Since November, since we made it clear that we were going to try to attack this deficit and after the announcement had been made after the election that the deficit over the next four years would be over \$160 billion bigger than we were told before the election -

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since November,
long-

term interest rates have dropped. Millions of Americans have already benefitted by refinancing their home mortgages, refinancing business loans. Many others will benefit by lower interest rates on car loans or consumer loans or student loans.

If just someone here has refinanced a home loan since November, in all probability, depending on the size of the mortgage, you will save more in one year than you will pay in four years in the energy tax. I think it is worth it to keep the interest rates down and to drive the deficit down. But you have to decide that.

There's a third way that we're trying to make some

fundamental changes. Just as we stop wasting money on things we don't need, I think we do have to invest some in what we do need. A lot of you, just in order to get through this program, had to cut back on some of the things that you would like to have spent money on. A lot of you made meaningful financial sacrifices in your own family life just to get here today so you could wear the cap and gown. I know that. But you've been wise to make that decision.

Because of the investments you've made in education and training, in the years ahead you'll be able to do more of the things that you gave up doing in the last two years. You'll be able to provide more opportunities for your children. You'll be able to build a stronger family unit with a stronger family future. That's what we're also trying to do.

This program offers dramatic increases in incentives for small businesses to invest money, to become more productive and hire new people, to invest in research and development, to find new products. It offers dramatic incentives to people to try to end the real estate depression that has gripped New England and southern Florida and California and many other places. It offers real incentives for people to invest in new businesses -

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the biggest in the history of America, for people to try their hand in starting new businesses. It offers an investment in new technologies, in defense conversion for all these people around America who have lost their jobs because of defense cutbacks. And it attempts to establish a transition from school to work so that everybody, by the time we finish this program, who graduates from high school, who doesn't go to a four-

year college, would at least have the clear opportunity to move right into a two-

year program like this one, so they don't lose time becoming productive and able to earn the best wages they can earn. I think that is a good investment in our future. (Applause.)

In other words, what I think our government owes you is to move beyond the two dichotomies that have argued so long in Washington, in what I think is a very stale way. One says, "Well, you're out there on your own and all we've got to do is make sure we don't spend a nickel to see the cow jump over the moon." The other says, "We'll take care of you. We can do things for you. Don't you worry about it." Neither one of those approaches is right. We can't give -

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entitle people to something that they won't work for. But neither can we turn our back on the plain responsibility of the United States to provide opportunity for people who will work for it. We have to empower people to seize what they are willing to seize. You have done your part; now we have to do ours. (Applause.)

I want to emphasize again, for the majority of people who do not go on to a four-

year college, it is imperative that we join the ranks of the other high-

wage countries and provide a system by which 100 percent of them at least know they have the opportunity to move into a program like the one that you have been a part of. It is imperative. Why? Because just as what you earn depends on what you can learn, what America does in terms of growing jobs depends on how functional all the people in this country are. We don't have a person to waste. There ought to be twice as many people here today as there are at this graduation ceremony. And if there were, the economy of New Hampshire and the United States would be stronger as a result. (Applause.)

I also believe very strongly that the United States ought to make available on terms everybody can afford the funds that people need to borrow to finance their education to two-

or four-

year schools. And we have proposed -

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(applause) -

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we have proposed to change the whole basis of the way the student loan program works -

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to lower interest rates, number one; and number two, to make available loans and then let people pay them back after they go to work and as a percentage of their income, so that people will not be discouraged from borrowing money today with the fear that they won't be able to pay it back if they get a job, especially if they get a job with a modest wage. You ought to be able to pay it back as a limited percentage of your income. It will make a huge difference. (Applause.)

Now, I believe these policies together will restore the sense of optimism to middle class America that we need. The idea that we can create jobs, that people who work at jobs can raise their incomes over time if they continue to improve their education and their productivity. And if we can do that and deal with the health care issue, we can restore a sense of possibility to America.

I don't pretend that this will be easy, that the progress will be uninterrupted, that nothing bad will happen. As I said at the beginning, some of what happens to us economically here in this country depends on what is happening to all these other countries around the world. A big percentage of the new jobs we've gotten in the last five years have come from trade. We won't get many if Europe and Japan are flat on their back.

But a lot of what happens to us depends upon what we do here. And you're entitled, having done your part, to know that your government has done its part. It may not happen overnight. A lot of these economic trends have been developing for 20 years. The political policies that we seek to change have been developing for a dozen years. And I must say, it is much easier to tell people that I'm going to cut your taxes and spend more money on everything than to say we're going to have to raise some money and spend less money on most things. (Applause.)

A lot of the easy things have been done, but I want you to believe that we can do it. We have made a good beginning. Here's something that can affect you. After years of arguing, we finally passed the Family Leave Bill that says you can get some time off when a baby is born or somebody's sick without losing your job. (Applause.)

I signed last week the motor voter bill, which opens up the political process to easier registration, because another young student from New Hampshire got me to sign a card when I was here saying that I'd do my best to pass it if I got elected President. (Applause.)

But changing this economy is a hard job. It requires a lot of discipline, and it requires our patience and concentrated effort.

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yours and mine -

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over a long period of time. But we can do it. We can do it. The work of change is never easy. But you have proved you weren't afraid to change.

The average student here is 30 years old. I can remember when I was your age. A lot of people would have been embarrassed to go back to school when they're 30. Now we've got people going back to school when they're 70. And let me tell you something -

-

(applause) -

-

you must remain unafraid to change. You must remain unafraid to change. Many of you will have to go through retraining programs when you're in your mid-

to

late 50s. You should look at that as a great opportunity to live a rich and diverse and interesting life. If we can do what we should do at the national level to reward the efforts you are making, then change can be your friend and not your enemy.

The heartbreaking thing I saw in New Hampshire all during the primary season last year and in 1991 was how many people had been victimized by change. I cannot repeal the laws of change. No person can. Our common challenge is to preserve the values of work and family and community and reward for effort in the midst of all this change. You have done your part. You should be proud of yourselves today, and you should commit yourselves to continue to work to make sure that change is your friend and that you are rewarded for the extraordinary and courageous efforts you have made.

God bless you, and good luck. (Applause.)

END11:30 A.M. EDT

ARMS Email System

RECORD TYPE: PRESIDENTIAL (RECONSTRUCTED EMAIL)

CREATOR: S. Collier Address (ADDRESS_S) (WHO)

CREATION DATE/TIME:24-MAY-1993 12:08:00.00

SUBJECT: Talking points- internal use only

TO: George Stephanopoulos (STEPHANOPO_G) (WHO)
READ: UNKNOWN

TO: Ricki Seidman (SEIDMAN_R) (WHO)
READ: UNKNOWN

TO: David Dreyer (DREYER_D) (WHO)
READ: UNKNOWN

TO: Jeffrey L. Eller (ELLER_J) (WHO)
READ: UNKNOWN

TO: Robert O. Boorstin (BOORSTIN_R) (WHO)
READ: UNKNOWN

TO: Michael Waldman (WALDMAN_M) (WHO)
READ: UNKNOWN

TO: Ann F. Walker (WALKER_A) (WHO)
READ: UNKNOWN

TO: David Kusnet (KUSNET_D) (WHO)
READ: UNKNOWN

TO: Lorraine A. Voles (VOLES_L) (WHO)
READ: UNKNOWN

TO: Dee Dee Myers (MYERS_D) (WHO)
READ: UNKNOWN

TO: Keith Boykin (BOYKIN_K) (WHO)
READ: UNKNOWN

TO: Amanda Crumley (CRUMLEY_A) (WHO)
READ: UNKNOWN

TO: Jason Solomon (SOLOMON_J) (WHO)
READ: UNKNOWN

TO: Liz Bowyer (BOWYER_L) (WHO)
READ: UNKNOWN

TO: David Leavy (LEAVY_D) (WHO)
READ: UNKNOWN

TO: Kathy McKiernan (MCKIERNAN_K) (WHO)
READ: UNKNOWN

TO: Jeremy M. Gaines (GAINES_J) (WHO)
READ: UNKNOWN

TO: Steven A. Cohen (COHEN_SA) (WHO)
READ: UNKNOWN

TO: Dawn A. Alexander (ALEXANDER_DA) (WHO)
READ: UNKNOWN

TO: David Seldin (SELDIN_D) (WHO)
READ: UNKNOWN

TO: Eric Berman (BERMAN_E) (WHO)
READ: UNKNOWN

TO: Meeghan E. Prunty (PRUNTY_M) (WHO)
READ: UNKNOWN

TO: Carter Wilkie (WILKIE_C) (WHO)
READ: UNKNOWN

TO: Kimberly Tilley (TILLEY_K) (WHO)
READ: UNKNOWN

TO: Ken Chitester (CHITESTER_K) (WHO)
READ: UNKNOWN

TO: Julie Oppenheimer (OPPENHEIME_J) (WHO)
READ: UNKNOWN

TO: Marla Romash (ROMASH_M) (VPO)
READ: UNKNOWN

TO: Lisa M. Caputo (CAPUTO_L) (WHO)
READ: UNKNOWN

TO: Gene Sperling (SPERLING_G) (OPD)
READ: UNKNOWN

TO: Stuart E. Trevelyan (TREVELYAN_S) (WHO)
READ: UNKNOWN

TO: Nestor M. Davidson (DAVIDSON_N) (WHO)
READ: UNKNOWN

ARMS Email System

TO: Alexis Herman READ: UNKNOWN	(HERMAN_A) (WHO)
TO: Regina T. Montoya READ: UNKNOWN	(MONTOYA_R) (WHO)
TO: Bernie Nussbaum READ: UNKNOWN	(NUSSBAUM_B) (WHO)
TO: Howard Paster READ: UNKNOWN	(PASTER_H) (WHO)
TO: Susan Brophy READ: UNKNOWN	(BROPHY_S) (WHO)
TO: Steve Ricchetti READ: UNKNOWN	(RICCHETTI_S) (WHO)
TO: Lorraine C. Miller READ: UNKNOWN	(MILLER_L) (WHO)
TO: John Podesta READ: UNKNOWN	(PODESTA_J) (WHO)
TO: Carol Rasco READ: UNKNOWN	(RASCO_C) (OPD)
TO: Bruce Reed READ: UNKNOWN	(REED_B) (OPD)
TO: Robert E. Rubin READ: UNKNOWN	(RUBIN_R) (OPD)
TO: Eli J. Segal READ: UNKNOWN	(SEGAL_E) (WHO)
TO: Christine A. Varney READ: UNKNOWN	(VARNEY_C) (WHO)
TO: Roy Neel READ: UNKNOWN	(NEEL_R) (VPO)
TO: Margaret A. Williams READ: UNKNOWN	(WILLIAMS_MA) (WHO)
TO: Rahm Emanuel READ: UNKNOWN	(EMANUEL_R) (WHO)
TO: Mark Gearan READ: UNKNOWN	(GEARAN_M) (WHO)
TO: Timothy J. Keating READ: UNKNOWN	(KEATING_T) (WHO)
TO: Unice B. Lieberman READ: UNKNOWN	(LIEBERMAN_U) (WHO)
TO: Dwight Holton READ: UNKNOWN	(HOLTON_D) (WHO)
TO: Lisa Mortman READ: UNKNOWN	(MORTMAN_L) (WHO)
TO: Jonathan P. Gill READ: UNKNOWN	(GILL_J) (WHO)
TO: Jocelyn Jolley READ: UNKNOWN	(JOLLEY_J) (WHO)
TO: Todd Stern READ: UNKNOWN	(STERN_T) (WHO)
TO: Stephen B. Silverman READ: UNKNOWN	(SILVERMAN_S) (WHO)
TO: Jonathan M. Prince READ: UNKNOWN	(PRINCE_J) (WHO)
TO: Kathleen L. O'Neill READ: UNKNOWN	(ONEILL_K) (WHO)
TO: Karen L. Hancox READ: UNKNOWN	(HANCOX_K) (WHO)
TO: Margaret C. Sherry READ: UNKNOWN	(SHERRY_M) (WHO)
TO: Carolyn Curiel READ: UNKNOWN	(CURIEL_C) (WHO)
TO: Jess Sarmiento READ: UNKNOWN	(SARMIENTO_J) (WHO)
TO: Erich Vaden READ: UNKNOWN	(VADEN_E) (WHO)
TO: Christine A. Varney READ: UNKNOWN	(VARNEY_C) (WHO)

ARMS Email System

TO: Natalie S. Wozniak (WOZNIAK_N) (WHO)
READ: UNKNOWN

TO: R. Paul Richard (RICHARD_R) (WHO)
READ: UNKNOWN

TO: Joshua Silverman (SILVERMAN_J) (WHO)
READ: UNKNOWN

TO: Andre C. Oliver (OLIVER_A) (WHO)
READ: UNKNOWN

TO: Maria M. Tio (TIO_M) (WHO)
READ: UNKNOWN

TO: Elizabeth A. Bernstein (BERNSTEIN_E) (WHO)
READ: UNKNOWN

TO: Julie A. Nash (NASH_J) (WHO)
READ: UNKNOWN

TEXT:
PRINTER FONT 12_POINT_ROMAN
INTERNAL USE

TO: White House Staff
FROM: Gene Sperling and Barbara Chow
DATE: May 21, 1993
RE: House Vote

Talking Points for House Vote

o The country is at a crossroads. We have an opportunity to make an historic reduction in the deficit and reverse the policies of eighties or continue the blind faith in trickle down economics of the past decade.

o A "Yes" vote on Thursday means the following:

- Endorsing \$496 billion in deficit reduction, the largest deficit reduction package in history. This plan encompasses \$255 billion in spending cuts, including over \$100 billion in entitlement reductions. There are three dollars in spending cuts for every dollar in new investments.
- \$56 billion in health care entitlement cuts, equivalent to or greater than any proposed by the previous Administration coupled with an additional \$50 billion in pay restraint and other reductions for federal workers.
- Restoring a fair and progressive system of taxation. According to a CBO study 75% of the tax burden in the Reconciliation bill will fall on the top six percent of all households -- those with incomes of over \$100,000. According to a study by Arthur Andersen, a family of three earning \$25,000 per year would see its taxes actually fall.
- Agreeing to an energy tax that will improve the environment, reduce dependence upon foreign oil. It will cost the average consumer, nothing in 1993, \$1 per month in 1994, and \$7 per month in 1995 and \$17 per month by the time it is fully phased in (family earning \$40,000 per year).
- Supporting programs that reward work and support families. The package uses some entitlement cuts to fund empowerment zones and family preservation programs and a major expansion of the Earned Income Tax Credit so that parents who work full-time and have a child at home will not live in poverty.

o A "No" vote on Thursday has significant consequences:

- This is our only and best opportunity for deficit reduction. No other alternative can survive. If we fail

here, we will raise serious questions in the public about our capacity to break the gridlock.

--The financial markets have already incorporated a significant deficit reduction plan into their financial planning horizons. Failure to achieve these goals will immediately throw the markets into disarray. It will stop and reverse the interest rate declines that enabled millions of consumers and corporations to shed the enormous debt accumulated over the past decade and use the savings to invest in the American economy.

--The international economy is watching the U.S. to lead it out of the global recession. Fiscal consolidation in the United States and expansion in Japan is critical. If we abandon deficit reduction now, the whole bargain might fall apart--with significant consequences for world recovery.

o Our ability to pass a health care reform bill will be greatly impaired.

--Any other alternative are bound to lead to a more regressive budget and huge "hidden taxes." We all support the concept of bigger and deeper spending cuts. What the Boren/Danforth plan has demonstrated is that additional reductions beyond the substantial cuts already called for in the Clinton budget must come at the expense of the elderly and low-income population. For example, the Boren/Danforth plan would lower the Medicare increase for the wealthiest Americans (those earning over \$130,000) by denying 27 million Social Security recipients earning as little as \$7,500 per year a full Cost of Living Adjustment. It would shift \$31 billion in Medicaid and AFDC costs to 13 states, Alaska, California, Connecticut, Delaware, the District of Columbia, Hawaii, Illinois, Maryland, Massachusetts, New Hampshire, New Jersey, New York, and Virginia in order to reduce taxes on

ARMS Email System

Americans with incomes well over \$100,000. Overall, in the absence of health care reform, the Boren plan would lead to shifting health costs, creating what the Washington Post called "a huge hidden tax in the form of higher premiums on people who now have health insurance" while shifting costs to the states that would compel them "to raise...regressive taxes." (The Boren Alternative, Washington Post, 5/21/93)

- o The Administration is fighting hard for its package and will continue to do so. We will not abandon you in the Senate. The BTU tax will survive.

ARMS Email System

RECORD TYPE: PRESIDENTIAL (RECONSTRUCTED EMAIL)

CREATOR: Jonathan P. Gill (GILL_J) (WHO)

CREATION DATE/TIME: 25-MAY-1993 14:43:00.00

SUBJECT: VOA Insight -- DayBook

TO: Patricia A. Clark (CLARK_P) (OA)
READ: UNKNOWN

TO: Arthur L. Jones (JONES_A) (WHO)
READ: UNKNOWN

TO: Carter Wilkie (WILKIE_C) (WHO)
READ: UNKNOWN

TO: Eric Berman (BERMAN_E) (WHO)
READ: UNKNOWN

TO: Nestor M. Davidson (DAVIDSON_N) (WHO)
READ: UNKNOWN

TO: Stuart E. Trevelyan (TREVELYAN_S) (WHO)
READ: UNKNOWN

TO: Arnold Shore (SHORE_A) (OA)
READ: UNKNOWN

TO: Keith Boykin (BOYKIN_K) (WHO)
READ: UNKNOWN

TO: David Leavy (LEAVY_D) (WHO)
READ: UNKNOWN

TO: Thomas F. McLarty (MCLARTY_T) (WHO)
READ: UNKNOWN

TO: Doris O. Matsui (MATSUI_D) (WHO)
READ: UNKNOWN

TO: Margaret A. Williams (WILLIAMS_MA) (WHO)
READ: UNKNOWN

TO: Bruce K. Sasser (SASSER_B) (OMB)
READ: UNKNOWN

TO: Barry J. Toiv (TOIV_B) (OMB)
READ: UNKNOWN

TO: Leon Fuerth (FUERTH_L) (VPO)
READ: UNKNOWN

TO: Marla Romash (ROMASH_M) (VPO)
READ: UNKNOWN

TO: Steven Akey (AKEY_S) (WHO)
READ: UNKNOWN

TO: Janet Handal (HANDAL_J) (WHO)
READ: UNKNOWN

TO: Stephen B. Silverman (SILVERMAN_S) (WHO)
READ: UNKNOWN

TO: Christine A. Varney (VARNEY_C) (WHO)
READ: UNKNOWN

TO: Jeffrey L. Eller (ELLER_J) (WHO)
READ: UNKNOWN

TO: Lisa Mortman (MORTMAN_L) (WHO)
READ: UNKNOWN

TO: Ernest D. Gibble (GIBBLE_E) (WHO)
READ: UNKNOWN

TO: Patricia A. Enright (ENRIGHT_P) (WHO)
READ: UNKNOWN

TO: Jonathan P. Gill (GILL_J) (WHO)
READ: UNKNOWN

TO: Richard Strauss (STRAUSS_R) (WHO)
READ: UNKNOWN

TO: Maria M. Tio (TIO_M) (WHO)
READ: UNKNOWN

TO: Joshua N. Silverman (SILVERMAN_J) (WHO)
READ: UNKNOWN

TO: Jess Sarmiento (SARMIENTO_J) (WHO)
READ: UNKNOWN

TO: Lavora R. Barnes (BARNES_L) (WHO)
READ: UNKNOWN

TO: C. Patricia Cogdell (COGDELL_C) (WHO)
READ: UNKNOWN

ARMS Email System

TO: Kimberly S. Hopper (HOPPER_K) (WHO)
READ: UNKNOWN

TO: Lorraine A. Voles (VOLES_L) (WHO)
READ: UNKNOWN

TO: Margaret C. Sherry (SHERRY_M) (WHO)
READ: UNKNOWN

TO: Elizabeth A. Bernstein (BERNSTEIN_E) (WHO)
READ: UNKNOWN

TO: Carolyn Curiel (CURIEL_C) (WHO)
READ: UNKNOWN

TO: David B. Anderson (ANDERSON_D) (WHO)
READ: UNKNOWN

TEXT:

----- ATTACHMENT 1 -----
ATT CREATOR: Bureau of Policy and Programs (1=US*RFC-822\usia01(a)access.digex.net@3=INTERNET@2=TELEMAIL@MRX@EOPMRX)
ATT CREATION DATE/TIME:25-MAY-1993 08:33:00.00

ATT BODY PART TYPE: B

ATT SUBJECT: VOA Insight, May 25

ATT TO: jonathan gill (1=US*RFC-822\jpg+(a)campaign92.org@3=INTERNET@2=TELEMAIL@MRX@EOPMRX)
READ: UNKNOWN

ATT TO: Jack Belcher (1=US*RFC-822\jbelcher(a)hr.house.gov@3=INTERNET@2=TELEMAIL@MRX@EOPMRX)
READ: UNKNOWN

ATT TO: Diane Kurtz (1=US*RFC-822\DKurtz(a)hr.house.gov@3=INTERNET@2=TELEMAIL@MRX@EOPMRX)
READ: UNKNOWN

ATT TO: Media Reaction -- Bulletin Board (1=US*RFC-822\bulletin(A)Hr.HOUSE.gov@3=INTERNET@2=TELEMAIL@MRX@EOPMRX)
READ: UNKNOWN

ATT TEXT:

RFC-822-Headers:

Received: from life.ai.mit.edu by sprintf.merit.edu (5.64/1123-1.0-X.500)
id AA07138; Tue, 25 May 93 08:03:48 -0400

Received: from LEX-LUTHOR.AI.MIT.EDU by life.ai.mit.edu (4.1/AI-4.10) for /PN=Jonathan.P.Gill/OU=Office_of_Media_Affairs/O=EOP/PRMD=GOV+EOP/ADMD=T

Received: from ACCESS.DIGEX.NET by LEX-LUTHOR.AI.MIT.EDU via INTERNET with SMTP id 110935; 25 May 1993 08:03:39 -0400

Received: by access.digex.net id AA28222

(5.65c/IDA-1.4.4 for jonathan.gill <jpg+@campaign92.org>); Tue, 25 May 1993 08:03:27 -0400

Mime-Version: 1.0

Content-Type: MULTIPART/MIXED; BOUNDARY="587223578-1641693313-738331407:#28137"

***** END ATTACHMENT 1 *****

----- ATTACHMENT 2 -----
ATT CREATOR: UNKNOWN (UNKNOWN)

ATT CREATION DATE/TIME:25-MAY-1993 08:33:00.00

ATT BODY PART TYPE: A

ATT SUBJECT:

ATT TEXT:

--587223578-1641693313-738331407:#28137

Content-Type: TEXT/PLAIN; charset=US-ASCII

--587223578-1641693313-738331407:#28137

Content-Type: APPLICATION/octet-stream; name="insight.525"

Content-ID: <Pine.3.07.9305250827.A28137@access.digex.net>

Content-Description:

UNITED STATES INFORMATION AGENCY
VOICE OF AMERICA DAYBOOK

DATE=5/25/93
TYPE=INSIGHT
CONTENT=

EARLY-MORNING INSIGHT FOR NATIONAL TAPDANCE DAY
TUESDAY - MAY 25, 1993

--(CORRESPONDENT TRAVELS)--

DAVID SWAN -- BRUSSELS (ASPIN).
DAN ROBINSON -- PHNOM PENH (CAMBODIAN ELEX).
GIL BUTLER -- PHNOM PENH (CAMBODIAN ELEX).
BARRY WOOD -- VILNIUS (GENERAL REPORTING).

(WASHINGTON)

U-S / SOMALIA -- THE HOUSE IS EXPECTED TO CONSIDER A
RESOLUTION AUTHORIZING U S FORCES IN SOMALIA. PAULA WOLFSON WILL
COVER.

U-S MILITARY / BOSNIA -- THE HOUSE ARMED SERVICES COMMITTEE
HOLDS A 9:30 AM HEARING ON THE IMPLICATIONS OF U-S POLICY IN
BOSNIA. WOLFSON WILL COVER.

U-S / UKRAINE -- A DELEGATION OF UKRAINIAN PARLIAMENT

ARMS Email System

DEPUTIES HOLD A 9:30 AM NATIONAL PRESS CLUB NEWS CONFERENCE ON U-S / UKRAINE RELATIONS. IMANI CROSBY WILL COVER.

ENERGY TAX -- NATIONAL ASSOCIATION OF MANUFACTURERS PRESIDENT JERRY JASINOWSKI, U-S CHAMBER OF COMMERCE PRESIDENT RICHARD LESHNER AND NATIONAL FEDERATION OF INDEPENDENT BUSINESS PRESIDENT JACK FARRIS PARTICIPATE IN A 9:30 AM AMERICAN ENERGY ALLIANCE BASHING OF THE CLINTON B-T-U TAX PLAN. JOE CHIARO WILL COVER.

TAX PLAN -- JIM MALONE WILL FILE A BACKGROUND REPORT ON THE STATUS OF THE CLINTON TAX PLAN IN CONGRESS.

RUSSIA / TRAINING -- MELISSA WINKLER WILL COVER A 10 AM NEWS CONFERENCE ANNOUNCING A U-S ADVISORY BOARD TO ASSIST MOSCOW BUSINESS UNIVERSITY IN TRAINING FREE-MARKET-ORIENTED STUDENTS.

CHILD PROTECTION / STORE TRAFFIC -- AT 10 AM, THE NATIONAL CENTER FOR MISSING & EXPLOITED CHILDREN ANNOUNCES A NEW CHILD-PROTECTION CAMPAIGN TO BE HELD IN MONTGOMERY WARD STORES. DON HENRY WILL COVER.

BOSNIA / INTERVENTION -- IN A NOON HERITAGE FOUNDATION ADDRESS, THE FORMER CHIEF OF STAFF OF THE U-N PROTECTIVE FORCE IN YUGOSLAVIA SPEAKS ON "BOSNIA: SHOULD THE ALLIES INTERVENE MILITARILY?" PAM TAYLOR WILL COVER.

RENO SPEAKS -- ATTORNEY GENERAL JANET RENO DELIVERS A 1 PM ADDRESS TO THE WASHINGTON LAWYERS COMMITTEE FOR CIVIL RIGHTS & URBAN AFFAIRS. JANE BERGER WILL COVER.

SPACE CRASH -- DAVID MCALARY WILL COVER A 1 PM NASA BRIEFING ON NEW DETAILS OF A HEAD-ON COLLISION BETWEEN TWO GALAXIES.

--(NATIONAL)--

U-N MEMBERSHIP -- THE SECURITY COUNCIL IS SCHEDULED TO MEET AT 4 PM TO CONSIDER ADMITTING MONACO AND ERITREA. ELAINE JOHANSON WILL COVER.

--(LATIN AMERICA & THE CARIBBEAN)--

PANAMANIAN LAND -- GREG FLAKUS WILL FILE A BACKGROUND REPORT ON PANAMA'S PLANS TO SELL OR LEASE LAND CURRENTLY OCCUPIED BY U-S MILITARY BASES.

W-H-O / CUBA -- THE WORLD HEALTH ORGANIZATION IS HOLDING A BRIEFING ON THE EYE DISORDER AFFLICTING AN ESTIMATED 25-THOUSAND PEOPLE IN CUBA. WAYNE COREY WILL FILE A SHORT REPORT BY 14 GMT.

--(AFRICA)--

U-S / SOMALIA -- SEE WASHINGTON.

U-N MEMBERSHIP -- SEE NATIONAL.

SENEGAL POL -- IN DAKAR, HEAVY SECURITY IS IN PLACE FOR AN OPPOSITION RALLY. NICK SIMEONE WILL FILE.

KENYA / MEDIA -- KENYA'S ASSOCIATION OF A FREE AND INDEPENDENT PRESS IS CALLING FOR DONOR NATIONS TO CONTINUE TO WITHHOLD MONEY FROM KENYA BECAUSE OF ITS SUPPRESSION OF THE OPPOSITION MEDIA. SCOTT BOBB WILL FILE A LONG REPORT.

--(ASIA & THE PACIFIC)--

CHINESE DISSIDENT -- AT THE UNITED NATIONS, CHINESE DISSIDENT SHEN TONG IS SCHEDULED TO MAKE A 2 PM APPEARANCE, ALTHOUGH HE HAS BEEN BARRED BY SECRETARY-GENERAL BOUTROS-GHALI FROM HOLDING A NEWS CONFERENCE IN THE MAIN BUILDING. ELAINE JOHANSON WILL COVER.

ECONOMIC UNREST -- MAX RUSTON FILES A LONG ON REPORTS CHINA'S PRESIDENT HAS WARNED HIGH INFLATION COULD LEAD TO SOCIAL OR POLITICAL UNREST.

CHINA / TIBET -- THERE HAS BEEN A SECOND DAY OF CLASHES BETWEEN DEMONSTRATORS AND POLICE IN LHASA. CHRIS BILLING FILES A LONG REPORT.

KOREA / U-S -- THE NORTH KOREAN AMBASSADOR IN GENEVA IS HOLDING A BRIEFING ON HIS COUNTRY'S RELATIONS WITH THE UNITED STATES AND SOUTH KOREA. WAYNE COREY WILL FILE, AS WARRANTED, BY 13 GMT.

CAMBODIAN ELECTIONS -- FROM PHNOM PENH, DAN ROBINSON AND GIL BUTLER CONTINUE COVERAGE OF THE CAMBODIAN ELECTIONS.

SOUTH ASIA / DEVELOPMENT -- THE AUTHOR OF THE U-N DEVELOPMENT REPORT IS IN NEW DELHI, WHERE HE HAS ADDRESSED HIS CONCERNS ABOUT THE POSSIBILITY OF WAR IN THE REGION. PETER HEINLEIN FILES A LONG REPORT.

(EUROPE) --

U-S MILITARY / BOSNIA -- SEE WASHINGTON.

U-S / UKRAINE -- SEE WASHINGTON.

U N / CYPRUS -- IN NEW YORK, U N / SPONSORED TALKS ON CYPRUS ARE SCHEDULED TO RESUME AT 11 AM. ELAINE JOHANSON WILL COVER.

ASPIN / NATO -- U-S DEFENSE SECRETARY LES ASPIN IS IN BRUSSELS TO CONFER WITH OTHER NATO DEFENSE MINISTERS ABOUT THE CRISIS IN BOSNIA-HERZEGOVINA AND A NEW WESTERN PEACE PLAN TO END THE WAR. DAVID SWAN IS TRAVELING WITH THE DEFENSE SECRETARY AND HAS FILED LONG AND SHORT REPORTS. HE WILL UPDATE AS WARRANTED.

NATO / BOSNIA -- NATO DEFENSE MINISTERS HAVE BEGUN TWO DAYS OF TALKS IN BRUSSELS TO DISCUSS -- AMONG OTHER THINGS -- NATO'S ROLE IN ENFORCING A NEW BOSNIAN PEACE PLAN. DENISE CLAVELOUX HAS FILED A SHORT REPORT AND WILL UPDATE, AS THE DAY PROGRESSES.

BOSNIA / U-N -- INTERNATIONAL MEDIATOR STOLTENBERG BEGINS A FOUR-DAY TRIP TO FORMER YUGOSLAVIA AND PLANS A NEWS CONFERENCE IN ZAGREB AT 13 GMT. RON PEMSTEIN WILL FILE, AS WARRANTED.

TURKEY / KURDS -- KURDISH GUERRILLAS KILLED 30 TURKISH

SOLDIERS AND KIDNAPED 15 OTHER PEOPLE ON MONDAY IN THE BLOODIEST
ATTACK SINCE THE OUTLAWED KURDISTAN WORKERS PARTY, OR P-K-K,
DECLARED A UNILATERAL CEASEFIRE IN MARCH. AMBERIN ZAMAN HAS
FILED A SHORT REPORT AND PLANS A LONG, IF WARRANTED.
RUSSIA / ECONOMY -- RUSSIAN AUTHORITIES WILL BRIEF REPORTERS
ON THE AGREEMENT BETWEEN THE GOVERNMENT AND THE CENTRAL BANK THAT
PAVES THE WAY FOR THE FIRST HALF OF AN INTERNATIONAL MONETARY
FUND LOAN OF THREE BILLION DOLLARS. MARK HOPKINS PLANS LONG
REPORT BY 15 GMT.
RUSSIA / ARMENIA -- RUSSIA'S PRESIDENT VELTSIN AND
TVER-PETROSAN OF ARMENIA ARE MEETING TO DISCUSS THE
ARMENIAN-AZERBAIJANI CONFLICT OVER NAGORNO-KARABAKH, THIS AS
AZERBAIJAN DECLARES A TEMPORARY UNILATERAL CEASEFIRE. HOPKINS
WILL FILE LONG REPORT BY 14 GMT.
GERMANY / ASYLUM -- GERMAN LAWMAKERS VOTE WEDNESDAY ON
LEGISLATION TIGHTENING THE COUNTRY'S LIBERAL ASYLUM LAWS TO STEM
A GROWING FLOOD OF REFUGEES INTO THE UNITED COUNTRY. DAGMAR
BREITENBACH WILL FILE A LONG PREVIEW BY 14 GMT.
GERMANY / NEO-NAZIS -- THE SECOND OF TWO GERMAN NEO-NAZIS
CHARGED IN THE FIRE-BOMB DEATHS OF SEVERAL TURKISH IMMIGRANTS HAS
WITHDRAWN HIS CONFESSION OF GUILT. BREITENBACH WILL FILE A SHORT
REPORT. TIMING UNCERTAIN.

-- (MIDEAST) --

IRAN / IRAQ -- AN IRANIAN OPPOSITION GROUP CLAIMS IRANIAN
PLANES LAUNCHED ATTACKS EARLY TUESDAY ON OPPOSITION GUERRILLA
BASES INSIDE IRAQ. SO FAR, THERE HAS BEEN NO CONFIRMATION OF THE
ATTACKS. LAURI NEFF HAS FILED LONG AND SHORT REPORTS FROM CAIRO.
SHE WILL UPDATE THE SHORT BY 13 GMT AND THE LONG, LATER.
ISRAEL / UNREST -- ISRAELI TROOPS SHOT DEAD TWO
PALESTINIANS IN THE OCCUPIED TERRITORIES TUESDAY, ONE A TEEN-AGER
IN NABLUS AND THE OTHER A SUSPECTED ISLAMIC MILITANT IN THE GAZA
STRIP. ART CHIMES HAS FILED A SHORT REPORT.
U-N MEMBERSHIP -- SEE NATIONAL.

THE SPECIAL EVENTS CALENDAR . . .
. . . AS PREPARED BY TRAFFIC / SPECIAL EVENTS

WORLDNET W/ DR. MERRILL PETERSON "JEFFERSON AT 250:
AN AMERICAN GENIUS"
7:30AM-8:30AM
SRC-78

TELEPRESS CONF. W/ USIS NEW DELHI AND THOMAS GRAHAM "THE
NUCLEAR NONPROLIFERATION TREATY"
8:30AM-10AM
SRC-54 MCPHONE

WORLDNET W/ THOMASINA PORTIS & JORI GOMEZ "MULTICULTURAL EDUCATION"
8:30AM-9:30AM
SRC-78

AMER. ENERGY ALLIANCE NEWS CONF. ON PRES. CLINTON ENERGY TAX
9:30AM-11:30AM
SRC-23

DRS. WENNBERG AND WASSON NEWS CONF. ON PROSTATE CANCER
10AM-12N
SRC-24

WORLDNET W/ DR. AUTRY AND MARK DE BERNARDO "DRUGS IN THE WORKPLACE"
12N-1PM
SRC-80 (SPANISH)
SRC-117 (ENGLISH)

NASA BRIEFING ON HUBBLE SPACE TELESCOPE
1PM-3PM
SRC-20

WORLDNET W/ DR. LORENZO MORRIS "DAKAR AMERICAN STUDIES
COLLOQUIUM: "BUILDING AMERICAN STUDIES IN FRANCOPHONE AFRICA"
1PM-2PM
SRC-78 (FRENCH)
SRC-115 (ENGLISH)
25-May-93 7:52 AM EDT (1152 UTC)

--587223578-1641693313-738331407:#28137--

===== END ATTACHMENT 2 =====