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THE WHITE HOUSE
Office of the Press Secretary

For Immediate Release May 24, 1993

PRESS BRIEFING
BY GEORGE STEPHANOPOULOS
The Briefing Room

12:55 P.M. EDT

MR. STEPHANOPOULOS: Just take a quick look at the week ahead. As you know, this afternoon the President is meeting with President Von Weizsacker of Germany. Tomorrow he'll have some congressional meetings here including a bipartisan leadership meeting and a quality cars event on Capitol Hill.

Q What time?

MR. STEPHANOPOULOS: I think it's 10:00 a.m. I don't know what times the other ones are in the afternoon.

A CEO lunch on Wednesday, along with a meeting of the Black Caucus. Again, I have no times on those. He'll be doing a town hall meeting here in the Rose Garden with CBS Morning News on Thursday. And he'll be off to Philadelphia on Friday and then the West Point commencement on Saturday.

Q What are the Philadelphia events

what kind of
events are in Philadelphia?

MR. STEPHANOPOULOS: I'm not sure exactly yet. We'll have some event at noon.

Q Is it overnight in Philadelphia?

Q How do you know you're going there if you don't know where you're going?

MR. STEPHANOPOULOS: We know we're going to

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Philadelphia. We know the President will be giving a speech. I don't have all the details yet.

Q Is he going to overnight in Philadelphia?

MR. STEPHANOPOULOS: I think he may overnight up at West Point and then give the commencement speech on Saturday.

Q Is his speech in Philadelphia going to be about his economic program?

MR. STEPHANOPOULOS: I would expect so.

Q You're not going to announce -

-

making any
announcements -

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MR. STEPHANOPOULOS: That's all that's planned right now.

Q Speaking about the economic plan. George, do you think the President's plan will have to go through a major revision in order to get it passed on Thursday in the House?

MR. STEPHANOPOULOS: Right now we feel good about where we are. We're going to continue to press all week through the House. The President has been on the phone over the weekend; he'll be on the phone today with members of Congress, and that will continue all the way through until Thursday.

Q Does the President feel he has a commitment from Senator Boren to vote for the Btu tax or any part of his personal commitment as described by Moynihan yesterday?

MR. STEPHANOPOULOS: I think the President hopes that all the members of the Senate Finance Committee, especially the Democrats, will vote for the package when it gets through to next week.

Q Does the President feel he has a personal commitment from Senator Boren to vote for his economic package?

MR. STEPHANOPOULOS: The President has had several conversations with Senator Boren. I think that Senator Boren has said in the past he doesn't want to stand in the way of the President's program, but I mean, they will continue to talk and we'll continue to work for passage.

Q George, Mandy Grunwald, James Carville, Stan Greenberg were here this morning. Were they here to see the President, do you know?

MR. STEPHANOPOULOS: I think James might have met with the President briefly for a few minutes this morning.

Q Have there been any consultations here in the last several days about last week, the difficulty the President may have had on the perception front -

-

haircuts, travel problems, and so on as to how to cure those problems and to get on a more helpful track?

MR. STEPHANOPOULOS: Lots and lots of discussion and we're just going to keep on pushing to get back on track.

Q What came of -

-

what was agreed upon? What was agreed what the problem was?

MR. STEPHANOPOULOS: Well, I don't know if there's any firm decisions like that, but obviously we wish last week would have gone a lot better and we're going to continue -

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we review our progress all the time. We review the mistakes we make and the things we can do better, and we're going to continue to do that.

Q What did you decide was the problem last week?

MR. STEPHANOPOULOS: Well, clearly, the week didn't go as we had planned.

Q I'm asking for the cause. You keep repeating the problem. What did you think the cause was?

MR. STEPHANOPOULOS: Well, I don't know exactly what the

cause was. I think there's probably a lot of different elements at play here and I just know that for whatever the reasons, things didn't go as we would like them to go. And we're going to continue to look at that, and continue to try to fix them.

Q George, is the President concerned about assertions in Bosnia and from members of both parties on the Hill that this plan he signed off on, the new Bosnia plan, in essence, confirms the results of ethnic cleansing rather than reverse as he seemed to be wanting to do before?

MR. STEPHANOPOULOS: That's not what it does. I mean, I think this plan quite clearly reasserts our refusal of the West, the refusal of the U.S. and our allies to accept the territorial gains in Bosnia through aggression. We clearly state that the economic sanctions will remain in place until the Bosnian Serb troops have withdrawn from the places they have occupied by force. And it also leaves open the options of new and tougher measures in Bosnia.

And these are simply interim steps. We are grateful that the allies have come together on this package. We are grateful we have worked forward on this package of humanitarian assistance, enforcement of the sanctions, enforcement of the no-

fly zone. And we're going to continue to work with our allies.

Q Is the Vance-

Owen plan dead as far as the U.S. is concerned now?

MR. STEPHANOPOULOS: We're moving forward right now. No further actions are off the table at this point. We're going to continue to work for those actions, and we're going to pursue the joint action with our allies.

Q Are you suggesting in answer to Ann that there are no compromises being worked out on an energy tax that is a modified Btu tax or something closer to what Senator Moynihan was indicating might be taking place -

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MR. STEPHANOPOULOS: I don't think that's what Ann asked about, no.

Q Yes, I did. (Laughter.)

MR. STEPHANOPOULOS: We'll see.

Q Are you not moving off of the Btu tax as it is now proposed? Are you not looking for another way to try to get Boren, BreauX, maybe even -

-

MR. STEPHANOPOULOS: Right now we're focused on the House and making sure that we have the votes in the House on Thursday to get our package through. I think Senator Moynihan said yesterday that you can't rule out all conceivable adjustments in the plan. I mean, I think that's part of the legislative process. But we're pushing forward for the President's plan this week in the House, and we'll continue to push forward thereafter.

Q George, why should anybody -

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Q Can I just follow up on that? Don't you need to work out the compromises you're going to make with the Senate before the House votes so that you don't have a situation similar to the grazing fees situation where their vote and -

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MR. STEPHANOPOULOS: First of all, on the grazing fee situation, as you know, it's making good progress now in both the House and the Senate through the committees that are responsible for it.

Q As you know, a number of House members felt that they had been let down by voting for something that was very difficult for them to vote for and then having it compromised in the Senate. Are you trying to avoid that at this point?

MR. STEPHANOPOULOS: Yes. We're committed to working for the President's package. We're committed to it in the House, we're committed to it in the Senate, and we're going to keep on working for it.

Q Is it going to be a different package?

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MR. STEPHANOPOULOS: I don't think so. We're committed to making sure the President's package gets through as close to intact as we can, and that's what we're going to fight for.

Q Do you have any reaction to the Japanese reaction to the court ruling in Louisiana? How would that affect U.S.

Japanese relations?

MR. STEPHANOPOULOS: Again, we understand and regret very much the tragic incident last year in which the exchange student was killed, and we extend our sincere condolences to his family. Obviously, we can't comment on the verdict itself, but we can certainly understand the disappointment of the Japanese people. And we hope that this won't have any harmful effect on U.S.-

Japanese relations.

Q Did the President communicate directly with the Japanese leaders to try to explain away the situation to them?

MR. STEPHANOPOULOS: I don't know that there will be any extraordinary communication.

Q What has the President been saying to House members who are reluctant for tax increases the year before they're up for reelection when they're not certain that it's going to get passed by the Senate? What is the point of the House voting for a package which was -

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MR. STEPHANOPOULOS: Well, the President says what he said last week. He says, I'm going to fight for this package, and if you stick with me I'll stick with you. And that's what he's telling the House members.

Q On that question, George, and on Andrea's follow-

up, clearly, you're more concerned about what the Senate's going to do. You seem to have possibly enough votes right now in the House to get it through the way it is, and that's why you say you're committed to the package. But don't you at least agree that you're going to have to do a little bit of meeting halfway in the Senate to try to come to grips with what they want and modify your package a little bit? Where will you give a little?

MR. STEPHANOPOULOS: Again, I mean, I don't think it's productive to outline those kinds of discussions from this podium. The President's committed to working for his package. That's what he's going to do. He's focused on the House. We're not taking the House for granted this week. We're going to be working hard for every single vote in the House and try to get a win, and then we'll move to the Senate.

Q How can you say that the Bosnia settlement or agreement is not a fait accompli when it's being hailed by the Serbian Bosnians and its being derided and denounced by the Muslims and so forth, who definitely feel that the Serbs now can keep the land that they took by conquest and there doesn't seem to be -

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there isn't any move to change that and it looks like the President threw in the towel?

MR. STEPHANOPOULOS: Well, if the Serbians believe that they misunderstand the intentions of the U.S. and our allies. And we're going to continue to -

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Q So both sides misunderstand?

MR. STEPHANOPOULOS: -

-

and we're going to move forward. I would just go back to what Secretary Christopher said this morning. We're going to do what is in U.S. interests, and we're going to try to minimize the killing. We're going to increase the pressure on the Serbs. We're going to continue to do that. But it's our job to do what's in the best interest of the United States.

Q But that still doesn't mean that it's in the best interests of people who have lost all their land.

MR. STEPHANOPOULOS: Again, it's our job to do what's in the best interests of the United States, and we're not going to let up the pressure on the Serbs and we're not acquiescing in that.

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Q Are you saying that there will be no compromise on any terms of the economic program this week before the House vote?

MR. STEPHANOPOULOS: I'm saying that we're going forward for the House vote, and we're going to continue to try to pass the President's package.

Q George, back to Bosnia -

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Q On Bosnia. I want to understand the rules of engagement as we interpret them now, okay? If there is a Serbian attack on one of these safe havens and no UNPROFOR troops are hit, but only civilians, is that a cause for American air power to be brought to bear to retaliate?

MR. STEPHANOPOULOS: Again, I would refer you to the State Department for the specifics of the -

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and the Defense Department specifically for the rules of engagement. We're committed to protecting the UNPROFOR troops.

Q George, is the President concerned that the Fed is leaning towards higher interest rates in response to inflation concerns?

MR. STEPHANOPOULOS: Again, we can't speak officially on the Fed. We're going to continue to push forward on our economic package and do what we can to get the economy moving and keep inflation down.

Q George, does Harry Thomason have an office in the Old Executive Office Building?

MR. STEPHANOPOULOS: An office? I know that when he comes here he often might use a phone. I don't know if he has an official office or a permanent office of any kind.

Q You don't know, or he doesn't?

MR. STEPHANOPOULOS: I honestly don't know. I can take the question and check. I know that he -

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I mean, he does use the phones when he's here at times, but I don't know about having an office.

Q Has anybody in the White House or in the legal Counsel's Office talked to Thomason and his -

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what's his -

-

Martens about other airline business in this government they may be and have been attempting to obtain?

MR. STEPHANOPOULOS: Again, I'll have to take the question.

Q What are you talking about, George?

MR. STEPHANOPOULOS: She's asked a question about Darnell Thompson and Harry Thomason and their efforts to get -

-

Q Martens.

MR. STEPHANOPOULOS: Martens, I'm sorry.

Q What is Darnell Martens relationship to this administration?

MR. STEPHANOPOULOS: I don't know if he has any official relationship.

Q Was he here Friday?

MR. STEPHANOPOULOS: I believe he was here Friday, yes.

Q Did you talk to him?

MR. STEPHANOPOULOS: Yes.

Q Well, could you tell us why he was here and what he

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was doing here in the midst of all this?

MR. STEPHANOPOULOS: I think he was just answering questions about the air travel office.

Q Can you tell us what questions and what answers, please?

MR. STEPHANOPOULOS: Well, the questions that were in the newspaper. He was just trying to clear up his role.

Q And what was his role?

MR. STEPHANOPOULOS: His role, as he has said -

-

I mean, I really think you should ask him, but it's just my understanding, as what I read from him in the newspapers and asked him about, he was simply trying to get information for these other companies that were seeking charter business.

Q Isn't he in the sort of the brokerage business as someone whose work it is to try to line up business?

MR. STEPHANOPOULOS: I think you have to talk to him. It's my understanding that he is not in that business anymore, and I think you should just ask him.

Q I know, but isn't that what TRM was?

MR. STEPHANOPOULOS: It's not exactly -

-

Q Now, wait a minute. Well, George, you're saying now that the White House -

-

that you and others in the White House, trying, I presume, to get to the bottom of this, have asked some questions and sought the answers. Now we're asking you what they were and -

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MR. STEPHANOPOULOS: He's not -

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Q -

-

you're telling us we've got to talk to him?

MR. STEPHANOPOULOS: He is not in the airline brokerage business. He was not seeking -

-

Q What is his company, TRM?

MR. STEPHANOPOULOS: TRM is a company that did do some brokerage in the campaign, but it had a far larger role in other areas. And as far as I know, he is simply in the business of consulting on air travel and is no longer in the brokerage business.

Q What kind of consulting?

MR. STEPHANOPOULOS: Just general consulting in the airline business. As far as I know, he is not doing brokerage; that is not his business anymore. He did it on a temporary basis during the campaign.

Q Does the President think it was appropriate for a friend of his to approach the White House with business recommendations as to how the White House administration should be run, bearing in mind that he's a good friend of the President? Is that appropriate? Is it proper?

MR. STEPHANOPOULOS: I think we're trying to do everything we can here to avoid the appearance of impropriety, and I think that Harry Thomason has said and will not be going for business in the White House. He does not think that he should be going for business at this time. We're going to make sure that all people who are dealing with the White House comply with the ethics regulations, comply with all the laws of the United States, and we'll continue to be vigilant on that.

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Q Can I follow up on that, please?

Q On a related issue, American Express has said that they're only going to handle a little bit of the White House travel plans now. And can you tell us what the latest is -

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who is going to do the White House travel, and is GSA involved?

MR. STEPHANOPOULOS: I know that American Express is a GSA-

approved travel agent and -

-

Q They seem to think they're only going to handle either ticketing of the White House staff or the press, but not the whole thing. Do you know who is going to do it now?

MR. STEPHANOPOULOS: The whole chartering? I think that's one of the things we're reviewing right now. As we've said, we want to open it up to competitive bids, and that's what we expect to do.

Q Is GSA involved at all?

MR. STEPHANOPOULOS: I don't know if they're involved in the actual chartering. They may be sanctioning certain travel agents, but I'd have to take the question for their specific duties.

Q George, back during the campaign, did you use competitive bidding to reach a decision to use World Wide Travel and the Thomason firm as a broker?

MR. STEPHANOPOULOS: I'd have to check, but I don't know.

Q I wanted to follow on your response to Brit. In the memo from Martens, the first paragraph of that memo reads: "Dee Myers stated to both Harry Thomason personally and Darnell Martens by phone the White House is not tied to any particular charter operator and that based on that assumption she saw no reason why Thomason, Richland, and Martens Inc. (TRM) should not be able to compete for the White House press corps charter business".

Doesn't that suggest very strongly that Harry Thomason was, in fact, through one of his firms, through a partner, interested in getting the White House business?

MR. STEPHANOPOULOS: I can just -

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both Darnell and Harry have said that they were not. We have no indication that they were seeking the business. They have said they were not seeking the business.

Q What do you mean there is no indication they were not seeking the business? This memo indicates to the contrary. They were seeking the business.

Q We got it in black and white here.

Q The third paragraph says, "price service under which TRM could earn the White House business". I mean it says it explicitly.

MR. STEPHANOPOULOS: Again, I mean, I would go back to his explanation. He has said that these were not -

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that this was a shorthand he wrote to himself. The bulk of the memo, he has said, is about the charter business and he has passed on that he was simply trying to get the information for the other charter companies and they had no intention of getting

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Q This memo ended up in the White House files, did it not?

MR. STEPHANOPOULOS: I believe it did.

Q Now, White House aides, undoubtedly, some of them read this memo. They know who Harry Thomason is and they know his relationship to the President. What imaginable conclusion could any normal White House aide get from reading this memo other than that the President's friend, Mr. Thomason, and his business associate were trying to get the charter business?

MR. STEPHANOPOULOS: Again, I don't know who read the memo. I do know that Harry Thomason has said repeatedly that he is not seeking the White House business, that he has not sought the White House business and that he will not seek the White House business.

Q George, is it proper for him to seek other airline business in this federal government? Do you have any sort of ethics rules that relate to that?

MR. STEPHANOPOULOS: I'd have to check the rules. I mean, obviously, we're going to make sure that we deal within the rules. I don't know that you can necessarily rule out anybody who had any relationship with the President from working for government business at all. But we'll make sure that we comply fully with the ethics rules. As long as

again, to go back, I mean, when you're dealing with competitive bid situations, I think that does set up a different standard. And if it's all going through normal procedures, set up through the normal government procurement process, and it's all above board and within the ethics laws, then I wouldn't necessary see a reason that we couldn't do it. But we're going to pay attention to those issues. We're going to be sensitive to those issues and we'll make sure that we stay within the letter and spirit of the law.

Q Has Martens been hired by other airline companies that are interested -

has he been hired as a consultant by other airline companies interested in getting government charter business?

MR. STEPHANOPOULOS: I'd have to double check. Again, I think you have to ask him. But I don't know about that.

Q George, who made the decision to issue a statement by the Justice Department that there was enough evidence for criminal investigation on Friday? And secondly -

MR. STEPHANOPOULOS: The FBI did.

Q -

secondly, do you think that practice falls within the general definition of a presumption of innocence?

MR. STEPHANOPOULOS: Again, all they did was confirm the facts, which is that there was an investigation.

Q Who asked them to do it?

Q They did that voluntarily, with no White House

Q Did not the White House ask that that statement be issued?

MR. STEPHANOPOULOS: We talked to them about it.

Q Who here talked to who there, please?

MR. STEPHANOPOULOS: We talked to John Collingwood -

several people talked to him.

Q Who is "we"?

MR. STEPHANOPOULOS: I talked to him. I think Dee Dee talked to him. I think that other people -

Q Is that appropriate to call the FBI -

Q Wait a minute. Let's find out who they all were.

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Q Yes, let's get the names.

Q Let's get the names. So you did, Dee Dee did. Who else?

MR. STEPHANOPOULOS: I don't know that anybody else did.

Q Counsel's office?

Q Counsel's Office -

-

Kennedy in the Counsel's Office?

MR. STEPHANOPOULOS: I'm not certain if anybody -

-

there was a meeting.

Q A meeting? And when was this meeting?

MR. STEPHANOPOULOS: Oh, no, this was part of the meeting on Friday just to figure out where we were. This was something -

-

again, it was just confirming the facts, as we knew them.

Q You asked that this statement be issued, did you not?

MR. STEPHANOPOULOS: We did ask, yes.

Q Is that appropriate to ask the FBI to issue a statement?

MR. STEPHANOPOULOS: We wanted to make sure that the facts were clarified.

Q That's not the question, though. The question is, was that appropriate?

MR. STEPHANOPOULOS: We thought it was important that the facts be clarified.

Q That statement didn't clarify facts. That statement echoed comments that were made by Dee Dee and you from that podium which were themselves conclusions. No evidence at that point had been presented to anyone as far as the conduct of the these people in the White House Travel Office.

MR. STEPHANOPOULOS: That's not what the statement said.

Q The statement said there's sufficient evidence to warrant a criminal investigation.

MR. STEPHANOPOULOS: It did not say -

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it didn't say anything about evidence.

Q It indicates criminal investigation -

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the payoff word was criminal. That's the word you wanted and that's the word you got.

MR. STEPHANOPOULOS: That is a fact, based on meetings with -

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Q The fact that the FBI said it because you asked them to.

Q Who drafted the statement?

MR. STEPHANOPOULOS: The FBI did.

Q You're sure?

MR. STEPHANOPOULOS: Yes.

Q Did you suggest guidelines for the statement?

MR. STEPHANOPOULOS: We talked to them about it, but they drafted the statement.

Q What day was this, George, when you called?

Q Did you suggest guidelines?

Q Did you suggest guidelines?

MR. STEPHANOPOULOS: Again, we talked about the statement. This was something that they felt was in their purview and conformed to the facts.

Q Who is "they," George?

MR. STEPHANOPOULOS: Again, our contact was John Collingwood.

Q Anyone else over there?

MR. STEPHANOPOULOS: Not to my knowledge. I didn't speak to anyone else.

Q What day was this that you called over there?

Q Friday.

MR. STEPHANOPOULOS: Friday.

Q The same day that Sessions was meeting with Reno about his future?

MR. STEPHANOPOULOS: I don't know.

Q Collingwood came to the White House for a meeting?

MR. STEPHANOPOULOS: We wanted to make sure that we didn't -

-

that we said everything that conformed to the facts.

Q He came to the White House?

MR. STEPHANOPOULOS: Yes, he was here, yes.

Q Where was he, in your office?

MR. STEPHANOPOULOS: Yes.

Q Usually, the FBI doesn't confirm or deny investigations. That's why there's so many questions here. Are you aware of that?

MR. STEPHANOPOULOS: I'd have to check the standard practice.

Q -

-

just to say no comment to -

-

that's why we're asking why you would ask them to put out a statement like this.

MR. STEPHANOPOULOS: We just wanted to make sure the facts were clarified.

Q George, on Thursday the FBI issued a statement which said that they would await the results of an audit to determine what to analyze, I think, to determine what course of action to take beyond that. Between the Thursday statement and the Friday statement, were they presented with the results of an audit? And if not, why, in fact, then did they change their course of action?

MR. STEPHANOPOULOS: They are reviewing the audit. They did receive the review on Friday from Peat Marwick. It was just all in -

-

that was all in conformance with the course that they had set out to take.

Q Did they receive anything between the statement on Thursday and their statement on Friday that they hadn't received previously? Because it seems to fly in the face of their Thursday statement which was that they would await the results of an audit before determining their course of action.

MR. STEPHANOPOULOS: Again, I don't know that it necessarily flies in the face. I don't know which specific statement you're referring to on Thursday, although that's different from what you were saying before on them not confirming or denying anything. But they -

-

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this was simply the statement of the course of action they had determined they were going to take as early as the Saturday before.

Q The meeting that took place in your office, was David Watkins present at that meeting?

MR. STEPHANOPOULOS: At times, yes. I mean, it wasn't a formal -

-

Q Was it kind of a floating crap game in your office in which people came and go as you worked out this -

-

(laughter.)

MR. STEPHANOPOULOS: I don't think I'd use all those words, but it wasn't -

-

yes, it wasn't -

-

Q On the Japanese student real quickly, there are a lot of people in Japan that think the United States should encourage more or tighter gun control laws. Does the administration have any response to that?

MR. STEPHANOPOULOS: The President has been on the record for tighter gun control laws. That's why he's been pushing for the Brady bill and other measures to keep handguns out of the hands of criminals.

Q George, to come back to the other question on the Fed, the bond market today is assuming that the Fed's inclined to raise short-

term interest rates a point or another. Now, wouldn't higher interest rates jeopardize the President's economic program?

MR. STEPHANOPOULOS: Again, interest rates have gone down since the President took office and since the President announced his program. And, in fact, they had hit a 20 year low, which is pumping real money into the economy. We hope that the economy stays in good shape so that interest rates can stay down.

Q There's a report out today that closing down two runways at Los Angeles International cost the airline industry \$76,000. Does that jive at all with what you all might figure it cost? And is that one of problems you were referring to in answering Brit's question earlier?

MR. STEPHANOPOULOS: It's the first I've heard of that report, but obviously, it's something we regret. The President did not want this to happen. The President had asked if the runways were being closed and he was told they weren't. Unfortunately, they were. And we regret this and it's not going to happen again.

Q You were told that they weren't closed?

MR. STEPHANOPOULOS: I'm just not exactly sure. I just know that, as we had reported to you earlier, the President had inquired about this. The tower had told them they weren't being closed, and we regret that.

Q Can you just clarify -

-

he asked that before he got the haircut?

MR. STEPHANOPOULOS: Oh, yes.

Q George, back on the FBI, in light on what's going on -

-

Q On the FBI statement, I'm told that this statement was prepared for telephone inquiries. That ordinarily the procedure is if any agency makes a reference to the FBI, they put together a statement which is a response to inquiries and is not normally released. And, in fact, this statement was not released at the Justice Department. The question is, why was it decided to release it here at the White House? And was the Counsel's Office involved in the discussions that led up to its release? Bill Kennedy specifically.

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MR. STEPHANOPOULOS: I don't know if Bill Kennedy specifically was. I mean, there were members from the Counsel's Office in the meeting as well. Again, we would have to double-

check
on the procedures in the past.

Q Did you go through the Justice Department to get this FBI representative over here or any of the other -

-

MR. STEPHANOPOULOS: No, we just talked directly to the FBI.

Q You went directly to the FBI without going through Justice?

MR. STEPHANOPOULOS: Yes.

Q George, did Judge Sessions, as some FBI officials have said, have to sign off on each of those statements regarding this investigation?

MR. STEPHANOPOULOS: I think you'd have to ask the FBI, but not to my knowledge. Nobody I know here -

-

Q Was the Attorney General consulted at any time about any of this?

MR. STEPHANOPOULOS: Not to my knowledge.

Q George, is Sessions cooperating with the efforts to get to the bottom of this with the FBI? What's his role in this -

-

MR. STEPHANOPOULOS: I don't know that he's had any specific role.

Q What is his status now in your view?

MR. STEPHANOPOULOS: Again, it's with -

-

the Attorney
General is reviewing the report.

Q Is he handling this in any way?

MR. STEPHANOPOULOS: No effect whatsoever.

Q Was the decision to bring in the FBI the result of the Peat Marwick audit, or was that made in advance of the Peat Marwick audit?

MR. STEPHANOPOULOS: Let's go back through the sequence again. There was a call at the very beginning of the process where the Counsel's Office called for advice from the FBI subsequent to that.

Q That was when?

Q Yes, what date was that?

MR. STEPHANOPOULOS: Last Wednesday or Thursday. A week.

Q That was Bill Kennedy?

MR. STEPHANOPOULOS: Exactly.

Q He called somebody at the FBI?

MR. STEPHANOPOULOS: Yes.

Q Why did he call somebody at the FBI?

MR. STEPHANOPOULOS: For advice on how to handle the situation that was coming forward.

Q This was after Watkins asked Kennedy for advice?

MR. STEPHANOPOULOS: I assume so, yes.

Q And he called the FBI without talking to Justice, as far as you know?

MR. STEPHANOPOULOS: I assume so, as far as I know.

Q -

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-

call the FBI for advice?

Q -

-

was after Harry Thomason had called Dee Dee and set up the meeting with Watkins?

MR. STEPHANOPOULOS: I don't know the exact dates on that, but it was last Wednesday or Thursday, a week ago.

Q So Thomason was in the White House.

Q That was on May 10th, right?

Q Martens was in the White House.

MR. STEPHANOPOULOS: I don't know that Martens -

-

let's not confuse last week and the week before. This is the week before last.

Q Let me clarify it. Thomason was in the White House and talked to Dee Dee? Is that not correct?

Q Thomason was in the White House Friday last, correct?

MS. MYERS: No.

Q Can we get the chronology?

Q He was here last Friday, wasn't he?

Q No, but I'm trying to find out a week -

-

10 days before that.

Q All right.

Q The earlier contact. Can you just give us the chronology of when Thomason's contact with key people in the White House took place about the Travel Office which, as I understand it, preceded the request to Peat Marwick to come in and audit?

MR. STEPHANOPOULOS: I think that is true. I don't know the exact dates, but it preceded the request to Peat Marwick.

Q Can we get approximate dates?

MR. STEPHANOPOULOS: I know that he had mentioned it some time ago. And I'm not sure exactly when the subsequent contact was. I assume it was this month at some point -

-

the month of May. I just don't have -

-

Q Can Dee Dee help us on this? Was this a meeting with her or on the phone?

MS. MYERS: I talked to Harry -

-

Q Can't hear you.

MS. MYERS: I talked to Harry months ago. And I talked to Darnell in probably early February on the phone. It was about a 30-

second phone conversation. I transferred him to the Travel Office.

Q There wasn't a meeting in May in your office?

MR. STEPHANOPOULOS: Not -

-

nothing to do, no. Then last Wednesday or Thursday -

-

I think it was either Wednesday night or Thursday, the Counsel's Office called the FBI for advise. They came in on Saturday -

-

Q Why did they call the FBI for advise?

MR. STEPHANOPOULOS: Because there were questions raised about this office that they wanted the best advise on how to handle it.

Q Who had raised the questions?

MR. STEPHANOPOULOS: Well, there had been questions coming up over months as we had gone over -

-

Q Can I stop you there for one minute? Newsweek reports that the cousin, Cornelius, had been in the Travel Office, which we all knew, for several weeks, but had been surreptitiously making or -

-

how shall we put this -

-

when the rest of the Travel Office was gone, she was making copies of financial records and

-

secretly -- and gave those to somebody in the White House as evidence of, sort of, disarray or, you know, financial mismanagement. Now, before you had Peat Marwick, did you have some paper -

-

copies of their financial records done by this woman at your behest or secretly or in some way to start this ball rolling?

MR. STEPHANOPOULOS: I don't know if we had papers. We've said in the past, we've had people who had worked in that office who had seen practices that were regarded as questionable that we wanted to follow up on.

Q You didn't have people in that office, it was only one person in that office who was not a career government person and that was Cornelius. And my question is, is the Newsweek report correct that she, in the evenings after these guys were gone, made copies of financial documents?

MR. STEPHANOPOULOS: I don't know about that. I do know that she did bring up questionable practices in the offices. I don't know the form that that took. I assume that -

-

Q To whom? To Watkins?

MR. STEPHANOPOULOS: I don't know if it was to Watkins or other people in the office.

Q To Jeff Eller?

MR. STEPHANOPOULOS: I just don't know. I just know that the questions were brought up. Following those questions, which were real questions -

-

questions of serious misconduct and shoddy accounting, we decided to follow up. The steps we took in following up were call in the FBI for advice, bringing in Peat Marwick accounting firm. After that, on Saturday, after Peat Marwick had worked on this for several hours, had six people working on it, the FBI was called in again.

Q Has the White House under any circumstances ever called upon the FBI for advice? I didn't know the FBI had an advisory capacity.

MR. STEPHANOPOULOS: Well, advice on how to go forward with these allegations and questions that had been raised.

Q And the upshot of that meeting was that an FBI agent or agents were dispatched to the Saturday session here?

MR. STEPHANOPOULOS: I know they came to the Saturday

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session and it was at that session that they determined that there was a reason to go forward. And the next step on that would be to review the Peat Marwick report. That all is what -

-

that's what the statement said and those are the facts.

Q And you're confident that the contact -

the original contact from the Counsel's Office was direct to the FBI and not through Justice?

MR. STEPHANOPOULOS: As far as I know, that is -

-

it was

-

-

Q Will you take a question on that, please?

MR. STEPHANOPOULOS: Yes, certainly.

Q What is the date of the Martens memo?

MR. STEPHANOPOULOS: I don't know.

Q Do you know when it was received?

MR. STEPHANOPOULOS: I don't. I can take the question.

Q Dee Dee, do you recall when you stated to both Harry Thomason and Darnell Martens what's set forth in the first sentence here -

-

roughly when that was?

MS. MYERS: Yes. It was what I just said. It was probably early February.

Q So this would have post

dated early February, but you don't know exactly when?

MS. MYERS: It was written right after the phone call. It was a memo written to Darnell Martens file. It was not ever sent

-

-

it was not immediately sent to the White House. It was not meant for the White House. It was meant simply for his files.

Q Do you know when it was received here at the White House?

MS. MYERS: The fax date on the copy that was given to The Washington Post was May 10th.

Q May 10th?

Q And was that not that day of the meeting that Thomason and Darnell had with Director of Administration David

-

Q Watkins.

MS. MYERS: It's probably the day that they had spoken. It was not a formal meeting.

Q Was Watkins presented this memo?

MS. MYERS: He was given the memo as evidence that there was no competitive bid process.

Q Did this get a better reading than did the Cornelius memo from him, do you know?

MS. MYERS: He did

-

Harry and Darnell both told Watkins there was no competitive bid process.

Let me just clarify one thing. What Darnell Martens' business is is corporate aviation consulting. He is a consultant to corporations that operate small private jets. If they want to buy a new jet, they might go to him. If they were wondering if they were operating efficiently, they might go to him. If they're wondering if they need a bigger jet, they would go to him. He consults with corporations on a number of corporate aviation issues. He is not a broker. He does not deal in commercial or large airlines -

-

Q Well, then why is he having conversations with Billy Dale in which he's discussing whether they could earn the White House business?

MS. MYERS: Because during the campaign -

-

Q This can't be heard back here.

MS. MYERS: During the campaign, Darnell Martens and their firm, TRM, was brought in when we were a very small outfit flying on six and eight-

passenger jets to do what it is that company does, which is consulting with us -

-

were we getting a good deal,
were the planes we were using safe, were we -

-

what were our options
in terms of what kind of aircraft we might want to charter. They don't own any airplanes. Through their involvement and Darnell's support for Clinton, he began to work with airline brokers. And the broker that we ended up using throughout the campaign was a company called Air Advantage. So Air Advantage and TRM worked together in sort of helping us sort of organize what charters we were going to use, what companies we were going to use, were we operating efficiently, were the planes safe.

Q TRM, I presume, was remunerated for these services?

MS. MYERS: Yes, they were.

At the end of the campaign, Martens had developed relationships with several of the -

-

both Air Advantage, the broker,
and several of the firms -

-

the charter companies that we did
business with, including Express One, which was the company we used most often; Miami Air and several others. At the end of the campaign, they were interested in continuing their business, to continue to carry the White House press corps, the press that had traveled with Clinton throughout the campaign. So Darnell made a phone call to find out how they might -

-

simply inquisitive call -

-

how they might access the process. Was it a competitive bid? Now, I know the way it's worded makes it unclear what the intention was. But Darnell Martens has gone back to a straight-

up, one-

man band,
corporate -

-

Q Is that because he struck out at the White House?
Is that why he did that?

MS. MYERS: No. He was already in the process of -

-

because, as you know, we chartered very few planes between November

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4th and January 20th. I think we took maybe three or four trips.
That business was already something that he wasn't -

-

it was not
lucrative for him to participate in it. Yes, he was remunerated for
it, but only because of his interest in seeing Bill Clinton elected
-- he was a campaign supporter -

-

was he willing to make the
financial sacrifices required to do sort of charter brokering as
opposed to what he does as a business.

Q Dee Dee, is there any question that the
precipitating factor that led to the -

-

quote -

-

performance review
and Peat Marwick was the May 10th meeting?

MS. MYERS: Absolutely. That is just not -

-

as we have
said throughout this process, there were a number of factors that led
to the Peat Marwick review, including the lack of competitive
bidding, which came not just from Harry, but from other airline
carriers, and a number of other accounting practices that were
questionable -

-

a lack of accountability in the system, just a number

-

wide variety of anecdotal information that led us to have
questions about it.

Q Has what happened on Saturday helped anybody here
to begin to understand why what appears to be equal service may not
be and why everybody here isn't too hot on the idea of flying around
on Al's low-

bid airline?

MS. MYERS: Absolutely. Well, I think, first of all,
that's a very reputable company that flew you. I understand there
were problems and people weren't 100 percent satisfied. But that
wasn't the overriding factor that drove the decision to review the
process.

Q Before the Peat Marwick review ever started, the
FBI was called in. There was a call from the -

-

MS. MYERS: Correct.

Q -

-

either the Office of Administration or the
Counsel's Office last Wednesday. The FBI, I understand, came here
Thursday.

MS. MYERS: Right.

Q This is two days before, or it's a day before Peat
Marwick ever showed up.

MS. MYERS: Right.

Q What precipitated the initial call to the FBI?

Q Yes. Where did the evidence come from?

MS. MYERS: There was a number of things -

-

and I don't
know if there was specific documentation or just anecdotal
information that led people -

-

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there was no accounting system in that office, that was clear to us at this time.

Q How did you know that?

MS. MYERS: There was a lack of accountability from people that had been in that office.

Q Who told you?

Q Who told you? Isn't it pretty obvious that Cathy Cornelius had to be the person from whom this information emanated?

MS. MYERS: As George said, he'd take the question. I don't know the exact thing. But David Watkins was accountable; that office falls under his supervision. And he raised questions and asked the White House Counsel to look at it. The Counsel had enough questions that they wanted to have the FBI -

-
that's the process.
When you have questions about how something is handled, you would ask the FBI to take a look at it. I don't think that's unusual.

Q But the question is, can you put -

-
Q How is it that the February memo was faxed here on May 10th? Was somebody aware of it and asked to have it faxed?

MS. MYERS: Yes. Darnell recounted his conversation. Harry Thomason asked him if he had any notes or records of that conversation. He said he did. So he had his office fax the memo.

Q But how did that come about? How did the Thomason-

Darnell conversation come about? Was Thomason being consulted on this on May 10th?

MS. MYERS: No. Harry was in Washington. Darnell was here on other business. They meet occasionally because, as you know, they're in business, they have a business together which Darnell operates, and they were at the White House apparently and they talked to David Watkins about their concerns about the Travel Office, which were not the only concerns being raised. There were a number of concerns being raised about the Travel Office.

And let me just point out, the reason Darnell Martens was here on Friday was because he was in Washington and I asked him to come.

Q Dee Dee, let me go back to Air Advantage, which you say that Darnell and Thomason were not seeking business for themselves, they were seeking business for these other airlines.

MS. MYERS: They were seeking -

-
they were seeking
information about how somebody might go about obtaining business through -

-
if there's competitive bid process, then the company that meets the specifications of that bid at the lowest cost will get the business.

Q Okay, now how long has the President of Air Advantage worked in the Travel Office?

MS. MYERS: She volunteered -

-
she came down and worked
pro bono after the White House Travel Office was dismissed to help us through the first few trips.

Q That's Cathy something?

Q No, that's the Penny

MS. MYERS: Penny Sample is her name. She's the President of the company. They are an airline charter business and Penny Sample produced four bids for us for the Saturday trip. We chose the lowest one, which was MidWest Express.

Q But she is interested in this business for her own firm?

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MS. MYERS: I would think. But at this point she operating pro bono.

Q -

-

inside track to work -

-

MS. MYERS: She already had a relationship with some of the people here through her work during the campaign. And I don't know that we'll use her. We haven't ascertained a process, but in the meantime she's operating pro bono.

Q Dee Dee, is it required by law that they have competitors bidding?

MS. MYERS: I don't know. I can take that question.

Q Is that throughout government?

MS. MYERS: It's generally accepted practice throughout government.

Q The Defense Department is criticized -

-

I mean, required to do it and are supposed to do it all the time, whether they do or not. But isn't that the policy throughout government?

MS. MYERS: Yes. I don't know because, as Ann points out, it's not public money, it's the press' money.

Q Dee Dee, did David Watkins put Catherine Cornelius into the Travel Office for the purpose of gathering information about it's operation?

MS. MYERS: Catherine Cornelius was in the Travel Office to coordinate staff travel. That was her function.

Q When did she start there, Dee Dee?

MS. MYERS: I don't have the specific date.

Q Was it after your telephone call from Harry Thomason?

MS. MYERS: Yes. But my telephone call -

-

my 45-

second call with Darnell happened very early on and -

-

Q You said that happened in early February. Then she goes to work in the Travel Office. In mid-

February, she writes a memo which finds fault with the Travel Office.

MS. MYERS: She went to work there April 1st.

Q I don't understand, you thought there were too many people doing too little work in the office over there, and then you added somebody to do the staff work?

MS. MYERS: It wasn't being done.

Q People couldn't get reservations and get tickets?

MS. MYERS: I don't know who did it under the previous

--

MS. MYERS: Staff Advance.

MS. MYERS: Staff Advance did this function under the previous administration.

Q When did the career workers at the Travel Office learn that they were under scrutiny, or, for that matter, not doing things the way that Watkins wanted them to be done? Were they informed at any point before they were dismissed?

MS. MYERS: Certainly they were interviewed during the review process. I don't know the specifics -

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yes, there were four or five of them that were here, were certainly interviewed within the review process. They knew the review was taking place and -

-

Q Are you talking the Peat Marwick review or -

-

MS. MYERS: Yes.

Q Did they know prior to that?

Q You're saying -

-

I want to get this straight -

-

on the record that four or five of the Travel Office members were interviewed by Peat Marwick people in connection with this review between Friday and Wednesday?

MS. MYERS: I'll have to double-

check it, but that's my understanding.

Q Okay, because that runs quite at odds with other -

-

with what they say.

MS. MYERS: We can surely check with Peat Marwick. I think they have records of some of those conversations.

Q When you first came out and announced this, when you came out Wednesday and explained this, this was all said to have been pursuant to Vice President Gore and his team of people who were doing this performance audit.

MS. MYERS: Correct.

Q The evidence now seems to be mounting that this was done pursuant to a series of preexisting complaints, some of them from people you had done business with in the past during the campaign and -

-

MS. MYERS: Those were contributing factors.

Q -

-

and has had very darn little to do with Mr. Gore and his performance audit.

MS. MYERS: I think we were taking a look at how to best restructure a number of offices within the White House. That was an ongoing process.

Q I know, but what did it have to do with -

-

who was the liaison between this little probe into the Travel Office and Senator Gore and his -

-

MS. MYERS: David Watkins.

Q Ahh. Wait a minute. Isn't he one of those people being

-

MS. MYERS: No, he was the person who was charged with taking a look at some of the operations within the White House and certainly some of the operations under his supervision and

determining whether or not they could be operated more efficiently.

Q Who did some of the fired people meet with today?
There were at least one of them was here today.

MS. MYERS: I don't know.

Q Dee Dee, can I ask you on the competitive bid
question -

you obviously didn't competitive bid during the campaign,
and now you're going to -

MS. MYERS: No, I don't think that's -

I think George
said we don't know. I think we did. We used a number of different
companies. We settled on the one that had the price and service
combination that met our requirements. We used a number of different
companies early on, and it was quite a competitive process. But I
don't know the exact structure of it.

Q And that process is something you want to

MS. MYERS: I think it's -

Q And is it a coincidence that the auditor who did
your audit is apparently a volunteer or a worker for Gore's Counsel?

MS. MYERS: He was brought in as a government
auditor/expert to brief people who would be looking into -

MR. STEPHANOPOULOS: As we've said, he's one of the
country's leading experts in government accounting practices. He
briefed the Gore people on how you go through it. Then he had a
subsequent meeting with one of their tollgate groups sort of
reviewing the work they had done. But it would be natural that he
were chosen, because he's, like I said, one of the country's leading
experts. He's done performance reviews in North Carolina and
Kentucky and the District of Columbia. He ran the Rivlin report.

Q Did the President get with his staff to discuss the
events of last week, the commentary on the weekend talk shows, on how
to get things back -

MR. STEPHANOPOULOS: I don't know that there's been any
formal meeting, but obviously, we take all this seriously. We want
to be back on track. We want to be working on the economic plan and
the big issues. And when we make mistakes we're going to try to fix
them. We clearly didn't do everything perfectly last week; we know
that. And that's why we're moving forward.

Q What were the mistakes. Just tell us. What were
the mistakes?

Q Announcing it.

Q If you admit you made mistakes, you can at least
tell us what those mistakes are.

MR. STEPHANOPOULOS: Well, I mean, it's clear at the
time that the way this turned out did not go exactly as we would have
liked it to have gone. We believe that it was important to
restructure the Travel Office. We still believe that. We believe
because of the things we've seen we think it can be run in a more
efficient way. We think that there are serious questions about the
way the accounting was done. And I think that's borne out by the
Peat Marwick report. We think that we can provide a good service at
a good cost, both for the taxpayers and the press. It obviously was
not handled in a way we would have liked because we continue to
believe that this was a necessary action brought on by a number of
factors. And we're going to continue to learn from that and do the
best we can.

Q One of the allegations in the Martens memo is that
the prior Travel Office was pro

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Bush and had, in fact, given the press free accommodations in order to get -

pro-

Bush and pro-

press, but also pro-

Bush -

-

that they had given free rides to the press in order to get better coverage for the Bush presidency. Do you have any substantiation of that? That's news to a lot of people.

MR. STEPHANOPOULOS: Again, and it's not something that came out of the White House. I'm just not going to comment on it one way or the other.

Q

Q George, what percentage of it's business of the trip -

-

Q Have you -

-

is there any basis to believe that that office was political rather than -

-

MR. STEPHANOPOULOS: Again, I mean, that is not something -

-

we have said we're going make sure that our Travel Office is run in a professional manner.

Q George, wasn't one of the suspicions you had here was that that office was politicized? Is that one of the things you were worried about?

MR. STEPHANOPOULOS: We want to run an efficient, professional office. Those are why we acted.

Q I'm talking about wasn't one of the symptoms you were worried about, weren't you concerned that that office was political?

MR. STEPHANOPOULOS: No, we were concerned about the office not having good accounting, not being efficient, not being professional. That's why we acted.

Q Do you think it was also political?

MR. STEPHANOPOULOS: I have no idea.

Q Well, you've been specific about the other allegations. Do you think it was political?

MR. STEPHANOPOULOS: Again, I have no evidence one way or the other.

Q George, a cardinal principle of American jurisprudence is presumption of innocence. Was there any discussion in issuing the FBI guidance statement on Friday -

-

FBI investigation carries a very heavy connotation -

-

that this could at least be perceived as using the FBI and compromising that principle for political damage control?

MR. STEPHANOPOULOS: Again, it was simply a statement of fact, something that had already been stated. There is no conclusion or suggestion one way or the other on guilt or innocence.

Q The conclusion was that they thought additional further investigation was warranted.

MR. STEPHANOPOULOS: We fired them.

Q That's a conclusion that additional criminal -

MR. STEPHANOPOULOS: That is a fact, yes.

Q George, how long was the meeting that produced this statement? And was your briefing here delayed until you got the statement?

MR. STEPHANOPOULOS: No, we were waiting for the Peat Marwick report.

Q How long did you have the FBI report?

Q How long did you meet with Collingswood?

MR. STEPHANOPOULOS: He was there for, I don't know, 15 minutes. I mean -

he was just part of the -

Q Did he resist at all the notion of putting out a public statement?

MR. STEPHANOPOULOS: No.

Q Hard to blame him.

Q George, what changes are now contemplated in view of these problems? One, Billy Dale says that he tried and tried and tried long before this broke out to try to meet with one of you people and couldn't. Two, you say the President was given false information at LAX on whether the runways were closed. I mean, isn't something really, really wrong in terms of having some people around who know what the score is? I mean, is there any kind of a shakeup contemplated?

MR. STEPHANOPOULOS: I don't think so. But I think what we're going to do is try to pay close attention to every issue that comes through the White House and make sure that all the proper questions are asked and all the answers are given. There's no question about that. Again, I would just say that as far as I know, I just never had a message, a letter, or anything from Billy Dale.

Q Maybe it wasn't for you, but he says he did try to reach people and no one ever responded.

Q George, do you remember when the issue of restructuring the Travel Office came to light? How far back?

MR. STEPHANOPOULOS: How far back -

Q When it first came to mind.

MR. STEPHANOPOULOS: I said in the past, there were discussions of it as early as the transition.

Q What prompted that?

Q In retrospect, was it a mistake to put Cornelius to replace the five workers with Cornelius, raising allegations of cronyism? Is that one of the mistakes that perhaps you wish hadn't

MR. STEPHANOPOULOS: Again, the perception I think is unfortunate. There's no question about it. She worked in the travel office during the campaign and she did a good job. I would point out to you she is not, as has been reported, heading the office. She is not replacing all five. She is doing essentially the job she did in the campaign. But, again, the perception is unfortunate. It's something we're going to look at in the future and continue to -

Q Who heads the office now?

MR. STEPHANOPOULOS: There's going to be -

his name is

ARMS Email System

-
it's slipped my mind. Brian Foucart. And then there's another
OMB administrative person as well.

Q That's now what we were told on Wednesday. On
Wednesday we were told, I believe -

-
check the transcript -

-
that she
was going to head the Travel Office.

MR. STEPHANOPOULOS: It might have been said that she's
going to work in the Travel Office, but, no, she is not heading the
Travel Office.

Q Is there anything new on the President's personal
services contract with his Beverly Hills hairdresser, or does that
remain in effect?

MR. STEPHANOPOULOS: Again, I don't know the details.

Q You took the question who pays for it.

Q Yes, you did.

Q What is it worth?

MR. STEPHANOPOULOS: They pay for their own services.

Q How much is it?

MR. STEPHANOPOULOS: I don't have the details of how
much they pay for it.

Q Is it still in effect?

MR. STEPHANOPOULOS: Again, I don't know what the
details of the contract were.

Q Did he decide to get rid of this personal services
contract with a Beverly Hills coiffeur?

MR. STEPHANOPOULOS: I'll find out.

Q George, did anybody suggest to the President on Air
Force One before you took off from Los Angeles that it would perhaps
not look very good for him to stay on the ground for an hour to have
his hair done by this Beverly Hills stylist?

MR. STEPHANOPOULOS: I don't know what conversations he
had. As I said, the President wanted to ask -

-
wanted to make sure
that air traffic was not being held up. He was misinformed.

Q By whom?

MR. STEPHANOPOULOS: I don't know.

Q Was there any discussion as to whether or not this
man who campaigned by riding on buses in his blue jeans during the
campaign, looking like a populist, that this might not look very good
for -

-
MR. STEPHANOPOULOS: I don't know what the discussions
were on the airplane.

Q Do you think -

-
Brit has brought up several times
the question; I think Ann as well -

-
as to what's going -

-
whether
you're concerned about the perception. And this question came up
during the Zoe Baird episode where you seemed sort of baffled as to
why the American public was responding the way they did to that whole
issue. Did you not learn anything from the Zoe Baird episode to not
understand that this haircut, this \$200 haircut would not look very
good; and that firing the entire Travel Office when you don't have
any hard evidence of wrongdoing and hiring the President's distant

cousin might not look good?

MR. STEPHANOPOULOS: I think there's a bit of danger in running different issues together simply because they happen in the same week. There is no question that what we saw last week isn't going to happen again. It's clear it didn't go as we would want it to go.

On the Travel Office -

-

let me just go back. We did that for several reasons -

-

making sure we could run the office in a professional manner. It was part of a restructuring. There was evidence compiled by the Peat Marwick report that there was serious accounting malpractices in the office. There was very good reason to move forward. It could have been handled better. And we learn every single day in this office. We'll continue to learn.

Q George, has Harry Thomason settled into a sort of

--

Q -

-

this office for sometime, and is it true, therefore, that past Presidents just let it go and didn't look into this Transportation Office?

MR. STEPHANOPOULOS: I think that's a good point. It's a very good point. Sarah. I mean, these practices obviously have been going on for some time, and we're not going to allow either taxpayer money or the money of the press organizations to be used in a wrong manner, and we want to fix it.

Q Getting back to one of the early questions, has Mr. Thomason settled into sort of an unofficial or official advisory capacity here with the President? And why would he have, as a private citizen, have access to use of White House phones to make calls here?

MR. STEPHANOPOULOS: I think when he's here talking to the President, he has used the phones on occasion. I don't know what the specific nature of that is. I don't know if there's anything beyond that.

Q What's the nature of his advice? What is he advising the President on?

MR. STEPHANOPOULOS: He's a good friend of the President. He has given lots of advice on a number of good issues -- a number of different issues. A lot of good advice.

Q I know that, George. But now the question has been raised about his having spoken to the President about a matter in which it was -

-

at least his own company document makes it look like he and his partner had a financial stake, and they were in a position to. So it is not an unfair question to ask what exactly the President expects of him and what kind of advice the public watching this proceeding can expect Mr. Thomason to be giving?

MR. STEPHANOPOULOS: Again, I think he talks to the President about a lot of different things. I do not have the specifics.

Q I'm sure he isn't talking to him about the HUD bill. I mean, what is it? Is it about his appearance, or is it about how to frame events or frame issues? I mean, is he a cosmetic-

type consultant or an issues consultant, what?

MR. STEPHANOPOULOS: I think he's a general consultant to the President on a lot of different matters dealing with the public. He's also a businessman of long experience, and he has different advice to give on issues like that.

Q Did the White House pay to fly Christophe from San Francisco to L.A.?

MR. STEPHANOPOULOS: Excuse me?

Q Did the White House pay to fly -

-

MR. STEPHANOPOULOS: No.

ARMS Email System

Q Well, follow.

up on that. Who pays for Christophe's contract, personal services contract?

MR. STEPHANOPOULOS: The family.

Q Not Harry Thomason?

MR. STEPHANOPOULOS: As far as I know -

-

again, I'll -

-

Q Can you check that?

MR. STEPHANOPOULOS: Absolutely.

Q Was Thomason at the meeting on Friday where the FBI statement was requested?

MR. STEPHANOPOULOS: No.

Q Who was at the meeting when the FBI person was there on Friday?

MR. STEPHANOPOULOS: Again, as I said to Brit -

-

I mean,
it wasn't -

-

Q Was Darnell Martens in there?

MR. STEPHANOPOULOS: No.

Q George, on health care reform -

-

MR. STEPHANOPOULOS: It as just White House staffers.

Q And FBI.

Q On health care reform for a minute. When the President last week said that he would like abortions to be covered, similar to how they're now covered by private insurers, does that mean that he has decided to include abortion services as part of his final standard benefits package?

MR. STEPHANOPOULOS: Again, I don't think the President's made any final decisions on the package. He did express his view last week, said he thought that services that are traditionally covered in private health care should be covered in the government's package. That's his view. Again, the package is not complete yet.

Q Stan Greenberg said over the weekend that the President had lost his focus when he allowed the other side to define spending cuts and so forth. Do you agree with Greenberg's analysis of what the problems were? And does the President agree, and did he talk to Greenberg about that when they met today?

MR. STEPHANOPOULOS: I haven't seen Stan -

-

first of
all, the President didn't meet with Stan today.

Q Did?

MR. STEPHANOPOULOS: Did not.

Q Did not. But he may have met with James?

MR. STEPHANOPOULOS: Yes, he did meet with James for a few minutes.

Q For how long, do you know?

MR. STEPHANOPOULOS: Seven minutes -

-

Q What was the subject?

ARMS Email System

MR. STEPHANOPOULOS: They just had a general conversation. I mean, it was seven minutes long. I mean, it wasn't a long conversation.

Q Was it the public relations problem?

MR. STEPHANOPOULOS: He talks to James several times a week. This is just one other discussion he had with James. On the issues -- I have not seen Stan's speech. I mean, the President talks to Stan an awful lot about where we are and what we could be doing better and what we've done wrong and what we haven't done wrong. And those conversations will continue. But I can't talk about their private conversation.

Q These were awfully harsh comments, and one might think perhaps they're intended to send a message by making them in a way that was publicly --

MR. STEPHANOPOULOS: Again, I did not see the comments. I did talk to Stan this morning and he said he gave a long speech essentially laying out the President's program, but I have not seen the full comments.

Q Can I follow? Did the President --

--
you mentioned
that this kind of week, last week, will never happen again --

--
did the
President say to you --

MR. STEPHANOPOULOS: Hope it will never --

--
(laughter.)

Q Did he say to you this better not happen again?
Was someone taken to the woodshed? What did he say to you guys about all this?

MR. STEPHANOPOULOS: Well, the President was disappointed in the week. I mean, there's no question about that. He was disappointed in what happened. He wants --

--
he was out there
fighting for his economic plan. He's going to continue to do that. I don't think anybody's happy when things don't go the way you want them to go. But we're going to --

--
move forward.

Q What are his real feelings? I mean, does he feel that people --

--
there was a real snafu, or does he feel that these
were accidents that --

--

MR. STEPHANOPOULOS: The President feels we've got to do better, and we will.

Q George, back to Ms. Cornelius, if she was assigned to the Travel Office to handle White House staff travel, is there a possible violation of any federal laws if she was rooting around in other files that didn't pertain to her area and was making copies and giving them to other people?

MR. STEPHANOPOULOS: I mean, she was doing her job.

Q Was that part of her job?

MR. STEPHANOPOULOS: I don't know that that was part of her job. I mean, I know that she was there to do staff travel. She, in the course of that job, she did bring questions --

--

ARMS Email System

I don't know exactly to who, but to others in the others in the office.

Q Can you assure us that she wasn't asked to do that before she went in there?

Q Spying?

Q Can you say from this platform today that when she was sent over there to do whatever she was sent over there to do that it did not include gathering of information about the accounting and other business procedures related to the White House press charter?

MR. STEPHANOPOULOS: I know her job was to do -

-

it was to do the staff travel.

Q I know that, George. That's not my question. Can you assure us today that it was not also part of her assignment to gather and report back information about the accounting and other business procedures engaged in in that office?

MR. STEPHANOPOULOS: Again, I don't know that.

-

I'm certain -

-

Q Was she sent in as a spy?

MR. STEPHANOPOULOS: No, of course, not.

Q Try to answer the question as I framed it, if you don't mind, George. I'm not saying spy. If you can.

MR. STEPHANOPOULOS: Again, I don't know what specific task she was given beyond arranging for staff travel. I know that that was her specific task.

Q Can you take that question?

MR. STEPHANOPOULOS: I can take that question.

Q George, on Catherine Cornelius, I'm having trouble explaining to some of my people why she is not being made available to the press to explain exactly what happened. Why won't you let her talk to us?

MR. STEPHANOPOULOS: First of all, I don't think she wants to. She's not -

-

Q Not talk to us? (Laughter.)

MR. STEPHANOPOULOS: -

-

a spokesman for the administration.

Q Will she be allowed to speak to us?

MR. STEPHANOPOULOS: I do not think she will speak.

Q Don't you think it would help?

MR. STEPHANOPOULOS: No, I don't, as a matter of fact.

Q On health care, can you tell us where we are in this process? There have been a number of stories about the President either deciding on a middle ground between his economic --

MR. STEPHANOPOULOS: There's a lot of different stories, all about the same meeting.

Q The question is, has he made tentative decisions?

MR. STEPHANOPOULOS: No.

Q Is there disagreement among his advisers?

MR. STEPHANOPOULOS: I think the advisers are remarkably unified on the need to get a serious health care plan through -

-

Q Can I just stay with the Travel Office -

MR. STEPHANOPOULOS: She asked about health care -

on
the need to come forward with a serious program of health care reform. And I think the similarities far outweigh any differences there might be within the staff. I think that that's quite clear and we're making good progress. But the President hasn't made any final decisions.

Q There's a story he has made tentative decisions for a middle course. Is that story inaccurate?

MR. STEPHANOPOULOS: There are a bunch of different stories. Some say a middle course, some say a high course. The President has not made any final decisions, no.

Q I didn't ask that. I said is the story in today's Wall Street Journal that he has made tentative decisions for a middle course accurate or not accurate?

MR. STEPHANOPOULOS: The President has not made decisions yet on the health care plan.

Q Tentative decisions?

MR. STEPHANOPOULOS: What is a tentative decision? I mean, it's a decision. He's not made any final decisions.

Q May I ask you a question on another subject?

MR. STEPHANOPOULOS: Yes.

Q The White House and the Justice Department have been given information by Congressman Charlie Rose and Congressman Jack Brooks to the effect that new information has come forward, new documents that show completely that Congress was lied to and that Congress was given false information and that there were people in the government who were responsible for taking \$5 billion of taxpayers' money -

taxpayers' guarantees from the Commodity Credit Corporation and given it to firms that were selling weapons to Iraq before and during the war in the Persian Gulf.

MR. STEPHANOPOULOS: Those are serious charges. I haven't seen -

Q Those are very serious charges. They're treasonable, they think, and they have told the White House that those people were not prosecuted by the Justice Department and no action was taken by the White House National Security Council or the Justice Department. And they say if the White House does not do something now they're going to hold further hearings in Congress and bring all of this out.

MR. STEPHANOPOULOS: I'll have to take the specific questions. As you know, Charlie Rose has held hearing for quite some time.

Q The White House took an emissary with these men to the Justice Department and you know all about this -

and I want to know if you all are going to prosecute these offenders, or not? You can take the question with you. I know you have to take it back, but you can take it with you.

Q George, is the White House looking into or have any comment on the allegation of discrimination against six uniformed officers of the Secret Service who stopped at a Denny's in Annapolis a couple of months ago?

MR. STEPHANOPOULOS: Well, any kinds of discrimination is something that the President deplores. But I can't comment on a specific case.

Q George, one final one on the Travel Office -

Q George, can you tell me if you've been trying -- go ahead, finish travel.

ARMS Email System

Q One of the things that -

-
use of police powers of
state for political purposes -

-
and I use the word "political" in the
broadest sense -

-
is one of the things that got Richard Nixon in so
much trouble. Are you concerned that there could be at least a
perception that the way the FBI was involved in this could be seen in
a similar manner?

MR. STEPHANOPOULOS: We're always concerned by charges
such as that. I don't think that's what happened in this case. It
certainly wasn't the intention.

Q Is it true that the FBI -

Q Come on.

MR. STEPHANOPOULOS: -

-
and we wanted to make sure we
handled this thing in the appropriate manner.

Q Are we not failing to realize here that the FBI
exists legally by an executive order of 1908, and therefore it is
still under the White House? It has to ask the President before it
engages in any investigation. And, therefore, it is under the White
House.

MR. STEPHANOPOULOS: I mean, it is in the Executive
Branch, but I'm not certain that's right.

Q It's exactly right. I checked it the other day.

Q When you say that what we saw last week will not
happen again, why isn't it

-
if you make decisions like the ones
that you made after the first 100 days to restructure -

-
MR. STEPHANOPOULOS: Again, I don't know if there's any
formal steps, and I don't want to blow this out of proportion. We're
just going to -

-
obviously, things didn't happen the way we wanted
to. We're going to pay attention and do what we can to make sure
they don't happen again. I don't have any specifics.

Q Do you think it could be helpful if the White House
conducted, or you and your colleagues conducted kind of a detailed
inquiry here and put out a chronology of everything known and as yet
undiscovered about the sequence of events that led up to this, and
thereby, perhaps end all this and get you out of this swamp?

MR. STEPHANOPOULOS: I think we're doing our best to
answer your questions.

Q I think you are; there's no question about that. I
just was wondering if you thought it might be beneficial to conduct
your own inquiry into this.

MR. STEPHANOPOULOS: Well, we're certainly reviewing it.
Again, we're going to do what we can to make sure we don't make any
mistakes in the future.

Q Should Harry Thomason be covered by some of the
ethics procedures since he seems to be spending so much time in the
White House and has so many different business interests?

MR. STEPHANOPOULOS: I don't know how much time exactly
he spends here. As I said, he is not -

-
on this, he is not seeking
business with the White House. But we'll continue to review it as

ARMS Email System

cases arise.

Q Does Harry Thomason have a White House pass?

Q Does he have a regular office?

MR. STEPHANOPOULOS: They asked that, I just don't know. I know he's used the phone on occasion. I don't know if he has a regular office. I said I'd take the question.

Q What about a pass?

MR. STEPHANOPOULOS: I think he does.

AUDIENCE: Ooooo.

Q What kind of pass?

Q An employee pass?

Q Does he have a permanent pass?

MR. STEPHANOPOULOS: A residence pass.

Q What does that mean?

Q Which is the highest. That means you can go anywhere.

Q You can go wherever you want whenever you want.

Q Will the President have his hair cut by Christophe again? (Laughter.)

Q George, are you going to do China tomorrow?

Q There's a question on the floor.

Q Are we going to get a barbershop photo-

op, George?
(Laughter.)

MR. STEPHANOPOULOS: I haven't asked him about it, but I just don't

I will take the question and come back to you. I think the President's gotten his hair cut by a lot of different people.

Q Nobody. (Laughter.)

Q George, does the President usually pay \$200 for a haircut?

MR. STEPHANOPOULOS: Again, I don't know exactly how much the President pays for the haircut. I don't think it's -

-

Q His barber charged \$12 in Little Rock -

the barber
the last 18 years.

MR. STEPHANOPOULOS: And he did a good job, too.

Q George, are there some other examples of folks that have the residence pass?

MR. STEPHANOPOULOS: I don't have it handy.

Q Susan Thomases has one, doesn't she?

MR. STEPHANOPOULOS: Probably, yes.

Q George, will there be a decision this week on MFN and China?

MR. STEPHANOPOULOS: Maybe. As you know, the deadline is June 3rd and we'll certainly have before then. I'm not certain about this week.

Q George, are you running into some problem? Last week the people on the Hill said you said -

-

that is, the White House
said -

-

it was going to be announced early this week.

ARMS Email System

MR. STEPHANOPOULOS: And it very well could be this week, I'm not certain. There's no final decision.

Q Will that be before or after the Supreme Court nominee?

MR. STEPHANOPOULOS: I don't know.

THE PRESS: Thank you.
END 2:00 P.M. EDT

#76-

05/24

ARMS Email System

RECORD TYPE: PRESIDENTIAL (RECONSTRUCTED EMAIL)

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

CREATION DATE/TIME: 26-MAY-1993 11:01:00.00

SUBJECT: AGAM 5.26.93

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)
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:26-MAY-1993 08:33:00.00

ATT BODY PART TYPE: 8

ATT SUBJECT: AGAM 5/26

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.

0526.TXT

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

===== ATTACHMENT 2 =====
ATT CREATOR: UNKNOWN (UNKNOWN)

ATT CREATION DATE/TIME:26-MAY-1993 08:33:00.00

ATT BODY PART TYPE: A

ATT SUBJECT:

ATT TEXT:
Wednesday, May 26, 1993

* * * * * COPYRIGHT NOTIFICATION * * * * *
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THE FUTURE FOR WHEAT EEPs (FWN-5/25) -- Sources who attended the Trade Policy Review Group meeting Monday say USDA officials were surprised at how many other agencies were against targeting Canada's markets with wheat EEPs because of concerns over NAFTA negotiations. The article includes comments by some on the influence of the State Dept. in USDA's trade policy decisions. FWN outlines a Canadian farm magazine story on the subsidization and pricing of their exports to the US; it notes denial by the Canadian Wheat Board. Sources say the close relationship between former President Bush and Canada's prime minister ruled out targeting Canada's wheat markets, but it notes that President Clinton views matters differently. FWN says USDA's thrust to target Canada got ammunition from Canada's intentions to reject US moves to keep Canadian wheat from the US; the US wheat industry says the US had been out-negotiated regarding the Free Trade Agreement's treatment of wheat. Sources say Sec. Espy should not be counted out on this issue. Exporters are urging the US to get aggressive with prices to gain market share.
(FWN-5/25) -- The article includes comments associated with the TPRG meeting. One source said it could take a cabinet level meeting to resolve the issue, or USDA could come back with a more realistic package. Agencies were undecided on whether "bashing Canada will help or hurt;" the article presents

some views. One source questioned the budgetary aspects of the EEPs. Another says the USDA package "has significant policy implications," and it appears that it "hasn't been thought through."

(Reuter-5/24) -- Trade sources said USDA could announce small wheat EEPs shortly for cases where countries would buy elsewhere if no EEP was available.

(WSJ, AP-5/25, Reuter-5/25) -- July wheat futures hit a 21-month low of \$2.88.75/bu as disappointment mounted over delays in government allocation of wheat EEPs, and concerns that conflicts between USDA and the State Dept. could further delay targeting the EEP sales. The traders also were concerned about the prospects for a bountiful crop.

LOBBYING WAR OVER ELECTRIC PROVISION (W.Post) -- The article outlines the positions of utility lobbies in a duel over a provision in the tax proposals that some say protects rural electric co-ops from municipal competition. A Senate Agriculture Committee source predicts the provision won't fly there.

DEFEAT FORESEEN FOR BTU TAX (Reuter-5/25, KRF-5/25) -- The coalition of companies, farming groups and consumer organizations opposing the Btu tax say the measure will be defeated in the House this week. The groups fear the tax will cost the US competitiveness and 600,000 jobs.

FARM WINNERS FROM NAFTA (FWN-5/25) -- Reps. Pat Roberts (R Kan.) and Steve Gunderson (R-Wis.) sent a letter to their colleagues telling them of the benefits NAFTA would bring to US livestock, dairy and poultry industries. They outlined results of a Texas A&M study showing estimates of increased exports once Mexico's non-tariff barriers are dropped.

FEW AG GRADS GO TO FARMS (UPI-5/25) -- An Illinois college official says only about 10% to 15% of college agricultural graduates return to the farm or farm management. He said there is a growing interest in agricultural careers in food and nutrition and the environment. UPI says a USDA report issued three years ago indicates the ag grads will have no trouble finding their niche.

FRENCH PUSH BIOFUELS (JOC) -- France has begun pushing biofuels in hopes of placating their farmers while the government works to unblock the GATT talks. France launched an expensive plan to step up biofuel production despite a report raising serious economic questions.

END TO APPLE BARRIERS WANTED (JOC) -- A US delegation will press Japan to allow imports of US apples, warning that the US administration is prepared to lodge an international protest. Japan said the apple question must be resolved simultaneously with the issue of the ban on Japanese oranges in some US states. A spokeswoman for Sen. Glade Gorton (R Wash.) said the Senator has decided "the Japanese are not going to keep on moving the goalposts."

GATT DEVELOPMENTS (Reuter-5/25) -- A GATT official expressed optimism that President Clinton's move on the fast track authority, and forthcoming talks such as the G7 meeting, provide the right platform for conclusion of the Uruguay Round. He said agriculture can no longer block the GATT progress, but noted that the accord continues to be resisted by a handful of participants.

(Reuter-5/24) -- France's foreign minister said they could not accept the agricultural chapter of the GATT and it must be renegotiated. He emphasized the need for a peaceful environment, free of the contemplation of hostilities, in which to negotiate on the trade matters.

(Reuter-5/25) -- Australia's trade minister said, "There is an instinct that it (GATT talks) will wrap up this year, with Blair House in it." He thought France would eventually accept the agreement because the net advantage to them would be overwhelming.

(UPI-5/25, KRF-5/25) -- China said it is willing to abide by whatever farm-trade rules emerge from the GATT negotiations, as a condition for its admission to the GATT.

(JOC) -- The article outlines South Korea's position on rice trade. Korean farmers threatened to protest when the Pacific Basin Economic Council planned to adopt a resolution favoring free trade in agriculture.

(JOC, Reuter-5/25, KRF-5/25) -- The GATT will hold a special meeting June 9 to appoint a new director general. The US supports the EC candidate on condition that former US negotiator Warren Lavorel could be appointed senior deputy to the GATT director general.

MFN FOR CHINA SUPPORTED (FWN-5/25) -- The National Grain and Feed Assn. urged President Clinton to renew Most-Favored-Nation status for China. They said the US's largest wheat market will be lost if China's MFN status is denied or heavily conditioned.

FIGHT FOR WATERWAYS SUBSIDY (JOC) -- The article reviews the issues in the battle over whether to increase the tax on barge fuels. It looks at potential impacts on farmers and disagreements over whether the barge companies will have to shut down. It outlines lobbying efforts.

INCREASE IN MILK PRICES (ChiTrib-5/25) -- An increase in wholesale milk prices in the Chicago area is attributed to a failure of milk production increases to continue, government sales of dry milk to Mexico taking product from the domestic market, and rebuilding of stocks by the cheese industry. The entire increase is not expected to be passed on to consumers all at once, partly because of a weakness in liquid milk consumption.

HACCP ENDORSED (PRN-5/25) -- At the National Food Processors Assn. conference, a top FDA official said the time has come for the Hazard Analysis Critical Control Points system. He said there is no food safety crisis in the country, but the system is under stress, and HACCP could provide reassurance about the safety of food. He said FDA will work closely with the industry and USDA to institute HACCP throughout the food industry. NFPA and USDA officials also praised HACCP.

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RECORD TYPE: PRESIDENTIAL (RECONSTRUCTED EMAIL)

CREATOR: S. Collier Address (ADDRESS_S) (WHO)

CREATION DATE/TIME: 26-MAY-1993 15:18:00.00

SUBJECT: Btu talking points

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

TO: David Dreyer (DREYER_D) (WHO)
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TO: Jeffrey L. Eller (ELLER_J) (WHO)
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TO: Robert O. Boorstin (BOORSTIN_R) (WHO)
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TO: Michael Waldman (WALDMAN_M) (WHO)
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TO: Elizabeth A. Bernstein (BERNSTEIN_E) (WHO)
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TO: Julie A. Nash (NASH_J) (WHO)
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TEXT:
PRINTER FONT 12_POINT_COURIER
EXECUTIVE OFFICE OF THE PRESIDENT

26

-May

1993 03:15pm

TO: S. Collier Address
FROM: Eric Berman
Office of Communications

SUBJECT: Talking Points on BTU -- Response to Hits on BTU

MEMORANDUM TO: DISTRIBUTION
FROM: GENE SPERLING
SHERYLL CASHIN
DATE: MAY 26, 1993

Attached are talking points on the BTU tax which respond to arguments being levied by Republicans and other groups.

RESPONSE TO CRITICISMS OF BTU TAX
HORIZONTAL_PITCH 11
PRINTER FONT 12_POINT_ROMAN
May 26, 1993

Background: Yesterday, the American Energy Alliance, a coalition of business groups announced a "full-court" lobbying press in the House of Representatives against the BTU tax. Today, House Republican Leader Michel and others are scheduled to hold a press conference in opposition of the BTU tax.
A CHOICE BETWEEN ENDING GRIDLOCK OR MORE OF THE SAME

- * Once again, we have special interests circling the wagons in Washington, attacking a critical piece of the President's plan for deficit reduction and not having the courage to come up with specific alternatives of their own.
- * It's easy to criticize painful choices and ignore the reality of twelve years of runaway federal deficits. President Clinton has had the courage to "step up to the plate" with a specific, fair economic plan that will achieve \$500 billion in deficit reduction through \$255 billion in spending cuts and \$241 billion in tax increases that rely overwhelmingly on those who can most afford to pay.
- * AEA and many Republicans won't specify what tough choices they would make to reduce the deficit. They simply say they are "broadly supportive" of alternatives like the Boren/Danforth plan, which would cut Social Security benefits for 27 million middle class Americans, dramatically cut benefits to 14 million working families, and make severe cuts in Medicare and Medicaid -- all to avoid a moderate, broad based BTU tax and to cut taxes for the most well off Americans.
- * And opponents are using the worst kind of scare tactics and distortions to fight the BTU tax. Here is the truth about the tax: THE BTU TAX WILL HAVE A MINIMAL IMPACT ON JOBS
- * The AEA claims that the BTU tax will eliminate 400,000 to 600,000 jobs. But they are choosing to ignore the beneficial effects of the entire economic plan in bringing down deficits.
- * The President's economic package has already had the effect of lowering longterm interest rates by more than the amount that would be needed to offset the effect of the BTU tax. While the interest rate on the 30-year treasury bond was 7.76% on November 6, 1992 it was 7.01% yesterday.
- * An independent economic forecasting firm, Data Resources Inc., found that it would not take much to offset the effect of the BTU. For example, it found that if interest rates fell by as little as .35% in 1997, when the tax is fully phased in, the BTU would

have no effect on GDP or jobs for that year. [Data Resources Inc. analyses conducted for EPA]

- * The misleading cries about job losses is particularly ironic when you consider the cost of staying with the status quo. Since July of 1990 we've just barely recovered the jobs we lost during the recession and we have not increased the overall number of jobs -- despite adding 5 million more adults to the population. We've had

no additional jobs in three years and unemployment at 7% or higher for the last 17 months.

* President Clinton's plan for deficit reduction is necessary to bring down interest rates and free up new money for longterm investments. His plan will create almost 8 million jobs by 1996. We can choose this path or we can choose gridlock and the status quo.
THE BTU TAX WILL HAVE A MODEST IMPACT ON FARMERS

* The Ways and Means Committee amended the President's BTU tax proposal to allow motor fuels used on farms to be taxed at lower rates in 1994 and 1995. Full rates for such fuels would not apply until 1996.

* Many average family farmers will actually come out ahead under the Clinton Plan. Although the BTU tax will impose some costs, those costs are more than offset by other benefits of the President's economic plan for farmers -- like increased expensing, extension of small issue agricultural bonds, expansion of the EITC and extension of the health insurance deduction.

* For example, a Kansas farm family making \$18,700 a year would gain an average of \$792 a year under the Clinton Plan. A Wisconsin family farmer making \$21,000 a year would gain an average of \$433 a year. [Treasury Department Analyses]
THE BTU TAX IS FAIR AND WILL HAVE A MODEST IMPACT ON MIDDLE INCOME FAMILIES

* 75% of the tax increases proposed by the Clinton Administration fall on the top 6% of Americans according to the CBO. The BTU tax is the only tax proposed by the Clinton Administration that affects the middle class. But it is modest and phased in and does not affect families making less than \$30,000.

* Because of offsetting increases in energy assistance and the Earned Income Tax Credit, on the whole, working families with incomes under \$30,000 will be held harmless.

* The effect of the BTU tax on other families is modest. The energy tax does not even go into effect until the summer of 1994, and then it is phased in over three years. It

would cost the average family making \$40,000 yearly only \$1 a month in 1994, \$7 a month in 1995, and \$17 a month in 1997.
LOUISIANA WILL BENEFIT UNDER THE ECONOMIC PLAN

* Several critics have asserted that the BTU tax would reduce the prosperity of energy-intensive Louisiana. But again, opponents are relying on studies that do not take account of the beneficial effects of the entire Clinton Plan.

* The Treasury Department estimates that Louisiana will experience a net gain of \$528 million in 1997 under the entire Clinton Economic Plan. The costs of the BTU tax to Louisiana in 1997, when it is fully phased in, are more than offset by other benefits, like stronger economic growth due to declines in longterm interest rates, an expanded EITC, and increased investments for life long learning programs and other business investment incentives.
BUSINESSES AND ENVIRONMENTAL GROUPS SUPPORT THE BTU TAX AND ECONOMIC PLAN

* Scores of businesses support President Clinton's economic plan, including his tax proposals, because they recognize that real deficit reduction is necessary and that it is good for economic growth.

* Many CEO's, including Bob Eaton of Chrysler, Steve Wolf of United Airlines, August Busch of Anheuser-Busch and Bob Denham of Salomon Brothers, support the President's Economic Plan.

* Just this week 50 of the top corporations in the country wrote Rep. Rostenkowski commending the tax provisions in the reconciliation bill that reported out of the House Ways and Means committee, including the BTU tax. These corporations said, "We expect better economic results and better employment prospects to follow from the reported bill. We support the tax bill as restructured and reported by the Committee." These business supporters include:

--Avon Products	--3M
--Colgate-Palmolive	--Marriott Corporation
--Delta Airlines	--Philip Morris
--Dow Corning	--Procter and Gamble
--The GAP	--Sara Lee Corporation
--General Electric	--Southwest Airlines
--General Motors	--Time Warner
--Honeywell Inc.	--The Walt Disney Company
--IBM	--Westinghouse Electric

Corp.

* Just yesterday, 90 industry, community, labor, environmental, and education groups representing millions of Americans wrote members of Congress to tell them that they support the President's economic plan as reflected in the Budget Reconciliation.

* Numerous environmental groups have come out in support of the Economic Plan, including the Natural Resources Defense Council, Friends of the Earth, the League of Conservation Voters, the National Audubon Society and the National Wildlife Federation.

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RECORD TYPE: PRESIDENTIAL (RECONSTRUCTED EMAIL)

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

CREATION DATE/TIME: 26-MAY-1993 19:08:00.00

SUBJECT: Press Briefing by George Stephanopoulos 5.26.93

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READ: UNKNOWN

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

TO: Janet Handal (HANDAL_J) (WHO)
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TEXT:

THE WHITE HOUSE
Office of the Press Secretary

For Immediate Release May 26, 1993

PRESS BRIEFING
BY GEORGE STEPHANOPOULOS

The Briefing Room

1:05 P.M. EDT

MR. STEPHANOPOULOS: I was going to ask Brit to do it, but I couldn't. (Laughter.)

President Clinton has invited his Majesty King Hussein I of Jordan to meet in Washington on June 18th. The two leaders are expected to discuss the Middle East peace process, developments in the region and U.S.-

Jordanian bilateral relations.

Any questions?

Q State visit or a working visit?

MR. STEPHANOPOULOS: I think it's a working visit.

Q George, on the economic package that the House is going to vote on tomorrow, could you walk through where the President is ready to go on these so-

called entitlement limits? How far is he willing to go on that?

MR. STEPHANOPOULOS: I think the discussions are still going on on the Hill, so I can't comment on the specifics, but as I said yesterday that I think that the approach is something that's generally acceptable to the President. We hope they'll work something out today. My understanding is -

-

I called just before I

ARMS Email System

got here -

-

the meetings are still going on, so I don't want to comment further.

Q George, the President has said again today that all he had done or one of the things that happened is that the press has been saved 25 percent for the same service. Where does he get these ideas?

MR. STEPHANOPOULOS: Well, what I think what he was referring to there is that last weekend we were able to have about a 25 percent reduction in the travel costs for -

-

Q For the same service, he said. You know it wasn't the same service; we know it wasn't the same service. How come he doesn't know that?

MR. STEPHANOPOULOS: Well, I think the same travel service. I think -

-

Q George -

-

Q Almost.

Q George, Earth to George.

Q Not true.

Q You had mechanical -

-

you had a plane with no hot food, you had a whole series of things that we all know about. Not the same service. Why does he keep saying that?

Q Is he ill-

staffed or ill-

informed?

Q What's the reason for that?

MR. STEPHANOPOULOS: No, he's well aware of what happened.

Q Well, does he believe it's the same or -

-

MR. STEPHANOPOULOS: I think the fuel line is obviously something we regret and it's something that does occasionally happen with airplanes. We were able to get everybody there. It took a little late but we got everybody there before the event, and we were happy about that. Sometimes the flights -

-

believe me, we were happy about that. (Laughter.) A lot happier than I was at 7:00 a.m. that morning. Sometimes there's hot food, sometimes there's cold food and it's something we're watching.

Q I know, but why does he keep saying it's the same when you know it's not the same, everybody knows it's not the same except apparently him?

MR. STEPHANOPOULOS: I don't know exactly what he was referring to, but we think that we're going to be able to provide good service at a good price.

Q George, the Democrats in the House are talking about maybe having about 158, 160 solid votes. That's a long way from what you need at the moment. What is the down side to the President going on television tonight, explaining his case to the public and fighting as hard as he can for this that appears to be an absolutely thing that he win?

MR. STEPHANOPOULOS: The President is fighting as hard as he can for this package. As you know, he's been meeting with members of Congress over the last several days. He met with members of the Black Caucus this morning, was on the phone all morning.

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Probably had about a dozen phone calls this morning. He's going to go right back to it this afternoon, and he's going to keep on working on the votes right up until the time tomorrow. I think that he will speak to the nation at some point over the next couple weeks, or before the Senate vote. But he thinks it's best right now to spend his time working with the House and we'll continue to do that.

Q Does he think he has effectively made his case to the public, the public understands what this is about?

MR. STEPHANOPOULOS: I think the President wants to make sure that the public understands what this is about. As he said this morning, this is a package that's going to bring down the deficit, a package where 75 percent of the new taxes go to people earning over \$100,000 a year, the top six percent. A package with 200 specific budget cuts that has real spending cuts along with a very modest tax increase for most Americans, and most of the tax is being paid by the richest Americans.

Q Are you sure it will pass?

MR. STEPHANOPOULOS: Well, I'm keeping my fingers crossed.

Q George, is it accurate to say that the President doesn't want to finish making a deal on the entitlement cap issue until the day of the votes because he knows one deal will

-
if he does it too soon, one deal will lead to six other deals he'll have to make on the other -
-

MR. STEPHANOPOULOS: I don't think so. I mean, these discussions have been going on this morning. I think the meeting just started around 11:00 a.m. And I think that we hope we will get a deal fairly soon and lock up -
-

lock up some more votes, and then move on to a victory tomorrow. We're trying to get it done as quickly as we can.

Q And is the general direction of which you approve a direction in which entitlement caps -
-

I mean, in which more enforcement of entitlement spending would be part of the deal, but nothing that would force the President or force specific cuts?

MR. STEPHANOPOULOS: I think it would clearly force an annual review and have various options for how to reach -
-

Q But not federal action of some sort?

MR. STEPHANOPOULOS: Again, I think that's part of the discussions right now. I think the approach we're talking about is an annual review with a variety of options.

Q George, along the line of Brit's question of where does he get this stuff -
-

he said this morning that all the evidence shows the more people learn about his package, the more they support it, but it would seem from all the polls that we see that just the opposite is the case.

MR. STEPHANOPOULOS: I don't think that's necessarily true. I don't think that people have learned or are well aware of all the specific benefits of the package. I don't think that people generally know that there's a massive increase for the earned income tax credit, which is making sure the people who work will not be in poverty. I don't think the people generally know, even though we've said it, that most of the taxes -
-

75 percent of the taxes in this program -
-

will fall on the wealthiest Americans. There's a perception that most of it will not fall on the wealthiest -
-

Q

Q How can you argue that he's made a case then?

MR. STEPHANOPOULOS: I think he's got to make his case and he is continuing to make his case, and we will continue to make that case every single day.

Q You've only got one day.

Q Why don't people know, though? I mean, if you've had this out there for some months now. There's more Democrats in this town than there are Republicans now.

MR. STEPHANOPOULOS: Yes, but there are also a lot -

probably, I don't know the exact number, I know that 80,000 is probably too high, but there's probably tens of thousands of lobbyists in this town spending tens of millions of dollars trying to defeat it.

Q They may be lobbying up on the Hill, but we're talking about the Americans throughout the country.

MR. STEPHANOPOULOS: And they're lobbying out in the country and they're spending money and they're creating studies, and they're going to the grass roots, and they're trying to do everything they can to protect their special interests. And we're out to defeat that.

Q George, Ross Perot has had some very harsh comments to make about the President in an interview with David Frost; among other things, saying he's not qualified for the most difficult job in the world, he's still doing things the Arkansas way. How do you deal with this? And do you view him as an irritant, as a gadfly? Do you take him seriously? How does the White House view it?

MR. STEPHANOPOULOS: I think Ross Perot has something new to say every week. I think that the President's out here focused on his job and trying to get this economic program passed, and that's what he's going to continue to work on.

Q But, again, what kind of a factor do you see him as, again, as an irritant to you? What?

MR. STEPHANOPOULOS: I think that he can say what he's going to say. We're going to keep on doing our job.

Q George, can I ask about the incident involving the State Department official yesterday who spoke to reporters, enunciating what Secretary Christopher had to clarify. Dee Dee said this morning he doesn't speak for the administration. Now, you know as well as I do he's the Under Secretary of State for Policy. Is what he's saying just wrong? And why does he not know what the policy is?

MR. STEPHANOPOULOS: I think, first of all, the President and the Secretary of State have said on numerous occasions and numerous settings the foreign policy of the United States, and they are the chief spokesmen for the United States on these matters. And the President has said time and time again that we stand ready to defend our interests, we will continue to defend those interests and we are leaders. This was a background briefing. I was not at the briefing; I can't speak for the whole briefing. Clearly, the Secretary of State is the lead spokesman. He most recently articulated those views on Nightline last night. He spoke about them again this morning, and he stated them very clearly.

Q But if Under Secretary X doesn't know what the policy is, why do you keep him in the administration?

MR. STEPHANOPOULOS: Again, I don't think there's any suggestion that he doesn't know what the policy -

that he doesn't know what the policy is. I wouldn't necessarily say that his comments were taken in the way that he meant them. But the Secretary of State clearly speaks for the administration.

Q Well, his descriptions of what happened in Bosnia are exactly parallel to what happened in Bosnia. I mean, was he simply being more honest than other administration officials have been?

MR. STEPHANOPOULOS: We've said time and time again that we expected and want and demanded a multilateral effort in the Bosnian situation, and that's exactly what we've got. The Secretary of State has worked with the other foreign ministers. That's what we saw on Saturday in the coordination of the joint action plan. And we're going to continue to work with them.

Q Well, what is wrong about the view that economic

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issues are predominant and that foreign policy should take a back seat?

MR. STEPHANOPOULOS: Again, I don't know that -

-

now
we're into second-

and third-

hand characterizations of what somebody said at a background briefing; I don't know that that's particularly fair to him. What the President has said time and time again is that foreign and domestic policy are intertwined, and you can't do one without the other and you can't lead abroad unless you have a strong economy at home. And he has focused on both, on making sure that we have the economic underpinnings to have a leadership role in the world, and that's why we're working on the budget today.

Q Was the President asked about this briefing -

has
the President spoken to the Secretary, and are there any further ramifications?

MR. STEPHANOPOULOS: I don't think the President has spoken to the Secretary, no.

Q During the campaign -

-

Q Could you answer the second part of the question?

MR. STEPHANOPOULOS: What was the second part?

Q Are there any further ramifications -

i.e., is he
going to be disciplined, fired, told not to speak to the press?
(Laughter.)

Q Put on administrative leave.

Q Made to ride on the charter? (Laughter.)

MR. STEPHANOPOULOS: Plenty of -

-

Brit, were you even on
the trip Saturday? I didn't think so. (Laughter.)

Q I'm just doing my job here, George.

MR. STEPHANOPOULOS: Me too. I'm sorry. I don't believe so, but you can ask the State Department.

Q But Dee Dee's language in particular this morning was as strong denunciation of someone serving in the senior level of government as I've seen on the record. It suggests that he doesn't speak for the administration, that he was off the reservation.

MR. STEPHANOPOULOS: Those comments did not reflect the view of the administration as set forth by the Secretary of State. There's a difference between condemning a person -

-

Q So what do you do about it?

MR. STEPHANOPOULOS: What you do is you talk to them, you find out what happened, and that's exactly what we've done.

Q Well, what happened?

Q During the campaign, George Bush was hammered for spending -

-

quote -

-

"too much time on foreign policy." And the inference then was that more direction would be put on domestic policy than foreign policy. So when somebody reads this account from a senior State Department official, it sort of has the ring of fact or truth to it, does it not?

MR. STEPHANOPOULOS: I mean, I think if you look at what the President's done, the President has been active in both foreign and domestic policy. The State Department is working on getting the Middle East Peace Talks started again. He's had a successful summit with Boris Yeltsin and the Russians. He's been working on Bosnia, he's been working on Haiti. The President can, must and will lead in foreign policy; that's his job as Commander-

In-

Chief and as the President of the world's only remaining superpower.

At the same time, we are in a new world. We are in a world where economic strength matters, where economic strength is the underpinning of our foreign policy. And the President, from the very beginning of his campaign, said that we cannot lead in that world unless we have a strong economy at home. He continues to believe that. He believes that strongly. He believes it deeply, and he believes that we will not be able to play that kind of role unless we get our own house in order. But they go hand-

in-

hand.

Q George, on foreign policy, yesterday both the State Department and the White House issued statements strongly opposing the coup d'etat in Guatemala. What is the administration then prepared to do about the situation in Guatemala?

MR. STEPHANOPOULOS: As you know, I think that there's been someone dispatched from the Organization of American States and we're reviewing that with our allies right now. I'll have to look at the specifics on what we have.

-

just give me one second.

As you know, our military assistance had already been suspended to Guatemala. But we're going to do a comprehensive review of our bilateral economic assistance and, as well, look at the issue of support in international lending institutions.

Q George, but whatever happens with the OAS and having the experience with what happened in Peru already, what further steps is the administration willing to take on this particular -

-

MR. STEPHANOPOULOS: Well, that's what we're talking about with our allies right now. We are, first of all, having a convocation of the OAS. Secondly, we are reviewing our assistance to Guatemala and determining what actions we should take.

Q How much is that bilateral -

-

MR. STEPHANOPOULOS: I think that in FY 1992 we provided about \$47 million in development and food aid; \$20 million of it was for economic support and \$10.5 million of it is still in the pipeline. There was also a small amount for military training, not military assistance, and it's \$400,000, of which \$270,000 was disbursed.

Q George, can I have a follow up on that one please?

Q Okay, it has to do with Guatemala. The news just came out that Serrano yesterday cancelled the Congress and the Supreme Court. Now he has imposed strict press censorship. My question is, the media says that Assistant Secretary of State Aronson spoke to Mr. Serrano. We are four months and a few days into the administration; how come Mr. Watson hasn't assumed his Assistant Secretary of State for InterAmerican Affairs?

MR. STEPHANOPOULOS: I would have to refer you to State. I don't know where he is in the hearing process at this time. I would refer you to the State Department.

Q Is there a new approach on Haiti that was discussed with the Black Caucus this morning?

MR. STEPHANOPOULOS: Well, certainly, we're working on Haiti. As you know, we were disappointed by some of the news reports coming out of Haiti this weekend, but we're going to continue to have Ambassador Pezzullo keep at his efforts. And, obviously, if these don't work out, we're considering a whole range of other measures including tougher sanctions that we can take.

Q Do you have a Supreme Court justice today or tomorrow or the next day?

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MR. STEPHANOPOULOS: No. I don't think so, no.

Q This week at all?

Q George, what about next week?

MR. STEPHANOPOULOS: She said the next day.

Q Oh, I'm sorry.

Q The House Republicans are releasing a list of spending cuts today that they said would obviate the need for any kind of energy tax. Is the President open to eliminating the Btu tax in exchange for other -

-

MR. STEPHANOPOULOS: The President thinks he's got the best plan. I mean, the House Republicans often issue drafts and then you find out that nobody really supports what they're coming forward with. And I think that that's something we faced throughout this process. The President has the only plan that's balanced, has the only plan that really gets the deficit down, has the only plan that has the appropriate amount of taxation on the wealthy. The President's got the only plan that can pass, and we're committed to it.

Q Does the President still want Lani Guinier as Assistant Secretary for Civil Rights or is there some thought of yanking her nomination?

MR. STEPHANOPOULOS: She's still going forward and he still supports her.

Q On the King Hussein meeting, does this mean the President is going to now propose some bridging proposals or get more actively involved in these talks?

MR. STEPHANOPOULOS: I think it is just a working visit. I mean, no new proposals at this time.

Q On the entitlements compromise, the Chairman of the Congressional Black Caucus expressed concern that there not be any changes in the entitlement baseline in this compromise being worked out. Is it the administration's position that anything that is done on entitlements with respect to baseline projections have adjustments in it for inflation and for changes in population -

-

MR. STEPHANOPOULOS: Again, that's the general approach we've been going forward with, but I don't want to get too deeply into the specifics while the negotiations are going forward.

Q To change the subject, what was the urgency on Saturday that the President couldn't wait for the offer of a makeup person? And what does he normally do to provide for his makeup for a TV interview?

MR. STEPHANOPOULOS: Normally the -

-

(laughter) -

-

he's got this special contract, you know.

Q He does

MR. STEPHANOPOULOS: No, he doesn't. (Laughter.)

Q I thought you said before that he did, that the personal services contract covered makeup -

-

Q It does cover makeup, doesn't it?

MR. STEPHANOPOULOS: It may cover things -

-

this is mostly for the First Lady. I mean, I don't think -

-

usually on
makeup -

-

if I can get to the facts -

-

{Laughter.} In most cases
when the President is on the road, the makeup is generally provided.
it's my understanding that it is generally provided by the local
stations who are doing the interviews. That is the general practice
as far as I know. And when it's here, we generally make other
arrangements. But it's usually worked through the stations.

Q Through a makeup artist, though?

MR. STEPHANOPOULOS: Yes.

Q What happened Saturday? What was so urgent? She
supposedly offered to get a makeup artist and apparently was told
they couldn't wait.

MR. STEPHANOPOULOS: Again, I don't know exactly what
happened in all the intervening minutes when this went on. All I can
say is that apologize for what happened and that's that.

Q What does he use besides pancake makeup? That's a
serious question.

MR. STEPHANOPOULOS: You know something? I don't know.

Q George, the President is said to be furious at the
handling by staff of the travel situation and the haircut situation.
How angry has he been, and who has he called on to -

-

{laughter.}
Has he called you in? Has he called McLarty in? I mean, what has he
told you all?

MR. STEPHANOPOULOS: The President spoke to that
yesterday. He had discussions with Mack and he wants to just make
sure that we find out exactly what happened. Mack is taking charge
on that and Mack is going to find out exactly what happened and
figure out all of the actions around this incident, and he's going to
have a review to bring back. But I think that it's easy to make too
much about how people characterize what he does or doesn't say.

Q Are you saying he wasn't angry? He just had -

-

I
mean, it sounds -

-

MR. STEPHANOPOULOS: Obviously, he's concerned by it and
he wants it to be dealt with. And that's exactly what Mack is doing.

Q Did he read anybody the riot act, or was there any
dressing down or expression of presidential approval beyond simply
the easy-

going expressions he had yesterday about naming Mack to do
this? I mean, did the President actually light into anybody or
express his anger in any way?

MR. STEPHANOPOULOS: The President spoke to that
yesterday. And right now -

-

what he's worried about right now and
what he's focused on now is getting this economic plan passed.

Q Wait a minute. I don't know what you mean when you
say he spoke to that yesterday. He didn't speak to that yesterday.

MR. STEPHANOPOULOS: Sure he did.

Q He didn't say whether he'd gotten angry at anybody
yesterday. That isn't the question he answered yesterday.

MR. STEPHANOPOULOS: No. What he answered was is what
happened on the issue and who he's talked to about it, and that's
what he said. He said he and Mack have had a discussion -

-

Q Is that all there was to it -

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no expressions of anger, are you saying? Are you saying there's been no expressions of anger on the President's part about this?

MR. STEPHANOPOULOS: I'm saying that the President is focused on his economic plan, and that's what he's worried about.

Q Oh, George!

MR. STEPHANOPOULOS: That's what I'm telling you.

Q I know, but that's not an answer to the question, and we all know the -

-

MR. STEPHANOPOULOS: The answer to the question is, as I first said in the first answer was that, obviously, he's concerned about this, and obviously he's not happy with the way that this all went.

Q I know, but there are people reading newspapers through the news box windows that are concerned about it. I'm talking about whether he's angry about what's happened. (laughter.)

MR. STEPHANOPOULOS: I said he wasn't happy about what happened, and he wished it could be done better.

Q Has he felt that it has affected his popularity in the country?

MR. STEPHANOPOULOS: I don't know about that. I mean, it's just that -

-

again, we're focused on getting our work done here.

Q I know, but isn't it showing up -

-

Q As we speak right now, the UltraAir people who used to fly us all around, are having a press conference. They feel in the last week or so with what's going on that they have been slandered and their integrity has been impugned. Are they owed an apology?

Q There also being audited.

MR. STEPHANOPOULOS: I haven't seen what they're -

-

anything about their press conference, but I don't know -

-

Q They have told one of our reporters earlier today that they feel like they've been slandered in all of this.

MR. STEPHANOPOULOS: How?

Q Impugned that perhaps there were kickbacks involved or that -

-

and now the IRS is sicced on them.

MR. STEPHANOPOULOS: Again, as I said yesterday, we had absolutely nothing to do with that, number one. And, as far as I know, there was never anything from this podium about kickbacks or anything like that.

Q The Vice President has said that his performance review had absolutely nothing to do with initiating the initial review and audit of the Travel Office. Is the White House still claiming that this was all an outgrowth of the performance review?

MR. STEPHANOPOULOS: Well, it was an outgrowth of, as we said several times, several different -

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there have been a lot of

a

number of different entities working -

-
looking at the Travel Office
at various times, whether it was the transition or the beginning of
the administration or later in the month of April and May. It is my
understanding -

-
I mean, he may have had no personal involvement. It
is my understanding that all of the different White House departments
were having staff look at them as part of the national performance
review, and I think that they were supposed to report sometime in
May. But, again, this was not -

-
yes, this was not something that he
was personally directing, personally involved in, personally sent
people in. But they were -

-
David Watkins was making sure that every
department did -

-
was going to produce a report for the national
performance review, and that was part of this. I mean, that was just
a part of it.

Q And was the President and the First Lady aware of
the comments of the Thomasons this morning? Are they familiar with
what they said about being under attack? And I think Mrs. Thomason
said now I know how Bebe Rebozo and Burt Lance felt. (Laughter.)
And that she wouldn't have been interested in the travel contract
because they make so much money, this would have been like a lemonade
stand. And is that

-
(laughter.)

MR. STEPHANOPOULOS: I haven't talked to them about it.

Q Are you aware of that?

MR. STEPHANOPOULOS: No.

Q You haven't talked to them -

-
MR. STEPHANOPOULOS: I said I haven't talked to them
about it.

Q Can we assume that the White House is not part of
their public relations efforts -

-
last night, two shows this morning.

MR. STEPHANOPOULOS: They are private citizens.

Q That wasn't the question.

MR. STEPHANOPOULOS: No. We didn't talk to them. I
mean, we're not -

-
Q And you're not having any discussions with them
about go on TV and make the case?

MR. STEPHANOPOULOS: No, this is not part of our
strategy, no.

Q Mr. Thomason said he doesn't have a real White
House pass, that he only has a temporary 30-

day pass. Can you clear
up what kind of pass he has?

MR. STEPHANOPOULOS: I think the residence passes are
all -

-
all of our passes have to be renewed. I think some are 30
days and some are 60 days.

Q I'm sorry. That's a new one on me.

Q He said he was writing the history of the

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Inauguration.

MR. STEPHANOPOULOS: No, our passes have to be renewed -- I mean, mine is running out very soon. (Laughter.) The pass. Uh, it's out.

Q George, what's the time line on the McLarty review? Has he talked to anyone yet in the Travel Office -

-
of the Travel Office people who were dismissed and suspended? Who is he going to talk to? Was there any kind of time frame on this?

MR. STEPHANOPOULOS: I don't have the hard time frame. He's going to -

-
he's waiting for -

-
Mr. Panetta is going to work out some guidelines along I think with Mark Gearan on his staff. I just don't have a hard time line on how long it's going to take.

Q Is he going to talk to everyone involved in the thing?

MR. STEPHANOPOULOS: I think there will be a complete review. They're going through the guidelines now of exactly what he's going to go through.

Q How long can you keep these people on full salary before you do something with them not working?

MR. STEPHANOPOULOS: We'll get it -

-
we're going to get it done as quickly as we can.

Q Why are the passes such short-term? I mean, isn't that a waste of taxpayers' money to have to keep doing that?

MR. STEPHANOPOULOS: I'll get all the specifics on the passes. That might have just been the beginning. I just know that we do have to get renewals.

Q George, you seem to have been apologizing all week for one thing or another. You started out with the haircut and we talked about FBI and the makeup today. Is there any consideration being given by the President for the fact there may be some lack of judgment or lack of coordination on the part of the White House staff?

MR. STEPHANOPOULOS: Well, I think, as I said, the week didn't go as we had planned. On this specific incident having to do with the Travel Office, the White House Chief of Staff Mack McLarty is going to do a review. And he'll report to the President.

Q Foley yesterday pretty much blamed this whole flap on the flack you've taken on Republicans and critics of the economic plan who are trying to divert attention and derail the plan. Does the White House blame Republicans or someone out there for what has happened?

MR. STEPHANOPOULOS: No, I think -

-
we've answered all the questions quite clearly. The Speaker has a point of view and I think there's probably something to that. It's certainly being stoked along. But we've answered all the questions.

Q Senator Biden said yesterday that he thought this was the result of an amateur hour at the White House. Can I ask you directly what was asked in the back -

-
is there going to be some kind of change in the staff at the White House?

MR. STEPHANOPOULOS: Well, again, there's nothing planned right now.

Q Is it possible? Are people looking at the possibility of bringing in someone new or of changing around -

-

MR. STEPHANOPOULOS: I think, as we've said several times in the past, this is something you always look at and always review. And throughout administrations there are often changes at different times. But there's just nothing planned.

Q Do you think you need an old Washington Democratic hand in the White House, a new person?

MR. STEPHANOPOULOS: I think we have a lot of good experience in the White House, people who have served for an awful long time. And obviously, not everything has gone as we planned, but we're going to continue to work on it.

Q George, I'm curious about two things out of the President's photo op. For one thing, apparently just before the cameras went in there, he was overheard referring to himself as a punching bag. Have you heard him express sentiments along these lines? Is he particularly irritated over the questions on the Travel Office and other things that are coming to him?

MR. STEPHANOPOULOS: Well, he's not happy with the way it's all played out.

Q And secondly, the President, when the cameras were on, said that he had received, referring to himself personally, a number of press complaints that they were being gauged by the Travel Office. Can you supply any sort of documentation or indication as to who it was that was complaining to the President about the Travel Office?

MR. STEPHANOPOULOS: I think what he was probably referring to -

-

I don't know about -

-

I know that when the President was at the press dinner, the head of the White House Correspondents Association did bring up in a very public forum the concerns of the White House correspondents that they were being priced out of the market. People weren't being able to go on trips. George Condon gave a speech at the White House Correspondents Association dinner. That was very public and the President heard it and it had an effect on him.

Q But any one of a number of discussions on the subject on the increase of the cost in presidential travel over the course of recent years, but the President's statement was of press complaints that they were being gauged by the Travel Office, which is different from simply complaining about the increased cost of presidential travel.

MR. STEPHANOPOULOS: I think he was referring

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he referred to it in the past -

-

he was referring to what he heard at the White House Correspondents Association dinner. I don't know about anything beyond that.

Q He said a lot of people -

-

he made it sound like, the poor devil, he was just besieged with reporters telling him how they've been gauged and he didn't -

-

the idea this could be one guy's speech at one dinner was not -

-

MR. STEPHANOPOULOS: Again, there have also been public reports. I mean, I know that several of the news organizations in this room have filed complaints and filed addresses about the cost of travel.

Q Who have they filed complaints with?

MR. STEPHANOPOULOS: The Washington Post has done it.

Q Yes, we have.

Q Shocking.

Q What I'm trying to get at is the President specifically said that there were complaints of people being gauged

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by the Travel Office, not complaining about the increase of cost of president travel -

-

the phones -

-

MR. STEPHANOPOULOS: I haven't seen those specific -

-

what he was referring to was the overall cost of travel and how that was pricing a lot of press organizations out of the market, which is, as my understanding, is a real, legitimate concern of many of the news organizations in this room.

Q George, on the Lani Guinier nomination, has the administration made an assessment on whether she, in fact, can be confirmed by the Senate? And if it's going to be a difficult fight, is the administration prepared to use a lot of political capital to win her confirmation?

MR. STEPHANOPOULOS: Well, she's starting her meetings right now, as far as I know, with the Judiciary Committee and other senators and we're moving forward.

Q? So you're prepared to use -

-

Q That sounds like a pretty lukewarm endorsement. Is it meant to be?

MR. STEPHANOPOULOS: No. The process is just starting. The President has nominated her, we support her, and she is meeting with the Senate now.

Q One hundred percent? A thousand percent?

MR. STEPHANOPOULOS: The President supports his nominee.

Q If it requires a lot of effort to get her confirmed, a big fight and a lot

-

MR. STEPHANOPOULOS: That's a hypothetical. We're moving forward right now.

Q On Memorial Day the President is going to visit Arlington Cemetery and the Vietnam Memorial. How many of those postcards did arrive at the White House and how much consideration did the President give to the feelings of those veterans before deciding to visit those sites?

MR. STEPHANOPOULOS: I don't know the exact number. I know it probably wasn't as much as was generally reported. The President -

-

Q We heard it was

MR. STEPHANOPOULOS: I'm not sure if it was that many. I can try to get an exact number, but I don't have it. I mean, obviously the President is the President of all the people. He believes that it's important to pay his respects at the Vietnam Memorial along with his visit to the Arlington Memorial Cemetery on Memorial Day, and that's exactly what he's going to do.

Q What is his reaction to the feelings of those vets who said it would be hypocritical of him to go?

MR. STEPHANOPOULOS: Well, he just strongly disagrees. He is the President of all the people. He believes it's important to show his respect for the veterans who served in that war along with the veterans who served in all our wars. And that's exactly why he's going to go.

Q Does he understand where they're coming from, George?

MR. STEPHANOPOULOS: The President has a deep understanding of all the issues surrounding that conflict and all the issues surrounding the memory of that conflict and what we can do to

heal it.

Q And his participation or lack therein of?

MR. STEPHANOPOULOS: Well, his participation is appropriate for the President and it's appropriate -

-

Q I'm talking about the war itself. What their concern is about his showing up at the Memorial on Monday?

MR. STEPHANOPOULOS: The President has spoken to that and he will continue to speak to that at the Memorial on Monday.

Q Is the White House running into trouble in its consultations with Congress over extending MFN?

MR. STEPHANOPOULOS: I don't think so. I think we'll have an announcement on it pretty soon.

Q What is pretty soon -

-

tomorrow, the next day?

MR. STEPHANOPOULOS: I don't think it will be today or tomorrow, but sometime after that.

Q So in other words, you've decided -

-

I mean, my understanding is that you wanted to make these announcement while Congress is here. And so now you're not going to do it -

-

MR. STEPHANOPOULOS: No, frankly, it's just a function of a lot of the other things happening on the Hill. We're finishing up the consultations. We hope to have it very, very soon. But we think the consultations are going quite well.

Q What is the administration's view of what's happening in Tibet?

MR. STEPHANOPOULOS: Obviously, it's something that we're concerned about. And the President has always said that one of the reasons we have to -

-

we have to condition MFN to China on progress in human rights and trade and nonproliferation. This is something we're watching -

-

Q Does seeing this before your very eyes give you some second thoughts about making this conditional as a part and you know making this something that we would look at next year?

MR. STEPHANOPOULOS: Well, the President is balancing all those concerns and we are making sure that we have the toughest conditions that have every been imposed.

Q Members of the Black Caucus said that they got the impression from the President and from Sandy Berger at the breakfast this morning that there was going to be some movement on Haiti very soon. What did the President or Sandy Berger tell them about that?

MR. STEPHANOPOULOS: Well, as I answered before, I think that one of the things that we're looking at as we continue our diplomatic efforts is also reviewing other actions that we could take including tougher sanctions.

Q On this MFN, doesn't the number of Chinese immigrants or those people escaping illegally say something about what's going on in China's human rights policy?

MR. STEPHANOPOULOS: I mean, obviously, it's something we're concerned about. The President is deeply concerned about the human rights situation in China. It's one of the reasons he's moving forward with his policy.

Q An appropriations bill came out of committee on the House side, and \$2 million in requested funds for White House staffing and phone improvement and so forth was quietly taken out last night. Did the White House request that?

MR. STEPHANOPOULOS: I believe we probably did. We probably thought it was better to move forward in consultation with

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the Appropriations Committee with the rest of the bill right now.

Q Was that because of what's been going on lately with the Travel Office or -

-

MR. STEPHANOPOULOS: There had been some concerns raised and we had some concerns of our own and we wanted to make sure that it went through.

Q What were those concerns?

MR. STEPHANOPOULOS: We wanted to make sure that we got the bulk of this money through as quickly as we could without any distractions.

Q Do you feel that this money would be a lightening rod for criticism in light of what's happened around here the past week? Is that what you're saying?

MR. STEPHANOPOULOS: I think it's probably reasonable to assume that.

Q What was it for?

Q Why would it be -

-

what was this money for?

MR. STEPHANOPOULOS: I think it was -

-

Q How much was it?

MR. STEPHANOPOULOS: I don't have the numbers in front of me.

Q Two million?

Q -

-

raise the staff before you decrease the staff?

MR. STEPHANOPOULOS: It's the general operating funds. I mean, there's a lot

-

I don't have all the specifics on what exactly it pays for.

Q Computer and telephone money?

MR. STEPHANOPOULOS: I don't know.

Q Come on, what was the money -

-

MR. STEPHANOPOULOS: No, no, it was the general money for White House operations that we had talked about in the past. I mean, I think it was -

-

a lot of it was making up for the shortfall from before. We had to have some staffing money and some other -

-

Q Is it mostly staffing money, George?

MR. STEPHANOPOULOS: I don't know about mostly. I know that staffing money is included.

Q And this would bring about how many jobs, do you know roughly?

MR. STEPHANOPOULOS: I don't have that. I just don't have that.

Q What's the impact of not having it?

MR. STEPHANOPOULOS: Nothing immediately.

Q George, do you know or can you find out whether or

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not this money included your request for the new phone system?

MR. STEPHANOPOULOS: I can find out. I just don't know.

Q -

which I understand is some -

the bid is
somewhere in the \$6 million range.

MR. STEPHANOPOULOS: We can find out.

Q According to the Hill, the phone system was -

MR. STEPHANOPOULOS: Approved.

Q No, there was phone money in this money that was
pulled out.

MR. STEPHANOPOULOS: I can find out.

Q How much was this -

Q Is this the LBJ switchboard?

Q You said it was \$2 million? It can't be that much.

MR. STEPHANOPOULOS: I'm not sure of that figure.

Q -

apparently cut but not eliminated the honeybee
subsidy. Is the President going to go along with any money for the
honeybee subsidy?

MR. STEPHANOPOULOS: I don't think they've eliminated
it.

Q Right. Is he going to go along with leaving any
money in there? This is the only program in the campaign he could
name that he wanted to eliminate. Is he going to allow -

MR. STEPHANOPOULOS: -

for the Agriculture Committee to
come up to hit their spending reduction target, and I expect that
they will.

Q Did either Susan Thomases or Mrs. Clinton play any
role in the whole Travel Office situation?

MR. STEPHANOPOULOS: Susan Thomases, I don't believe
played any role. I don't know what role Mrs. Clinton played. I
don't think it was anything -

Q Wait a minute, wait a minute, you don't think it
was anything what?

MR. STEPHANOPOULOS: I just don't know. I'll take the
question.

Q Which staff members were on the plane with the
President at LAX? Was Bruce Lindsey along on that trip?

MR. STEPHANOPOULOS: I think so.

Q Who else?

MR. STEPHANOPOULOS: We can release a manifest. I don't
know exactly who was on it at the time.

Q The whole manifest?

MR. STEPHANOPOULOS: The staff manifest.

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Q You seem less certain about passing the budget.
Yesterday you seemed more confident -

-
is there some sort of a
reassessment?

MR. STEPHANOPOULOS: No, I mean, I think we're working
hard and I think it looks good.

Q Do you predict victory, George?

MR. STEPHANOPOULOS: I don't predict, but I think we're
going to do okay.

Q On the budget, although you're ruling out an Oval
Office address, might the President do some sort of opening statement
at this town meeting tomorrow?

MR. STEPHANOPOULOS: Sure. Sure.

Q What's he doing the rest of the afternoon?

MR. STEPHANOPOULOS: Mostly he's going to be on the
phone.

Q Working on the compromise or twisting individual
arms?

MR. STEPHANOPOULOS: I think he's just mostly talking to
different House members trying to rally the votes.

THE PRESS: Thank you.

END 1:39 P.M. EDT

#78-

0526

ARMS Email System

RECORD TYPE: PRESIDENTIAL (RECONSTRUCTED EMAIL)

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

CREATION DATE/TIME: 27-MAY-1993 12:38:00.00

SUBJECT: AGAM 5.27.93

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)
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:27-MAY-1993 09:55:00.00

ATT BODY PART TYPE: B

ATT SUBJECT: AGAM 5/27

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_I@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.

0527.TXT

***** END ATTACHMENT 1 *****

***** ATTACHMENT 2 *****
ATT CREATOR: UNKNOWN (UNKNOWN)

ATT CREATION DATE/TIME:27-MAY-1993 09:55:00.00

ATT BODY PART TYPE: A

ATT SUBJECT:

ATT TEXT:
Thursday, May 27, 1993

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WHEAT EEPs STATUS (FWN-5/26) -- The article says USDA officials have asked top White House officials and key Senators for help in getting the wheat EEP initiative package approved by the interagency committee.

(KRF-5/26) -- A USDA official said a final decision on new-crop wheat EEP allocations could be delayed one to two weeks by scheduling conflicts and other factors.

(KRF-5/26) -- A USDA source said the department wants to have the tools to be more aggressive in the Export Enhancement Program. Asked about the issue of using wheat EEPs in Canadian and Australian export markets, he said he "couldn't characterize" the EEP package USDA proposed "as a war chest" that would push US wheat sales "into places we haven't been before."

(FWN-5/26) -- Sources say odds are improving that South Africa will get a small old-crop wheat EEP initiative approved before the 1993-94 wheat EEP list is announced.

BILL TO LIMIT CARGO PREFERENCE (FWN-5/26, Reuter-5/26) -- Sen. Hank Brown (R-Colo.) introduced legislation (co-sponsored by six other senators) to limit cargo preference to those shippers with competitive rates. He said the current law is "one of the most expensive and inefficient federal subsidies."

CLASH OVER MINING BILL (AP-5/26) -- Critics of the mining industry said the Senate-passed bill to require 2% royalties for mining on federal land was too weak, the industry says a House version to establish 8% royalties is too strong. Both sides expressed concerns as they await the conference committee to settle the disagreement. Sec. Babbitt criticized the Senate measure, saying it provided little protection from abuses under the 1872 mining law.

VOTE FAVORS LONGER CBOT HOURS (Wires-5/26) -- Chicago Board of Trade members voted (583-347) to open the grain and soybean trading one hour earlier. If approved by the CFTC, the change will take place this summer. The change to trading hours, the first in more than a century, will help the US capture European business. CBOT's chairman promised another vote on the issue within a year.

FARMLAND VALUES QUESTIONED (UPI-5/26) -- Although he thinks USDA's report on farmland values was correct in showing a 2% increase in values nationwide, an Illinois economist was perplexed by figures showing no increase in value in Illinois. He felt USDA's finding showing a dip in Illinois cash rents for farmland may be "a statistical aberration;" he feels they are up slightly.

BURGER PROBE ON MARKET (KRF 5/26) -- A device has been developed to accurately and quickly measure the temperature at the center of a hamburger as it is being cooked. The article outlines difficulties in measuring hamburger temperatures and explains how the device works.

POSSIBLE RANGE WAR OVER HAYING DESIRES (DM Reg-5/9) -- The article says different facets of the livestock industry may touch off a "range war" over efforts of some to change rules so set-aside acres (not CRP acres) can be used for haying and grazing. The dispute is over economics and fairness; the National Cattlemen's Assn. opposes the move. Sen. Charles Grassley (R-Iowa) says the change would make the system more fair, and it would mean money for the government (from leases).

BUDGET MATTERS (AP-5/26) -- The article outlines President Clinton's efforts to secure House passage of his economic plan, and the importance of a victory for his presidency. The article notes concessions made by the White House, including abandoning the effort to eliminate the honey program.

(FVN-5/26, AP-5/26, Reuter-5/26) -- Sen. Richard Lugar (R-Ind.) says the budget reconciliation bill should not be passed. He says farm spending cuts proposed by the House Agriculture Committee "won't be passed in the Senate." He proposed leveling off the cuts by "taking \$3 billion from the food stamps account." He said there was some latitude in the Senate to deal with Btu tax proposals and noted that Sen. Kent Conrad (D-N.D.) "is a disturbed man" when it comes to the Btu tax impact on agriculture. Sen. Lugar said the Btu tax would have "nearly fatal" impacts on marginal farmers, and he thinks there is a good chance of eliminating it. Sen. David Pryor (D-Ark.) said, "There are historic exemptions in an energy tax that will have to apply to agriculture."

(FVN-5/26) -- Nineteen freshman House Democrats asked President Clinton to make deeper spending cuts. An option they are considering is replacing the Btu tax and Social Security increases with spending cuts. Some expressed willingness to support the Btu tax if comparable spending cuts are made.

(FVN-5/26, Reuter-5/26) -- Rep. Richard Durbin (D-Ill.) pointed to raisin exports and said a national program like the MPP to help address hurdles was not unreasonable. He also said spending just \$1.1 billion out of a \$1.5 trillion budget on an element of the economy (agriculture) that is 1% of our gross domestic product, was not much of an expenditure.

(AP-5/26) -- Some folks in Stroud, Okla., say there is no one in town who supports the Btu tax.

(DM Reg-5/9) -- George Anthan reviews points from a report in which the authors outline how deficit concerns have led to often-inconsistent accounting changes that have affected farm programs.

FARM EFFORTS TO KEEP WATER PURE (NY Times) -- The article examines the concerns of New York City about potential effects of farm runoff on their water supply. The city is studying ways to keep the farm runoff from polluting the waters; the article notes that the city can regulate land use within its watershed.

SUPPORT FOR FSIS ADMINISTRATOR (FVN-5/26) -- The article says meat industry contacts and six Senators have expressed support for keeping FSIS Administrator Russell Cross in his current position. Opponents say Cross is "part of the problem," but his supporters praise his experience and knowledge that is needed to push forward a progressive food safety program.

RUSSIA SITUATION (FVN-5/26, Reuter-5/26) -- Sen. Richard Lugar (R-Ind.) said Russia needs economic, currency and central-bank reform to increase its ability to repay loans. He said it would be difficult for Russia to be creditworthy without basic steps to integrate its economy and currency with the world marketplace.

(FVN-5/26) -- Sen. David Pryor (D-Ark.) said a next step should be finding a way to "extend Russian payments on debt and refinance that debt." He said debt forgiveness should not be viewed as an option.

GATT DEVELOPMENTS (JOC, KRF 5/26, Reuter-5/26) GATT Director General Dunkel said a GATT pact has "never been so near," but noted that "the devil lies in the details." He has criticized developed countries for not matching the trend in the developing world toward liberalizing trade, and for leaning toward protectionism.

(Reuter) -- The EC farm ministers agreed to farm prices for the coming year, and to nearly \$1.2 billion in aid to farmers, which could pave the way for a breakthrough in the GATT talks.

(JOC, Reuter-5/26) -- A GATT panel said the EC's banana-import regime is unfair to Latin American exports. Some believe the EC may try to block adoption of the report which is to be debated June 16 by the ruling council.

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ARMS Email System

RECORD TYPE: PRESIDENTIAL (RECONSTRUCTED EMAIL)

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

CREATION DATE/TIME: 27-MAY-1993 10:15:00.00

SUBJECT: Talking Points 5/27

TO: Manager Infomgt (INFOMGT) (SYS)
READ: UNKNOWN

TO: Mary H. Anton (ANTON_M) (OA)
READ: UNKNOWN

TO: Deborah J. Behr (BEHR_D) (OA)
READ: UNKNOWN

TO: Steven Akey (AKEY_S) (WHO)
READ: UNKNOWN

TO: Barry J. Toiv (TOIV_B) (OMB)
READ: UNKNOWN

TO: Stephen B. Silverman (SILVERMAN_S) (WHO)
READ: UNKNOWN

TO: Todd Stern (STERN_T) (WHO)
READ: UNKNOWN

TO: FAX (2685,Julia Payne) (TLXA1MAIL\F:2685\C:Julia Payne\\) (DEFAULT)
READ: UNKNOWN

TO: Evelyn S. Lieberman (LIEBERMAN_E) (WHO)
READ: UNKNOWN

TO: Unice B. Lieberman (LIEBERMAN_U) (WHO)
READ: UNKNOWN

TO: Anne M. Edwards (EDWARDS_A) (WHO)
READ: UNKNOWN

TO: Steve Rabinowitz (RABINOWITZ_S) (WHO)
READ: UNKNOWN

TO: Michael R. Lufrano (LUFRANO_M) (WHO)
READ: UNKNOWN

TO: FAX (99275744,Al Brown) (TLXA1MAIL\F:99275744\C:Al Brown\\) (DEFAULT)
READ: UNKNOWN

TO: Marsha Scott (SCOTT_M) (WHO)
READ: UNKNOWN

TO: Julie A. Nash (NASH_J) (WHO)
READ: UNKNOWN

TO: Ethan J. Zindler (ZINDLER_E) (WHO)
READ: UNKNOWN

TO: R. Paul Richard (RICHARD_R) (WHO)
READ: UNKNOWN

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

TO: Kimberly Tilley (TILLEY_K) (WHO)
READ: UNKNOWN

TO: Eric Berman (BERMAN_E) (WHO)
READ: UNKNOWN

TO: Anne Walker (WALKER_A) (WHO)
READ: UNKNOWN

TO: David Kusnet (KUSNET_D) (WHO)
READ: UNKNOWN

TO: Meeghan E. Prunty (PRUNTY_M) (WHO)
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)
READ: UNKNOWN

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

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

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

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

ARMS Email System

TO: Jonathan P. Gill READ: UNKNOWN	(GILL_J) (WHO)
TO: Patricia A. Enright READ: UNKNOWN	(ENRIGHT_P) (WHO)
TO: Maria M. Tio READ: UNKNOWN	(TIO_M) (WHO)
TO: Jess Sarmiento READ: UNKNOWN	(SARMIENTO_J) (WHO)
TO: Kimberly S. Hopper READ: UNKNOWN	(HOPPER_K) (WHO)
TO: David B. Anderson READ: UNKNOWN	(ANDERSON_D) (WHO)
TO: Karen L. Hancox READ: UNKNOWN	(HANCOX_K) (WHO)
TO: Susan Brophy READ: UNKNOWN	(BROPHY_S) (WHO)
TO: Howard Paster READ: UNKNOWN	(PASTER_H) (WHO)
TO: Lorraine C. Miller READ: UNKNOWN	(MILLER_L) (WHO)
TO: Stuart E. Trevelyan READ: UNKNOWN	(TREVELYAN_S) (WHO)
TO: Steve Ricchetti READ: UNKNOWN	(RICCHETTI_S) (WHO)
TO: Nestor M. Davidson READ: UNKNOWN	(DAVIDSON_N) (WHO)
TO: LeeAnn Inadomi READ: UNKNOWN	(INADOMI_L) (WHO)
TO: Melissa G. Banks READ: UNKNOWN	(BANKS_M) (WHO)
TO: Kathleen L. O'Neill READ: UNKNOWN	(ONEILL_K) (WHO)
TO: Margaret C. Sherry READ: UNKNOWN	(SHERRY_M) (WHO)
TO: Timothy J. Keating READ: UNKNOWN	(KEATING_T) (WHO)
TO: Lisa M. Caputo READ: UNKNOWN	(CAPUTO_L) (WHO)
TO: Margaret A. Williams READ: UNKNOWN	(WILLIAMS_MA) (WHO)
TO: Evelyn Lieberman READ: UNKNOWN	(LIEBERMAN_E) (WHO)
TO: Karen Finney READ: UNKNOWN	(FINNEY_K) (WHO)
TO: Melanne Verveer READ: UNKNOWN	(VERVEER_M) (WHO)
TO: Ann Stock READ: UNKNOWN	(STOCK_A) (WHO)
TO: G. N. Lattimore READ: UNKNOWN	(LATTIMORE_G) (WHO)
TO: Isabelle R. Tapia READ: UNKNOWN	(TAPIA_I) (WHO)
TO: Anne Walley READ: UNKNOWN	(WALLEY_A) (WHO)
TO: Stephanie Streett READ: UNKNOWN	(STREETT_S) (WHO)
TO: Marcia Hale READ: UNKNOWN	(HALE_M) (WHO)
TO: Nancy HERNREICH READ: UNKNOWN	(HERNREICH_N) (WHO)
TO: Joshua A King READ: UNKNOWN	(KING_J) (WHO)
TO: David Leavy READ: UNKNOWN	(LEAVY_D) (WHO)
TO: Kathy McKiernan READ: UNKNOWN	(MCKIERNAN_K) (WHO)

ARMS Email System

TO: David Seldin READ: UNKNOWN	(SELDIN_D) (WHO)
TO: Steven A. Cohen READ: UNKNOWN	(COHEN_SA) (WHO)
TO: Dee Dee Myers READ: UNKNOWN	(MYERS_D) (WHO)
TO: Lisa M. Caputo READ: UNKNOWN	(CAPUTO_L) (WHO)
TO: Maria Romash READ: UNKNOWN	(ROMASH_M) (VPO)
TO: Nancy L. Ward READ: UNKNOWN	(WARD_N) (WHO)
TO: Jeremy Gaines READ: UNKNOWN	(GAINES_J) (WHO)
TO: Chad H. Griffin READ: UNKNOWN	(GRIFFIN_C) (WHO)
TO: Debra D. Bird READ: UNKNOWN	(BIRD_D) (WHO)
TO: Ricki Seidman READ: UNKNOWN	(SEIDMAN_R) (WHO)
TO: Heather Beckel READ: UNKNOWN	(BECKEL_H) (WHO)
TO: Amanda Crumley READ: UNKNOWN	(CRUMLEY_A) (WHO)
TO: Lorraine A. Voles READ: UNKNOWN	(VOLES_L) (WHO)
TO: Dawn A. Alexander READ: UNKNOWN	(ALEXANDER_DA) (WHO)
TO: A. Victoria Rivas-Vazquez READ: UNKNOWN	(RIVASVAZQU_A) (WHO)
TO: Regina Montoya READ: UNKNOWN	(MONTOYA_R) (WHO)
TO: Jeff Watson READ: UNKNOWN	(WATSON_J) (WHO)
TO: Rahm Emanuel READ: UNKNOWN	(EMANUEL_R) (WHO)
TO: Joan Baggett READ: UNKNOWN	(BAGGETT_J) (WHO)
TO: Elaine Weiss READ: UNKNOWN	(WEISS_E) (WHO)
TO: Carola McGiffert READ: UNKNOWN	(MCGIFFERT_C) (WHO)
TO: David Dreyer READ: UNKNOWN	(DREYER_D) (WHO)
TO: Ricki Seidman READ: UNKNOWN	(SEIDMAN_R) (WHO)
TO: George Stephanopoulos READ: UNKNOWN	(STEPHANOPO_G) (WHO)
TO: Robert Boorstin READ: UNKNOWN	(BOORSTIN_R) (WHO)
TO: Michael Waldman READ: UNKNOWN	(WALDMAN_M) (WHO)
TO: Jason Solomon READ: UNKNOWN	(SOLOMON_J) (WHO)
TO: Ken Chitester READ: UNKNOWN	(CHITESTER_K) (WHO)
TO: Keith Boykin READ: UNKNOWN	(BOYKIN_K) (WHO)
TO: S. Collier Andress READ: UNKNOWN	(ANDRESS_S) (WHO)
TO: Jeffrey L. Eller READ: UNKNOWN	(ELLER_J) (WHO)
TO: Elizabeth A. Bernstein READ: UNKNOWN	(BERNSTEIN_E) (WHO)
TO: Jonathan M. Prince READ: UNKNOWN	(PRINCE_J) (WHO)
TO: Carolyn Curiel READ: UNKNOWN	(CURIEL_C) (WHO)

ARMS Email System

READ: UNKNOWN	
TO: Thomas F. McLarty	{ MCLARTY_T } (WHO)
READ: UNKNOWN	
TO: Mark Gearan	{ GEARAN_M } (WHO)
READ: UNKNOWN	
TO: David Watkins	{ WATKINS_D } (WHO)
READ: UNKNOWN	
TO: Christine Varney	{ VARNEY_C } (WHO)
READ: UNKNOWN	
TO: Dwight Holton	{ HOLTON_D } (WHO)
READ: UNKNOWN	
TO: Andre C. Oliver	{ OLIVER_A } (WHO)
READ: UNKNOWN	
TO: Karen A. Sudbay	{ SUDBAY_K } (WHO)
READ: UNKNOWN	
TO: Stephen B. Silverman	{ SILVERMAN_S } (WHO)
READ: UNKNOWN	
TO: Bruce Lindsey	{ LINDSEY_B } (WHO)
READ: UNKNOWN	
TO: John B. Emerson	{ EMERSON_J } (WHO)
READ: UNKNOWN	
TO: Jan O. Piercy	{ PIERCY_J } (WHO)
READ: UNKNOWN	
TO: John Podesta	{ PODESTA_J } (WHO)
READ: UNKNOWN	
TO: Todd Stern	{ STERN_T } (WHO)
READ: UNKNOWN	
TO: Bernie Nussbaum	{ NUSSBAUM_B } (WHO)
READ: UNKNOWN	
TO: Vince Foster	{ FOSTER_V } (WHO)
READ: UNKNOWN	
TO: Ron Klain	{ KLAIN_R } (WHO)
READ: UNKNOWN	
TO: Cheryl Mills	{ MILLS_C } (WHO)
READ: UNKNOWN	
TO: Carol Rasco	{ RASCO_C } (OPD)
READ: UNKNOWN	
TO: Bruce Reed	{ REED_B } (OPD)
READ: UNKNOWN	
TO: William Galston	{ GALSTON_W } (OPD)
READ: UNKNOWN	
TO: Shirley Sagawa	{ SAGAWA_S } (OPD)
READ: UNKNOWN	
TO: Robert E. Rubin	{ RUBIN_R } (OPD)
READ: UNKNOWN	
TO: Gene Sperling	{ SPERLING_G } (OPD)
READ: UNKNOWN	
TO: W. Bowman Cutter	{ CUTTER_W } (OPD)
READ: UNKNOWN	
TO: Ira Magaziner	{ MAGAZINER_I } (OPD)
READ: UNKNOWN	
TO: Sylvia M. Mathews	{ MATHEWS_S } (OPD)
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: Marla Romash	{ ROMASH_M } (VPO)
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	

ARMS Email System

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

TO: Remote Addressee (JULIA M. PAYNE@EOP_OVP@CCGATE@EOPMRX) (DEFAULT)
READ: UNKNOWN

TO: Michael Gill (GILL_M) (DEFAULT)
READ: UNKNOWN

TO: Remote Addressee (SKILA S. HARRIS@EOP_OVP@CCGATE@EOPMRX) (DEFAULT)
READ: UNKNOWN

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

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

TO: Eli J. Segal (SEGAL_E) (WHO)
READ: UNKNOWN

TO: Karen D. Ewing (EWING_K) (WHO)
READ: UNKNOWN

TO: Richard L. Allen (ALLEN_RL) (OA)
READ: UNKNOWN

TEXT:
PRINTER FONT 12_POINT_COURIER
Comments on the President's Schedule
May 27, 1993

* The President is working today to persuade Members of the House to step up to the plate, put our fiscal house in order, and pass his plan for economic growth and national renewal.
* This is a momentous day in the history of our country because the Congress is deciding whether to pass our economic growth plan.
* This effort is about finally taking responsibility for putting our house in order through --
 ? * Real deficit reduction through specific spending cuts which will lead to economic growth
 ? * Asking the wealthy to pay their fair share, reversing the unfair arrangement of the last twelve years
 ? * Asking the middle class to make a modest contribution through an energy tax
 ? * Making targeted investments that reward work and create opportunity
* At stake is whether Washington will stop doing business as usual and put our house in order. At stake is whether we will abide economic conditions as they are and let the special interests dictate our country's future, or whether we will expand American prosperity and preserve the American dream.
* Our plan for economic growth is serious about deficit reduction. It is serious about putting America's fiscal house in order. All told, it reduces the deficit by \$500 billion And it accomplishes exactly what the naysayers and the old Washington hands said never could be done: we're paying down the deficit and making downpayments on future economic growth -- both at the same time.
* This is not about politics, this is about America's future. This is about rebuilding the foundation of our prosperity. This about restoring the confidence of the American people in Washington's capacity to deal with our problems. It's about being strong nationally, and about our families being secure and strong in their homes and in their lives.
VOTE FOR THE PRESIDENT'S ECONOMIC GROWTH PLAN

(*)

ARMS Email System

RECORD TYPE: PRESIDENTIAL (RECONSTRUCTED EMAIL)

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

CREATION DATE/TIME: 28-MAY-1993 09:22:00.00

SUBJECT: AGAM 5.28.93

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)
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: Maria 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:28-MAY-1993 07:55:00.00

ATT BODY PART TYPE: B

ATT SUBJECT: AGAM 5/28

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:

Here it is

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

===== ATTACHMENT 2 =====

ATT CREATOR: UNKNOWN (UNKNOWN)

ATT CREATION DATE/TIME:28-MAY-1993 07:55:00.00

ATT BODY PART TYPE: A

ATT SUBJECT:

ATT TEXT:

Friday, May 28, 1993

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NEW REQUIREMENTS FOR MEAT INSPECTION (Dailies, Wires 5/27) -- Sec. Espy announced USDA is taking five initiatives to improve inspection of meat and poultry in the US. They include proposing rules for implementing the HACCP inspection system and adding a public health adviser to FSIS. Stories outline the infractions in number of plants that experienced closures or other actions tied to surprise inspections by USDA. Industry downplayed the temporary shutdowns; one official complained USDA did not give them a copy of the report, one called the review "extreme" and said the zero tolerance rule was "an almost impossible standard to meet."

(PRN-5/27) -- The American Meat Institute said Sec. Espy has taken another step in the right direction by proposing use of the HACCP system. AMI said it has the goal to train at least one HACCP expert in every meat and poultry plant by the year 2000.

HOUSE PASSES ECONOMIC PLAN (Dailies, AP) -- The House voted 219-213 to approve the president's plan for reducing the deficit. Farmers' benefits would be trimmed \$3 billion and food stamp spending boosted \$7 billion. Rep. Jim Slattery (D-Kan.) became a convert to the plan after seeing a study showing the tax policy impacts would be an overall plus for farmers; Rep. Collin Peterson (D-Minn.) said he voted for the plan because the president promised agriculture would be exempted from the new energy tax. One article examines the Senate objections to the energy tax; Sen. Kent Conrad (D-N.D.) said he will support it only if a large exemption is made for fuel used on farms.

(WSJ) -- The article analyzes the survival of the honey subsidy in the

economic bill.

WORK ON PEANUT-PRODUCT IMPORT CHANGES (FWN-5/27) -- Sec. Espy said the administration is working on changes to import regulations for peanut butter and paste (tariff increase and removal of the exemption for peanut butter.) An aide said USDA has been working on this situation for several weeks and it was not strictly related to gaining support for the budget reconciliation.

(AP) -- The article reviews vote-bargaining, linking votes for the president's economic package to promises that US peanut and tobacco producers would receive trade and tax benefits.

GATT DEVELOPMENTS (JOC, Wires-5/27, WSJ) -- French officials said the compromise reached by EC farm ministers on modifications of the Common Agricultural Policy could allow France to take a "more open view" in the GATT talks. France's farm minister said there cannot be a separate accord on agriculture. France is moving closer to accepting the US-EC oilseeds agreement, but the farm minister noted it must be kept separate from the GATT talks, and it must not be linked to corn/gluten trade.

(NY Times, Wires-5/27, JOC) -- The US imposed sanctions against the EC in a dispute over telephone equipment contracts. The US Trade Rep.'s office said the action should not affect the GATT talks because it is unrelated. The EC trade commissioner hoped it would not affect the GATT negotiations, but said the sanctions were "neither just, wise nor necessary," and noted he would begin consultations immediately on an appropriate response.

JAPAN TO LIFT APPLE BAN (Reuter-5/27) -- Japan will lift its ban on imports of apples from New Zealand June 1. Japanese farmers have been complaining the NZ apples carry a pest moth and virus. US apples remain banned, and Japan's farm ministry said it needs more proof US apples do not carry the pests.

SUGAR QUOTAS EXPECTED (FWN-5/27) -- Contacts expect sugar marketing allotments to be implemented when sugar loan forfeitures occur.

WATER REFORMS BLOCKED (LA Times-5/27) -- Implementation of federal water reforms providing priority to the environment over farms and cities, are being blocked because California is unable (some say, is unwilling) to come up with \$150 million for its share of the improvements. Urban residents don't want to pay for actions that will benefit farmers.

CHINA'S IMPORTS HIGHER (FWN-5/27) -- An attache's report indicates China's demand for US farm products is much stronger than previously considered possible. It says actual imports are much higher than US or Chinese figures indicate because of transshipments through Hong Kong and smuggling.

MFN STATUS FOR CHINA (Dailies, Reuter-5/27, KRF-5/27) -- President Clinton said he will extend China's MFN status for one year, but said he wanted to make it clear that China had to show progress on human rights.

PROTECTION FOR FARMWORKERS (LA Times-5/27) -- A California Assembly committee approved a bill to tighten laws protecting farmworkers by extending liability for violations of state labor laws to growers as well as labor contractors. Major farm groups, and the state Dept. of Agriculture, oppose the measure. The bill's sponsor submitted statistics showing the high rate of injury and death suffered by farmworkers in California.

RUSSIAN SITUATION (JOC, Reuter-5/27) -- An Exportkhleb official said Russia will need to import up to 27 million tons of grain in 1993. He indicated they would need credits for most of the imports, but at this time did not foresee many new credits being granted. Forecasts are for Russia's grain output to drop slightly from last year's 106.8 million tons.

(KRF 5/27, FWN-5/27) -- Sec. Espy said he hoped Russia would make its \$480 million dollar payment under USDA's export credit program by June 30, adding that it was his understanding they would be able to do so.

(FWN-5/27, Reuter-5/27, KRF-5/27) -- Sec. Espy said he hoped to sign the Food for Progress agreement with Russia this week, stating that it can be accomplished easily even though he will be out of town. The head of Exportkhleb said they were not seeking changes in the commodity mix, and claimed Russia has an agreement on letters of credit for freight. He said the agreement won't be signed today.

(FWN-5/27) -- Prodintorg, Russia's agency for buying value-added products met with USDA to ensure EEP and other programs were still available. The Prodintorg team indicated they were going to buy pork.

REACTION TO NEW CBOT HOURS (KRF-5/27) -- The grain industry has mixed feelings about the new Chicago Board of Trade hours for agricultural futures. Many are indifferent or support the move for business reasons, but traders on the West Coast are displeased because the start to their workday got even earlier.

ILLEGAL FORESTRY WORKERS APPREHENDED (PRN-5/27) -- The US Border Patrol and Forest Service arrested 70 illegal aliens planting trees on a national forest in Oregon. A patrol spokesman said there have been numerous complaints about illegal workers in the industry.

BENEFITS OF WOOD CUTTING BOARDS (ChiTrib-5/27) -- A University of Wisconsin researcher says studies show wooden cutting boards may be safer than plastic for home use. Bacteria seem to disappear on the wooden boards. The researcher says he wants to conduct further studies, but USDA has refused his grant requests and he is looking for money elsewhere. The article says USDA and others have advised people for years that wooden cutting boards harbor more bacterial dangers than plastic boards.

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ARMS Email System

RECORD TYPE: PRESIDENTIAL (RECONSTRUCTED EMAIL)

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

CREATION DATE/TIME:01-JUN-1993 14:03:00.00

SUBJECT: AGAM for June 1, 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)
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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: Jeffrey L. Eller (ELLER_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)
READ: UNKNOWN

TO: Jess Sarmiento (SARMIENTO_J) (WHO)
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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:01-JUN-1993 12:29:00.00

ATT BODY PART TYPE: B

ATT SUBJECT: AGAM 5/1

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

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

ATT TO: BOYKIN (BOYKIN_K@A1@CD)
READ: UNKNOWN

ATT TO: ELLER (ELLER_J@A1@CD)
READ: UNKNOWN

ATT TO: GILL (GILL_J@A1@CD)
READ: UNKNOWN

ATT TO: INADOMI (INADOMI_L@A1@CD)
READ: UNKNOWN

ATT TO: PODESTA (PODESTA_J@A1@CD)
READ: UNKNOWN

ATT TO: RASCO (RASCO_C@A1@CD)
READ: UNKNOWN

ATT TO: TREVELYAN (TREVELYAN_S@A1@CD)
READ: UNKNOWN

ATT TEXT:
Enclosed file name.

0601.TXT

***** END ATTACHMENT 1 *****

***** ATTACHMENT 2 *****

ATT CREATOR: UNKNOWN (UNKNOWN)

ATT CREATION DATE/TIME:01-JUN-1993 12:29:00.00

ATT BODY PART TYPE: A

ATT SUBJECT:

ATT TEXT:
Tuesday, June 1, 1993

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LOGGING REDUCTIONS FORESEEN (NY Times-5/31, W.Times-5/31, AP-5/30) --
Administration officials say government scientists will recommend a harvesting reduction of at least 60% (from mid-1980 levels) in the Northwest's ancient forests. No alternative being devised would permit harvesting more than 2 billion board feet per year from national forests in Oregon and Washington. Industry executive predict significant job losses; one said, "We might as well turn the entire West Coast into a national park."

(UPI-5/30) -- Loggers in northern Michigan fear they will lose their jobs because of administration plans to reform Forest Service timber selling practices. They cite a FS economic impact study showing job and income losses resulting from cessation of below-cost timber sales. Environmentalists say the industry's reaction is "a bunch of hogwash."

(NY Times-5/30) -- A writer analyzes the debate over forest management and says forests can be looked at two ways: as sources of building materials or as natural places with many other values. He says the timber companies and Forest Service can grow trees, but they can't create a forest.

FUTURE FOR ENERGY TAX (NY Times-5/30, AP-5/29, Reuter 5/27) -- Sen. Patrick Moynihan (D-N.Y.) said his committee would seek to alter the proposed energy tax to lessen the burden on manufacturers; he said it is a consumption tax.

not a production tax. Three Democratic representatives said the administration promised to support cutting the energy tax, and exempting agriculture; some expect the Senate to change the energy tax.

(PRN-5/28) -- The American Farm Bureau Federation said House passage of the budget plan containing the Stu tax was "a grave mistake." They said it will hit rural residents hard and urged the Senate to remedy the situation by relying on spending restraint instead of tax increases. AFBF said the partial exemption for agriculture provided by the House is insufficient to offset indirect energy-tax costs.

(UPI-5/29) -- The president of the Iowa Farm Bureau said the House budget package will put an unfair burden on rural Americans. The IFB and Iowa commodity associations are circulating petitions against the energy tax; the IFB wants a spending freeze as an alternative to tax increases.

AUSTRALIA'S EEP CONCERNS (Reuter-5/27&28) -- Australia's trade minister said the US should not extend the EEP program into Indonesia, and said extending the Dairy Export Incentive Program into the Philippines could damage their interests. Australian officials expressed continuing concerns about EEP initiatives in Pakistan, India and South Africa. They said they felt the US acknowledges that Australia is a partner in efforts to reduce world trade barriers, but noted that the US intends to continue use of the EEP until trade reform is achieved.

PRESSURE TO OPEN JAPAN'S APPLE MARKET (JOC) -- Twenty legislators from West Coast states have written to Japan's farm minister expressing concerns about Japan's ban on imports of US apples.

GREENHOUSE EFFECTS OUTLINED (W.Post) -- Scientists say global warming appears to be relatively benign, with the slight temperature increase most evident at night and during the winter and spring. The report's author says the vision of a climatic apocalypse, which could disrupt agriculture, is wrong. He says the growing season could be lengthened.

COMMENTS ON FOOD STAMP FIGURES (W.Post-5/29, W.Times-5/29, Wires-5/28) -- Sec. Espy said the record number of food stamp recipients in March (27.38 million people) makes it "painfully clear that America continues to struggle to recover." Asst. Sec. Haas said the numbers result from "poor economic conditions that existed before" the Clinton administration took office. Sec. Espy, who has convened a June 17 forum to help USDA establish programs to end hunger, said "we can and must do better." Sen. Patrick Leahy (D-Vt.) said the figure shows the economy is still faltering, and the number will continue to rise unless the administration is given a chance to create jobs. The head of the Community Nutrition Institute called the figure "an astonishing number," and said if April's figures show an increase, we will be pretty sure 1993 will be a year of continued growth for the food stamp program.

LOSSES TO PINE BEETLE (W.Post-5/30) -- The southern pine beetle is wreaking havoc in Maryland and Virginia where it has killed thousands of acres of trees and is costing the timber industry millions. Environmentalists said the infestation shows the danger of planting single tree species.

BIOTECH AND JURASSIC PARK (BusWeek-6/7) -- Commentary says the movie "Jurassic Park" should raise concerns in the biotech food industry. The author points out the Pure Food Campaign plans to link the two with the message that corporate science can alter life forms with "enormous and frightening" possibilities. The biotech industry has no response planned, but the author says they are missing an opportunity to address public qualms and to talk about biotech's positive contributions.

WHEAT OUTLOOK (JOC) -- USDA officials say wheat exports could rise above department estimates if the administration adopts a more aggressive export policy that would target markets that have been off-limits in the past. A trade analyst outlines policies that have helped Canada gain market share.

GATT DEVELOPMENTS (Reuter-5/28) -- An EC expert said the European Commission intends to sell on the world grain market "at prices which match non-subsidized US selling prices," in an effort to avoid escalating a subsidy war with the US during tough GATT talks. He said the EC will strike back if the US continues to be aggressive in traditional EC markets such as North Africa.

(Reuter-5/28, 3 stories) -- The prime ministers of Britain and France welcomed the EC agreement on farm prices, saying they think it will pave the way for a breakthrough in the GATT talks. Britain and France have agreed to work together to resolve the GATT and EC "subsidiarity."

(AP-5/8, Reuter-5/28, 2 stories) -- US and EC officials are determined to not let the US sanctions in the public-contracts dispute jeopardize the GATT talks. Officials say the EC is likely to retaliate with sanctions on US firms doing business in Europe.

(Reuter-5/31) -- Major developing nations may challenge the EC nominee for the post of GATT director general. One ambassador said the group wants the US and EC to understand that they can't simply decide who they want and assume it is a foregone conclusion.

TALKS WITH RUSSIA CONTINUE (JOC, Wires-5/28) -- The head of Exportkhleb said their talks with USDA on details of the concessional food-aid package will continue this week because there were "too many papers" to go over. Responding to questions about whether they wanted more soymeal, he reiterated that Russia is not seeking changes to the announced allocations.

USDA OFFICIALS SWORN IN (KRF-5/28, UPI-5/28) -- Friday, Eugene Moos was sworn in as under secretary for international affairs and commodity programs. Ellen Haas became asst. sec. for food and consumer services, and James Gilliland became USDA's general counsel. KRF outlines Under Sec. Moos' history and says he is expected to be sympathetic to wheat growers' concerns.

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ARMS Email System

RECORD TYPE: PRESIDENTIAL (RECONSTRUCTED EMAIL)

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

CREATION DATE/TIME: 02-JUN-1993 18:43:00.00

SUBJECT: Revised Mulroney Phot Op Transcript

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

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TEXT:

THE WHITE HOUSE
Office of the Press Secretary

For Immediate Release June 2, 1993

REMARKS BY THE PRESIDENT
AND PRIME MINISTER BRIAN MULRONEY OF CANADA
IN PHOTO OPPORTUNITY

The Oval Office
8:49 A.M. EDT

Q Is this a hail and farewell visit?

PRIME MINISTER MULRONEY: I came down to see the President about NAFTA and some trade matters and Bosnia. Where we have troops on the ground. And to work with him

we agree with prudent and thoughtful course he's been pursuing there. And I'd like to talk to him about further engagement at the United Nations. And also to say good-

bye -

-

and to you, Helen. After a decade I thought I owed you a trip.

Q Are you going to miss it?

PRIME MINISTER MULRONEY: Pardon?

Q Going to miss it, aren't you?

PRIME MINISTER MULRONEY: Yeah. All politicians suffer from decompression when they leave office.

Q Do you agree with the Bosnia policy?

PRIME MINISTER MULRONEY: Yes, I do. I agree that -

Q You don't think it should have been more aggressive on the allied part?

PRIME MINISTER MULRONEY: Well, I've been astonished by some American commentators and observers asking for an American solution in Bosnia. There's no such thing. There is only a common solution, for all of us have to get into this together and accept our responsibilities. It's unfair to say that, oh, why don't we have an American solution to this intractable problem that's gone on for hundreds of years. It's not available. But there is, perhaps, a better, as the President's pointed out, a better common approach that we can develop at the United Nations Security Council with everybody pulling his weight or her weight. And that's what we're going to talk about today.

Q Mr. President, Senator Boren says now that there can be no BTU tax -

-

no longer a compromise, it's now none.

THE PRESIDENT: I don't have any comment on that. I had a good visit with him. He called me the other day, said he was encouraged by where we were going, and he thought we would reach agreement. I'm not going to get into a verbal war of words. The Congress is out this week and we're going to meet next week and try to work it out.

Q Have you decided to push a health care plan? Have you decided to push a health care plan?

Q Are you going to pull the nomination of Guinier?

THE PRESIDENT: No, there's been -

-

we're working ahead. As a matter of fact, I've got another meeting, a big meeting on the health care issue this week. We are, you know, trying to -

-

we're trying to do two things. We're trying to, first of all, to get as many of the kinks work out as we can before we go forward. It's an enormously complicated issue. And then we want to make sure that we have, you know, discussed it with as many people as possible -

-

many groups and everything -- after we've reached some final conclusions; and that when we present it to the Congress, it's presented at a time and in a way that both the Congress and the American people can focus on it. But there's been no decision for a sustained delay here. I'm focusing right now on passing the budget when the Senate comes back next week.

Q Will it be released this month?

THE PRESIDENT: I don't want to get -

-

I'm not in a time

-

-

I don't want to get -

-

Q How about Guinier? Are you pulling out the nomination of Guinier?

PRIME MINISTER MULRONEY: Bye, Helen. (Laughter.) On behalf of all Canadians, Helen, good-

bye.

Q Nothing ventured -

-

(laughter).

* * * * *

Q Mr. President, are you as certain as the Prime Minister that NAFTA will pass? And do you plan on calling on his considerable experience in dealing with the perils of unpopularity?

THE PRESIDENT: Well, these things go up and down. I mean, you know, the American people want something done about the deficit but very often don't want to -

-

you know, when the coverage gets negative, because of the pain of it, it's something no one wants to face. I think what I have to do here is do more of what I did yesterday -

-

force -

-

force full coverage of -

-

What's happened in our country is that there has only been discussion about the tax increases in the budget plan. So no Americans really know very much about all the budget cuts that are in there and all the tax incentives that are in there for investment for new jobs. When they know the whole thing, and also when the middle class knows how small the burden is on them, then the support for the program and for the administration goes way up. So I'm laboring out there under a general perception that the administration has a tax plan that falls almost entirely on the middle class when, in fact, the administration has a plan for spending cuts, investment incentives to create jobs, and some taxes, which fall almost entirely on upper income people. And that's my problem. It's very difficult in the midst of a legislative debate to keep the public focus on that since the focus is always on controversy. But that's my problem, and I'll fix it.

Q Why have you not gone out and fought -

-

THE PRESIDENT: And I think we can pass it with a very concerted effort if the Congress has some assurances on the environmental and labor issues. Keep in mind, the United States -

-

as far as I know, no country has ever signed a trade agreement which -

-

also an investment agreement, which

-

at least million of Americans feel is an investment agreement that would encourage people to invest in another country for production in our market, not in theirs. And so that is the tension here that -

-

I keep arguing to the American people that that could happen anyway; that under our present law, people, if they choose, can go and produce in Mexico for the American market. But that causes great tension here when we've had 20 years of virtually flat wages for middle class working people.

I believe NAFTA will create jobs and raise incomes in both the United States and Mexico, and I think it will help Canada. I have always believed that over the long run, the integration of our three economies and the potential that gave us to continue to move south into other market economies in Chile and Argentina and Venezuela and others was enormous. And I think eventually we'll get there. But it is going to be a very tough fight.

Q Why have you allowed Ross Perot to shape the debate on that -

-

THE PRESIDENT: I haven't. I can't -

-

I haven't allowed it at all. I don't agree with his position, I don't agree with his assertions, and I don't agree with the evidence that he offers. But, you know, in this country we have a free press. I can't control who gets what kind of press coverage. That's what the First Amendment is all about.

PRIME MINISTER MULRONEY: On -

-

I saw Ross Perot's appearance on television the other night; and I've heard every single one of those arguments from the socialists and the protectionists in the Canadian House of Commons. There's not a single word that was new. The fact of the matter is that it's all contradicted by the facts. Canada and the United States entered into a free trade agreement in 1988. We've since been mired in a recession. Even in those four difficult years for both countries, American exports to Canada have increased by approximately 25 percent, thereby creating 1.4 million new jobs in the United States. And Canadian exports to the United States have increased by a like amount. Well, this is clear indication that prosperity comes through these lowering of trade barriers and the creating of new pools of common wealth.

What Mr. Perot's argument is -

-

I saw anyway, and I don't know him, and seems to be a fine fellow -

-

is that wage rates alone are a determinant of competitiveness. Wage rates are one of many considerations of competitiveness -- cost of capital, infrastructure, education, technology. And if wage rates alone determine the location of industry, Haiti would be the manufacturing capital of the world. Our productivity is so far and ahead above that of Mexico that to make the argument simply on the basis of wages is misleading in the extreme.

I think the President's point of view is a very valid one. It's one that we support. And the evidence appears to be there

-

that when you lower barriers to trade between and among friendly countries, you create new pools of wealth and you raise the living standards of everybody affected by it. You don't lower standards. And so these arguments -

-

I have to tell you -

-

Mr. Perot may have some better days. But I want to tell you that his arguments -

-

he might be surprised to find that he's been poaching those arguments from the socialists in the Canadian House of Commons, and they might sue him for copyright infringement. (Laughter.)

Q Mr. President, you that Mr. Mulroney is leaving office -

-

THE PRESIDENT: -

-

on NAFTA, let me say one other thing about NAFTA. President Salinas when he took over in Mexico, unilaterally reduced a lot of very high Mexican tariffs with the consequence that the United States went from a \$5 billion trade deficit with Mexico to a \$6 billion trade surplus. And last month, Mexico replaced Japan as the second largest purchaser of our manufacturing products. So we are, in effect, opening our trade relationships anyway. It's been, on balance, beneficial to the United States. And I just -

-

if you look at where the world is going

-

where Europe is going, where Asia is going -

-

there's no question that both Canada and the United States need more trading partners in our own backyard, and we need for them to be richer, to grow, to do more, so they can buy more from us. And I feel very strongly that

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it's the right thing to do, and I'm going to keep plugging away and hope we can pass it. I think we can.

Q On Haiti

On Haiti, Mr. President. Is it time to show some muscle on Haiti if diplomacy doesn't work?

THE PRESIDENT: Well, we thought we had an agreement on Haiti and, of course, it didn't work out, and I'm very disappointed. We worked very, very hard. And I talked to the Prime Minister about this on several occasions. It is time to reexamine our options and consider some others, and I expect the United States will do that.

Q Mr. Clinton, any parting words for Mr. Mulroney now that he's going to be leaving office?

THE PRESIDENT: I wish him well. He served well and for a long time and I wish him well. And he's given me a lot of very good advice. He's been very helpful.

Q Thank you.

END9:05 A.M. EDT

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RECORD TYPE: PRESIDENTIAL (RECONSTRUCTED EMAIL)

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CREATION DATE/TIME:02-JUN-1993 18:22:00.00

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TEXT:

THE WHITE HOUSE
Office of the Press Secretary

For Immediate Release June 2, 1993

PRESS BRIEFING
BY GEORGE STEPHANOPOULOS

The Briefing Room

1:05 P.M. EDT

MR. STEPHANOPOULOS: The President's going to go to Frederick, Maryland tomorrow about 10:00 a.m. to visit a housing construction site. He'll probably also be going out to Quantico this afternoon to present the awards at the basketball tournament at the Marine barracks.

Q That what?

Q Awards at what?

MR. STEPHANOPOULOS: Awards -

it's their best ball golf tournament for the seniors, and he's going to be presenting the awards.

Q And what else is he doing there?

MR. STEPHANOPOULOS: That's all.

Q What is the coverage at Quantico?

MR. STEPHANOPOULOS: I think it's closed.

Q Best ball -

MR. STEPHANOPOULOS: It's a golf tournament.

ARMS Email System

Q Why would that be closed?

Q Tomorrow, George, is he actually going to build -

-
work on the construction or do any participation there?

MR. STEPHANOPOULOS: I don't think he'll actually - I don't think he's going to do any work on it, no. If he does, I'll let you know.

Q Why is he going there?

Q Why -

-
Quantico?

MR. STEPHANOPOULOS: I just think -

-
we just don't have any facilities for that. I can double-

check on it, but he's just going out and giving the awards.

Q The pool is going protectively, there's no reason why they can't shoot the event.

Q -

-
stand real close --

Q The President will be at a golf course, George. Would he consider playing?

MR. STEPHANOPOULOS: I don't think he's going to, no.

Q His clubs are in the van? (Laughter.)

Q Well, what is this housing project -

-
MR. STEPHANOPOULOS: It's just a housing project. He's going to go out, and I think he's going to go out with the family.

Q Is this -

-
where there -

-
some homeless people will get a chance to have a house, or is this a house that's being redone, or a big development or what?

MR. STEPHANOPOULOS: I think it is a new construction. As the President pointed out this morning, we've had quite a good increase in new home sales in the last month, and it's the kind of thing he wants to point attention to.

Q This is on the side of the realtor, not the homeless, right, George?

MR. STEPHANOPOULOS: Excuse me?

Q This is on the side of the realtor, not the homeless?

MR. STEPHANOPOULOS: Yes, exactly. (Laughter.)

Q -

-
(inaudible) -

-
MR. STEPHANOPOULOS: One of the most important effects of the President's economic program so far has been a dramatic decline in interest rates, which has made new homes available to a lot more American families.

Q George, the President just said that he is obviously aware of the public and private concerns expressed by

senators about Lani Guinier. Is he prepared to proceed with that nomination, given the opposition and the very cool comment by the Chairman, Joe Biden -

-

MR. STEPHANOPOULOS: Well, as he said, he believes that she's a fine civil rights lawyer and that her views have been mischaracterized. But he also said that he wants to consult with the Democratic senators and others over the next couple of days and hear what they have to say.

Q If he's persuaded that a significant number of senators are opposed to the nomination and it is not going to succeed, will he decide to pull the nomination, or try to persuade her to drop out?

MR. STEPHANOPOULOS: I think the important thing is first he has to consult, and after that we'll have more to say. But he wants to be able to consult with the senators. And until we've completed that, he just said -

-

as he said just about a half hour ago, that we just don't want to comment any further.

Q Has he discussed this with her, the problem of the nomination with her?

MR. STEPHANOPOULOS: I don't think he's had any direct conversation the last day or two.

Q Has anyone else talked to her?

Q -

-

that he doesn't agree with all of her writings. Which writings does he disagree with?

MR. STEPHANOPOULOS: Again, I don't have a complete list. I mean, I don't know that every single writing that he's looked at -

-

he just thinks that basically her writings have been mischaracterized in a lot of the press. I don't know that he would necessarily advocate all of the different remedies that she may have advocated at a different time or another. But I can't go into it in any specific detail on that.

Q George, was the White House surprised by this opposition that's been generated given her paper trail and the extents of writings she has done?

MR. STEPHANOPOULOS: Well, again, I think that you have to go back and see how the writings have been characterized. And I think that given that, it's hard to understand how there hasn't been more, given the distortion of her writings. But I think that there are some concerns in the Senate, and we're clearly going to be talking to them over the next couple days.

Q George, how are they distorted?

MR. STEPHANOPOULOS: Well, I think that if you -

-

for one good example, I think that a lot of the writings, for instance, in the Wall Street Journal editorial page, have been redacted in a way that doesn't really give a good explanation of what she said. They take certain things out of context, and that's basically what I'm talking about.

Q You're talking about her interpretation of the Voting Rights Act?

MR. STEPHANOPOULOS: I think that's what some of the writings have been about -

-

some of the interpretations of her writings have been about.

Q Is that what the President disagrees with among her writings?

MR. STEPHANOPOULOS: Again, I don't have a catalog of all her writings in front of me, I just think that -

-

and I don't

know that he's read every single writing, but there have been -

-

but
he does have some concerns.

Q Can you give us one example -

-

MR. STEPHANOPOULOS: I'll get back to you.

Q Who has been in contact with her from the White House? From the White House, who's been in -

-

MR. STEPHANOPOULOS: Oh, there was meetings yesterday. She's been in contact -

-

Q Yesterday? Here?

MR. STEPHANOPOULOS: I don't know if she was here yesterday. I know that there were some representatives here.

Q Is she here today?

MR. STEPHANOPOULOS: Not to my knowledge. I can check.

Q Can you tell me if the President read her writings recently or previously? The writing statement he made is that, based on a recent and new reading of the writings?

Q Since he nominated her.

Q Has he read this stuff since he nominated her?

MR. STEPHANOPOULOS: I think he's read some -

-

Q Would you repeat the, please. We cannot hear the questions back here.

Q Has he read what she's written recently, or was this before the nomination?

MR. STEPHANOPOULOS: I think he's read some summaries of her writings recently, since the nomination.

Q George, in reference to your first statement, how are you feeling? What's your role going to be in the future, and how are the briefings going to be handled?

MR. STEPHANOPOULOS: I feel fine. I feel good about the new responsibilities I'm going to have with the President. It's very close to what I did when I first started with him. I'm going to be working with him on policy matters, on troubleshooting, political work and trying to make sure that the politics and the policy hang together in his office, and we're going to be working very closely together. So I feel very good about that.

As far as the rest of the operation, I think that Mack has said that he's going to be making further announcements very soon. I don't have an exact date, and I should leave that to him.

Q On briefing officers?

Q

-

continue doing the briefings?

MR. STEPHANOPOULOS: I think until David Gergen gets here, clearly we'll stick with the same system, and then I would expect that it wouldn't necessarily be a dramatic change, but I won't be briefing.

Q George, just to go back to Guinier, you said that he had read summaries of her writings since the nomination. Had he read any of her writings prior to nominating her?

MR. STEPHANOPOULOS: I'm just not sure exactly what he had read prior to the nomination. He clearly read -

-

I think he had

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seen some materials. I don't know which of the writings. I'll just have to take that question -

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Q And one other thing is, assuming for sake of argument that her views have in fact been substantially distorted, is there any concern over the fact that essentially the opponents of her have had pretty much a free ride for several weeks to define her with very little concentrated effort from the administration to defend the nominee and until just the last few days to counter the -

-

what you now characterize as distortions and misinterpretations?

MR. STEPHANOPOULOS: I'm not sure I necessarily agree with that. I mean, I think that we did review what's been written about Lani Guinier. We did work with her and work with the committee. She's been visiting many members of the Senate Judiciary Committee and other Senators since the nomination, and we've been working quite hard and quite closely with her since the nomination.

Q George, could you tell us more about the private reservations the President said had been expressed to him, and why he feels those people will now feel better about her as a candidate when he says he disagrees with her own -

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the writings -

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MR. STEPHANOPOULOS: I don't think he said he disagrees with -

-

he said that he didn't necessarily agree with all of her writings. Yes, I think that some senators have clearly expressed their reservations, some publicly and some privately as well. I don't have a list of who he's talked to.

Q But the letter the New York Times wrote about, is that what he's expressing

-

referring to -- or is that considered a public reservation?

MR. STEPHANOPOULOS: Again, I don't know the letter -

-

I know that they referred to senators being against it. I don't -

-

didn't see the letter that they talked about.

Q -

-

(inaudible)

-

MR. STEPHANOPOULOS: Yes, I don't know that that was necessarily in a letter.

Q Does the President feel that on health care it would be better to wait to unveil it until the budget is out of conference and actually enacted rather than just simply out of committee? Is this what he means by not -

-

MR. STEPHANOPOULOS: I think that he hopes that we can get health care as soon as possible. But he wants to focus first on the budget. Clearly we want to get as much done with the budget as we possibly can. And I think it's hard to say

-

to set an exact date until we have a better sense of exactly how the budget is

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progressing. But clearly you have to be sensitive to the budget as you're considering unveiling health care.

Q But by getting as much done as you can, does that mean actual enactment rather than focusing on conference and health care at the same time?

MR. STEPHANOPOULOS: I think that that's what we're going to be looking at over the coming days and weeks. But right now we're focused on getting the economic package through. We're trying to make some progress there. And it hasn't even gone to the committee yet. And that's what we're paying attention to right now.

Q But could it be delayed until September? Have you ruled that out?

MR. STEPHANOPOULOS: Again, we want to go as quickly as we can. We'd like to get it done much before that -

-

in June if possible. But first we have to make some progress on the budget.

Q It could up after the August recess?

MR. STEPHANOPOULOS: Yes. I mean -

-

I suppose anything's possible. We're focused on trying to get it done in June as quickly as we can.

Q George, can I follow up on Lani, one more question, please -

-

turning David's question around, could you tell us what writings of hers the President most closely does agree with?

MR. STEPHANOPOULOS: Again, I'll have to get back to you on all the -

-

I don't have a list of her writings with me today.

Q -

-

congressmen were down here yesterday on this, George?

MR. STEPHANOPOULOS: No, there were no congressmen here as far as I know.

Q George, on Lani, are you saying that the members of the Judiciary Committee or even any members of the United States Senate might have been influenced by the distortions, or is this just a public relations battle you're concerned about?

MR. STEPHANOPOULOS: Well, I think it -- clearly, some of the things that have been written in the public realm are not an accurate reflect of what she's written. So that does affect -

-

that affects not only public relations but it can have an affect on the vote. We've been doing our best to make sure that people do have an accurate reflection of what she says. She's been trying to talk about that in her meetings with the senators. She is also, I believe, visiting some editorial boards today, and she's going continue to do that.

Q What I'm wondering is, if you feel that there is an influence on these senators that wouldn't be there if they simply studied her writings, that maybe there -

-

the word coming off the Hill is not an honest -

-

MR. STEPHANOPOULOS: No, I wouldn't say that at all. I mean, they're going to review the writings for themselves and make their own judgments.

Q George, you left some distance and so has the President between himself and Lani Guinier today by saying he disagrees with some things and not reaffirming he

I mean, you're not saying he definitely intends to go ahead, is that correct?

MR. STEPHANOPOULOS: He said that thinks she's a good lawyer. He says that he thinks that her writings have been mischaracterized, and he wants to consult with senators as we move forward.

Q George, that's not exactly -

-

Q I'm not finished the questioning -- if Lani Guinier were to stand up today and say she'd like to withdraw her nomination, would the President be pleased or would you try to dissuade her from doing that?

MR. STEPHANOPOULOS: Lani Guinier is going forward with the nomination. We support that nomination.

Q But, George, isn't it a little late in the game to be expressing these kinds of reservations? And what was said today was not exactly a ringing endorsement of her nomination at this point from the White House.

MR. STEPHANOPOULOS: I think what was said today is not very different from what the President said in a press conference in the Rose Garden two weeks ago, where he -- again, he did say that her prime responsibility was going to be to enforce the laws, not as a policymaker.

Q But at that point he didn't express reservations in some of her beliefs or writings.

MR. STEPHANOPOULOS: I'd have to go back and check the transcript for exactly what he said. Clearly, what we saw this morning was an expression from the Senate, and the President wants to consult with the Senate as we move forward. There were strong reservations expressed this morning.

Q George, when the President talks about consultation in this instance, is it the same thing as when he consulted with European leaders about Bosnia -

-

that that's -

-

when they said no, he just had to back down?

MR. STEPHANOPOULOS: I think what he wants to do is get a close reading of their view of what's happening in the Senate; what they think; why they have their reservations; what the focus of their reservations are.

Q And if they say absolutely no, he's open to following their advice?

MR. STEPHANOPOULOS: I think we have to wait and see what happens with the consultations.

Q George, have you taken a preliminary vote count in the Senate that shows 10 or more Democrats opposed to it?

MR. STEPHANOPOULOS: I don't think there's any formal vote count, no.

Q Is there an informal one?

MR. STEPHANOPOULOS: I don't think so. I haven't seen a list.

Q What's your reading in the opposition?

MR. STEPHANOPOULOS: One of the things we see is there clearly have been reservations and opposition expressed in some quarters. What we want to do is get a closer reading of that.

Q George, did the President reread some of her or read for the first time some of her writings after he was asked about it at the press conference two weeks ago and after more of this?

MR. STEPHANOPOULOS: I would have to check the timing. I just don't have the exact timing.

Q Following up an earlier question, until the letter, the Howard Paster letter was circulated on the Hill last week, what effort did the White House make publicly to come to her defense and try to stop her from being mischaracterized or defamed -

-

MR. STEPHANOPOULOS: It would have been hard to break through that travel story. I don't know. We had people working all the time on -

-
working with her defense, working with her meetings --

Q Quietly, behind the scenes, but what public expression was there by anyone from this podium, the Cabinet level, from Janet Reno -

-
MR. STEPHANOPOULOS: I know that I was asked from this podium and said that I supported her, and we supported her.

Q But there was no effort to see that there was a problem on the Hill and to rally behind her and to try to sell this candidate.

MR. STEPHANOPOULOS: That's simply not true. There was a constant effort to work with Lani Guinier. We were working with her in her consultations with the Senate. We were helping arrange her visits. We were working on her writings and answering the arguments on her writings. We supported her from this podium, and the President supported her from his. I just don't accept the contention.

Q George, on Guatemala, last week you announced when President Serrano had his -

-
coup, you announced that the United States was reviewing all foreign aid to Guatemala. Yesterday President Serrano was removed totally from office. What is the position of the White House on that? And how about the aid or -

-
MR. STEPHANOPOULOS: Obviously we're monitoring that situation very closely. And even though things seem to be moving in a positive direction, we have not yet lifted the suspension of the aid. But we're going to continue to follow it closely.

Q Who will be attending for the U.S. tomorrow at the OAS?

MR. STEPHANOPOULOS: I don't have the name, but we will be attending.

Q Is Mr. Serrano coming here to the United States -

-
on the way?

MR. STEPHANOPOULOS: I've heard that he is. I don't have any official confirmation of that, but I have heard that he is. I have seen the same reports.

Q Also, on Bosnia, Prime Minister Mulroney said the United States would improve its standing, its leadership position among European nations on the Bosnia issue. If it sent ground troops either to Bosnia or perhaps to Macedonia, what's your response to that comment?

MR. STEPHANOPOULOS: Again, our position on ground troops remains the same. We will send ground troops to enforce a peace agreement. That's the only position the President supports at this time.

Q Is that hurting the U.S. ability to lead the Europeans -

-
MR. STEPHANOPOULOS: I don't think so. We're supporting the efforts. We're supporting them strongly. We will continue to do that.

Q One other one. Prime Minister Mulroney also made a strong statement for a blockade against Haiti. He said he's ready to send Canadian forces. And both the President and the Prime Minister said it's time to do something different on Haiti. What's next?

MR. STEPHANOPOULOS: Well, I think that we obviously are concerned by the breakdown or the potential breakdown in the negotiations. That's not something that we like to see. And we're looking at further and stronger actions now, but I have no announcement.

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Q Mr. Mulroney said -

-
used the phrase military assets in terms of bringing in help or changing policy toward Haiti. Did he urge the President to do that?

MR. STEPHANOPOULOS: Not to my knowledge, but I'll have to check.

Q George, the President has had sterling things to say about Ms. Guinier's character and experience and fitness to serve every chance he's gotten. Is there an idea or a single idea that she's advanced that makes her an attractive candidate to this point of view?

MR. STEPHANOPOULOS: Well, I think that if you look at the body of her career, I mean, she certainly has been a leading civil rights attorney. Again, I can't comment on the specifics.

Q I'm trying to separate the resume side from the intellectual side. Is there an idea that makes her attractive from the President's -

-
MR. STEPHANOPOULOS: She's strongly committed to civil rights, she's strongly committed to the enforcement of her civil rights laws. I don't want to get into an analysis here of her academic writings.

Q Is his consultation with the senators this week by way of lobbying in her behalf, or is it more by way of counting the votes?

MR. STEPHANOPOULOS: I think you always -

-
I mean, you learn a lot when you talk to the senators and find out what the situation is, and that's what we're going to do. We're trying to find out the nature of the objections and trying to find out what the situation is.

Q Is there any concern in the White House that if you all pull down Guinier's nomination that it will contribute to an attitude by some people on the Hill that this is a White House that you can roll?

MR. STEPHANOPOULOS: Again, we're going to make the best judgment we can based on the prospects in the Senate, and that's why we're discussing what's going on in the Senate now.

Q -

-
political damage that could be done to the White House just by -

-
even by pulling her name down, that has nothing to do with her nomination -

-
MR. STEPHANOPOULOS: Again, that's a hypothetical at this point. We believe, as the President said, that she is a good civil rights lawyer and we're going to consult with the Senate on the nomination.

Q In view of the new position created for you and the new position created for Gergen, is the President still committed to a cut of 25 percent in White House staff?

MR. STEPHANOPOULOS: I think that clearly we would like to achieve that. We're going to see -

-
we have until October 1st to make that. But, as the President has also said, this has led to a lot of constraints on -

Q What?

MR. STEPHANOPOULOS: This has led to a lot of constraints on the staff. But we're going to continue to look at it.

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Q Well, it sounds like you're kind of fudging -

-
that
you might be abandoning the 25 percent staff cuts.

MR. STEPHANOPOULOS: Again, October 1st is the effective date.

Q Well, do you have any compensatory staff cuts in mind if you're still on track?

MR. STEPHANOPOULOS: Mack will be announcing more

-
the
final staff changes when he's got them fully done.

Q But do you expect that some positions will be eliminated to offset ones that are being created.

MR. STEPHANOPOULOS: I simply don't know what the structure will be. Mack has not completed his review yet.

Q What are you going to do about Secretary Aspin? Is he has going to get a letter of reprimand from the President? (Laughter.)

MR. STEPHANOPOULOS: For what?

Q Is he going to get a letter of reprimand from the President? He's violated the rules, and he's violated ethics and a lot of things.

MR. STEPHANOPOULOS: Which one? When?

Q Aspin.

MR. STEPHANOPOULOS: Yes, I'm not certain. I'd have to

-
-
Q The Secretary of Defense.

MR. STEPHANOPOULOS: Right. (Laughter.)

Q -

-
for his trip to Geneva -
-

MR. STEPHANOPOULOS: Well, I'm not certain that he violated any ethics rules. I'd have to take another look at it. But as you know, the Secretary -
-

Q He violated a lot of expense rules that the President was trying to cut back on.

MR. STEPHANOPOULOS: We're conscious of all the expenses
-
-

Q Well, what are you going to do? Is the President going to send him a letter of reprimand or what?

MR. STEPHANOPOULOS: I don't think there are any plans for that right now. I'm not certain that he broke any rules.

Q Will you let us know as soon as you know?

MR. STEPHANOPOULOS: Sure.

Q How about Supreme Court justice?

MR. STEPHANOPOULOS: Nothing now.

Q Has he offered the job to anyone?

MR. STEPHANOPOULOS: Not to my knowledge.

Q Anything this week? This week?

MR. STEPHANOPOULOS: Not inconceivable, but there's

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nothing set yet.

Q Are you saying to your knowledge he hasn't offered the job to anyone?

Q Who he's asked?

Q Has he asked anyone if they were interested?

MR. STEPHANOPOULOS: I think the President has obviously had discussions on the Supreme Court. He was asked -

-

I was asked a direct question on whether he'd offered the job to somebody.

Q Discussions with candidates, George?

MR. STEPHANOPOULOS: Again, I can't get into the discussions.

Q What was your answer?

Q Has the President personally been interviewing anyone?

MR. STEPHANOPOULOS: No.

Q Has the President interviewed anyone?

Q -

-

offered it to Riley?

MR. STEPHANOPOULOS: No.

Q Riley.

Q He did not offer it to Riley?

Q He sounded him out.

MR. STEPHANOPOULOS: I cannot comment on the discussions the President has.

Q But you're saying that

-

no firm offers -

-

MR. STEPHANOPOULOS: The President has had a lot of discussions on the Supreme Court.

Q Including with people whom he might consider to fill that slot?

MR. STEPHANOPOULOS: I would imagine that to be so, but I don't know everybody he's talked to.

Q George, why is it taking so long for him to make this announcement?

MR. STEPHANOPOULOS: I don't know -

-

I think that we can still stay on track. I mean, it's an important decision for the President to make. It's his first appointment to the Supreme Court, the first appointment by a Democratic president in many, many years, nearly a generation, so he is taking it very seriously. And he's going to make the announcement when he's convinced he has the best candidate for the job.

Q George, under this reorganization of the staff that's clearly going to continue, what role is the President looking for McLarty to fill in the months ahead?

MR. STEPHANOPOULOS: Well, Mack McLarty is the Chief of Staff. He is going to run the show. He is going to set the direction for the White House. He's going to manage the staff and he's going to also, obviously, serve important representational functions working with the Congress and others. But he's in charge.

Q But some people are interpreting his shedding of the day-

to-

day responsibilities to Neel as a diminishing of his role.

MR. STEPHANOPOULOS: They're wrong.

Q George, you all took salaries that were lower than your predecessors when you came in. Will David Gergen be earning also a lower salary? In fact, will he be earning a lower salary than he did -

-

MR. STEPHANOPOULOS: I don't know what he's making.

Q Can we find out?

Q Did you ever tell us what you were making?

MR. STEPHANOPOULOS: What?

Q Did you ever tell us what you were making?

MR. STEPHANOPOULOS: I don't think I did. I think Frank Murray did. (Laughter.)

Q How many appointments do you think he'll be making, McLarty?

MR. STEPHANOPOULOS: I don't have any number. Again, we just have to leave that to him.

Q Are you building new office space out here in the back?

MR. STEPHANOPOULOS: I think somebody said we were building lofts, but I'm not sure. (Laughter.)

Q

-

big construction project -

-

MR. STEPHANOPOULOS: No, it's a big tent for a party.

Q Are you staying in your office?

MR. STEPHANOPOULOS: I don't know, but I don't think so.

Q We'll have access to it then, huh?

Q Is that for his Georgetown reunion party?

MR. STEPHANOPOULOS: I think so, yes.

Q Who's paying for that?

MR. STEPHANOPOULOS: I would have to check

Q George, what does the rest

-

look like?

MR. STEPHANOPOULOS: Tomorrow he's going to be, as we said, going to the housing site. We don't have any set event Friday outside of the White House, and then he'll be doing the radio address Saturday, but I think he's down the rest of the weekend.

Q Camp David?

MR. STEPHANOPOULOS: I think here, but I'm not positive.

Q And next week?

MR. STEPHANOPOULOS: Nothing on that yet.

Q He's got two groups of people coming in at least tonight and tomorrow night -

-

it looks like CEOs. What's he doing?

MR. STEPHANOPOULOS: He had his lunch with CEOs today.

Q Does he not have -

-

MR. STEPHANOPOULOS: He has a dinner tonight. I haven't seen the guest list.

Q And tomorrow night?

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MR. STEPHANOPOULOS: He may be having a dinner then, too, but I don't have the guest list.

Q You're not aware that it's just CEOs or some, like business groups -

MR. STEPHANOPOULOS: I don't think it is actually.

Q Is he actually going out to a military base tomorrow night?

MR. STEPHANOPOULOS: I don't know. I'd have to check. Not to my knowledge.

Q Why don't they tell you what's going on? (Laughter.)

MR. STEPHANOPOULOS: No, I think is an awful lot of speculation that people are just kind of making up; and there just aren't any plans on that. (Laughter.)

Q Is there a party on the lawn?

MR. STEPHANOPOULOS: I better go take that up with the President. You're right -

(laughter).

Q Is there party on the lawn -

MR. STEPHANOPOULOS: I believe so, yes.

Q Is he going to the Kennedy memorial -

MR. STEPHANOPOULOS: I think so, yes.

Q Sunday?

MR. STEPHANOPOULOS: Sunday night, right. I believe he is, yes.

Q George, one more on Lani Guinier, if I may. Was the President briefed about her writings before he made his choice on the nomination? Did he know this was going to be a controversy coming up or -

MR. STEPHANOPOULOS: I'd have to check with Bernie Nussbaum. I don't know how extensive the briefing was. Clearly, they went through some of her background, but I couldn't tell you how detailed it was.

Q

fundamental question as to whether the writings that he now disagrees with were writings he was aware of before he nominated her.

MR. STEPHANOPOULOS: And I know that he did not read all of her writings before the nomination -

not to my knowledge.

Q Did he read any of them?

MR. STEPHANOPOULOS: I'd have to check.

Q George, on -

to come back to health care for a minute, you said earlier that you'd like to get it done in June; you also have to be sensitive on the budget. Does that mean that if there's no progress on the budget or there's some backsliding on getting the economic plan through the Senate that we can expect the health care -

MR. STEPHANOPOULOS: It would obviously have an effect. I couldn't tell you what exactly that effect would be, but it would clearly have an effect.

Q Do you think there is any prospect that you could get health care legislation through Congress this year given the timetable -

-

MR. STEPHANOPOULOS: Of course, there is, yes.

Q On the CEOs lunch, are all these CEOs that were invited today known to be opposed to the tax bill or undecided on the tax bill?

MR. STEPHANOPOULOS: I don't think so. I don't know about all their detailed views, but I just don't know that.

Q Was the purpose of the President's message then today specifically on the energy tax or just generally -

-

MR. STEPHANOPOULOS: I think he was talking generally about the economic program. Obviously the energy tax is an important component of that, and if these CEOs had specific concerns, I'm certain they'll raise them with the President. But I'm certain that the discussion will go far beyond simply the energy tax.

Q On the energy tax, when the President yesterday said that he's willing to accept a budget with less taxes and more spending cuts than he originally proposed, was that an oblique reference to the BTU tax and, of course, you're considering a scale back of probably \$20 billion?

MR. STEPHANOPOULOS: Again, the specifics I can't get into, but we're going to be working with senators and others and house members over the next few weeks and talking about the composition of that, but I have no specific details.

Q Director Panetta, over the weekend, had indicated that if you were to scale back the BTU tax, you'd have to offset it with spending cuts somewhere so -

-

MR. STEPHANOPOULOS: Well, I think that's what the President said all along is that we would both want lower taxes and more spending cuts.

Q He's never said that in the context of the BTU tax.

MR. STEPHANOPOULOS: Well, I think, generally, we would like to see fewer taxes and more spending cuts. I can't get into the composition of that.

Q George, along that line, one of the original justifications for the expanded earned income tax credit was to offset the progressive impact of the energy tax. If the energy tax is scaled back, would it then be acceptable to the administration to have a parallel scaling back of the earned income tax credit or would that not be acceptable?

MR. STEPHANOPOULOS: I think that's not inconceivable, but what you'd want to make sure is that we still have adequate funding for the ITC to make sure we can do what we need to do to keep working families out of poverty.

Q So, you're saying it might be okay to scale it back but maybe not a dollar.

for-

dollar?

MR. STEPHANOPOULOS: Again, I couldn't get into the specifics but I think that's the general approach.

Q George, given the importance of the Mexico-

U.S. relationship, the President announced today James Jones will be the new U.S. Ambassador. How quick do you expect to have his name before the Senate? And do you expect quick sailing?

MR. STEPHANOPOULOS: Well, I expect that he should be able to be confirmed rather quickly. He's obviously a man of great eminence who served with distinction both in the government and the private sector, and we expect that he would have no problem getting confirmed in the Senate. And we'll get his papers up as soon as

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possible.

Q

did Jim Jones commit to being for the NAFTA or not?

MR. STEPHANOPOULOS: I assume he's probably for the North American Free Trade Agreement as the President is.

Q George, can you say today that the President is still committed to Lani Guinier's nomination?

MR. STEPHANOPOULOS: The President is going to be discussing this with the Senate, but he does believe that she -

that we should move forward at this time. He's going to be talking with the senators about that.

Q Is he still committed to her nomination, or is he in the process of reassessing her nomination?

MR. STEPHANOPOULOS: No, I think that he is committed to moving forward, but he's going to -

part of that process is going to be discussing the prospects of the nomination with the senators.

Q So is her nomination less certain now than it was, say, a couple of days ago?

MR. STEPHANOPOULOS: I think that's up to the Senate. I mean, clearly there were serious reservations raised in the newspaper this morning by several senators and that's why we're going to be talking to them.

Q George, have you talked to Attorney General Reno about the Guinier nomination?

MR. STEPHANOPOULOS: I'm certain the President's talked to her, yes.

Q Today?

MR. STEPHANOPOULOS: Certainly, -

recently -

again, if it wasn't necessarily today it was within the last few days.

Q The reason I asked that is that Attorney General Reno has said she's -

the President has said directly that she's standing behind her nomination.

MR. STEPHANOPOULOS: Well, the President has said that he supports it. We are working

we are going to talk to the senators about this as well. He believes we must go forward with that. But he's said that she's a good civil rights lawyer; he's said that her writings have been misinterpreted and we're going to -

the next part of this process is discussing this with the senators.

Q

will the Attorney General will be included in the consultations?

MR. STEPHANOPOULOS: I'm certain

she has been and she will continue to be.

Q With the Black Caucus or Jesse Jackson?

MR. STEPHANOPOULOS: Not to my knowledge.

Q If the prospects of confirmation are not good, he'll withdraw it, won't he?

MR. STEPHANOPOULOS: You can't say that. I mean, the President is going to be discussing this with the senators.

Q If you're surveying the prospects, what is the review all about? There is no review really.

MR. STEPHANOPOULOS: Well, there's consultations with the senators, they're the ones who are going to be voting.

Q George, has Mrs. Clinton weighed in on this?

MR. STEPHANOPOULOS: I don't know anything about that.

Q George, having been in office for some months now and having met with Sessions to hear his side of the story, has the Attorney General forwarded her report to the President on his future?

MR. STEPHANOPOULOS: Not to my knowledge.

Q Is that expected anytime soon?

MR. STEPHANOPOULOS: I'd refer you to Justice. I don't know the timing of the report.

Q Do you feel that since the President has not come out with unqualified support of his FBI Director and allowed this to go on and on waiting for her, how much longer can he go on without getting involved in the process of undermining him by not showing confidence in -

-

MR. STEPHANOPOULOS: He wants to make sure that he has a thorough report. And the Attorney General said she will provide that to him.

Q Has he talked to her about hurrying it up a little bit? You've kept him twisting for six months now.

MR. STEPHANOPOULOS: She's going to do a thorough report and then we'll be able to make a decision.

Q George, on this civil rights appointment, the obvious expert on that is -

-

of the Coalition on Civil Rights.

MR. STEPHANOPOULOS: And we consulted with him.

Q And he -

-

you did consult with him?

MR. STEPHANOPOULOS: Oh, sure.

Q Because he came out strongly for the lady.

Q George, on forest policy, the forest Conference in Oregon was 60 days ago and the President said in two months there would be the options forwarded to him. Today is the deadline -

-

(laughter) -

-

is he going to be getting those options today? And what's going to be his level of involvement in that issue?

MR. STEPHANOPOULOS: I think he will be

.

I don't know that he's received them yet, but I think he will be getting them very soon if not today.

Q George, does the President see these meetings with the senators as an opportunity for him to try and persuade them to drop their opposition to Lani Guinier?

MR. STEPHANOPOULOS: I think first he wants to hear what they have to say. As you've seen -

-

ARMS Email System

we've seen reports, but we want to follow up on those reports and make sure we have a full understanding of the situation in the Senate.

Q George, the Washington Post today quotes a number of unidentified friends of yours as saying that you've been scapegoated. Do you feel that you've been scapegoated?

MR. STEPHANOPOULOS: No, and I'm looking very much forward to working with the President in this new capacity and to serving him and doing what we can to make it work.

Q George, on another environmental issue, my understanding is that -

-

(laughter) -

-

Q -

-

(inaudible) -

-

(laughter).

MR. STEPHANOPOULOS: That's right. Cleaning out my office. (Laughter.)

Q The deadline for biodiversity is either today or tomorrow. What's the status of the U.S. signing that?

MR. STEPHANOPOULOS: I'll have to check.

Q George, the President mentioned a meeting with health care officials this week. When is it, do you know? And who is it with?

MR. STEPHANOPOULOS: I think there will be several meetings. I don't know of any formal meetings that have been set up yet, but he's had meetings every week and I'm certain that will continue.

Q George, why did Penny Sample leave the White House yesterday?

MR. STEPHANOPOULOS: She was planning on leaving after a couple of weeks, just serving in the interim. And that's what she did.

Q It was coincidental -

-

Q Can I just follow up? Was there no connection between her leaving yesterday and the inquiries from Washington Post?

MR. STEPHANOPOULOS: I checked with David Watkins and she was only supposed to be staying a couple of weeks, and her time had ended. She was not going to be booking any further flights, and that's why she was leaving.

Q What is Watkins' response to what happened?

MR. STEPHANOPOULOS: It was a mistake. You know, it was an embarrassing mistake, but it was an honest mistake.

Q What is an honest mistake in this context?

MR. STEPHANOPOULOS: Well, in this context it means that Penny Sample told Midwest Express that she was not seeking commission, that she did not want a commission. Apparently the check was cut down in Albuquerque with the commission taken out. As soon as that was discovered, she returned it. She never intended to take it.

Q How was it discovered, other than the Washington Post? I mean, was that the first notice that she or the White House had?

MR. STEPHANOPOULOS: I think it was, yes.

Q Was the check cut in her name or -

-

Q Did she book Miami Air?

MR. STEPHANOPOULOS: No.

Q Was the check cut in her name or her company's name?

Q Yes, how much did she get from Miami Air?

MR. STEPHANOPOULOS: No, it was a wire transfer, I believe, from Air Advantage to Midwest Express. Apparently we had a problem. We had thought that our funds were frozen at that time. And the Midwest Express needed the payment immediately. They couldn't take a 30-

day float, as companies often do. And this was just arranged to get the wire transfer. No commission was supposed to be taken out of it. Unfortunately, it was -

-

Q Why were the White House funds frozen? Was that as a result of the investigation?

MR. STEPHANOPOULOS: I think there was some concern about the investigation and what was happening there, yes.

Q What's the status of the internal investigation?

MR. STEPHANOPOULOS: It's continuing, it's just not done yet.

Q Those people on administrative leave are still -

-

MR. STEPHANOPOULOS: Yes.

Q Will David Gergen brief at all?

MR. STEPHANOPOULOS: I assume he'll be talking to the press. I don't know that he'll be coming down and doing daily briefings or anything like that.

Q What did the President think of the covers on Time and Newsweek?

MR. STEPHANOPOULOS: I didn't ask him.

Q George, you said Lani Guinier is visiting editorial boards today. Is that right?

MR. STEPHANOPOULOS: Yes.

Q Who arranged that and which one did she -

-

MR. STEPHANOPOULOS: I think her team arranged it. I think it's the Washington Post and the New York Times, but you'd have to check with Justice.

Q Is it a public relations group that's helping her sell herself?

MR. STEPHANOPOULOS: Well, there are a lot of people helping her out.

Q George, are you open to additional changes in entitlements along the line of those that earn more pay more?

MR. STEPHANOPOULOS: I wouldn't necessarily rule it out, but the President has said that we want to get more spending cuts and fewer taxes and we're going to look at a variety of options.

Q But given Senator Boren's rather firm position on entitlement caps, is that an area that you might be willing to look at as far as means testing?

MR. STEPHANOPOULOS: Again, it's something we wouldn't necessarily rule out but we're going to look at a variety of options.

Q The President's taken on some pretty tough -

-

there's been some pretty tough things said from the public at appearances, particularly, of course, would be at the Wall the other day -- some pretty strong language, plus in a lot of signs as he went yesterday and accusations that he's everything from a coward to a liar. And at the Rose Garden it was some pretty tough questions really from the public. I just wondered how does the President feel about -

-

MR. STEPHANOPOULOS: The President enjoyed the town meeting at the Rose Garden. He was exhilarated by it and he felt real good. He felt happy to have the chance to answer the people's questions directly and that's the way he feels all the time. That's part of the job.

Q What about those

the really tough things people were saying at the Wall?

MR. STEPHANOPOULOS: That's part of the job, too. When you do big things you get criticized some times.

THE PRESS: Thank you.

END 1:41 P.M. EDT

#79-

06/02

ARMS Email System

RECORD TYPE: PRESIDENTIAL (RECONSTRUCTED EMAIL)

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

CREATION DATE/TIME:02-JUN-1993 21:40:00.00

SUBJECT: Foreign Media reaction -- Daily Digest 6.2.93

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)
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:02-JUN-1993 15:50:00.00

ATT BODY PART TYPE: B

ATT SUBJECT: Daily Digest, June 2

ATT TO: Media Reaction -- Bulletin Board (1=US*RFC-822\bulletin(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: Jack Belcher (1=US*RFC-822\jbelcher(a)hr.house.gov@3=INTERNET@2=TELEMAIL@MRX@EOPMRX)
READ: UNKNOWN

ATT TO: jonathan gill (1=US*RFC-822\jpg+(a)campaign92.org@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 AA17243; Wed, 2 Jun 93 15:24:15 -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 ([164.109.10.3]) by LEX-LUTHOR.AI.MIT.EDU via INTERNET with SMTP id 123962; 2 Jun 1993 15:23:06-0400

Received: by access.digex.net id AA17658

(5.65c/IDA-1.4.4 for jonathan gill <jpg+@campaign92.org>; Wed, 2 Jun 1993 15:22:07 -0400

Mime-Version: 1.0

Content-Type: MULTIPART/MIXED; BOUNDARY="587223578-942197084-739048926:#17123"

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===== ATTACHMENT 2 =====
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ATT CREATION DATE/TIME:02-JUN-1993 15:50:00.00

ATT BODY PART TYPE: A

ATT SUBJECT:

ATT TEXT:

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--587223578-942197084-739048926:#17123

Content-Type: APPLICATION/octet-stream; name="mdd300.txt"

Content-ID: <Pine.3.07.9306021506.A17123@access.digex.net>

Content-Description:

UNITED STATES INFORMATION AGENCY
FOREIGN MEDIA REACTION--DAILY DIGEST

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

Wednesday, June 2, 1993

THE CLINTON ADMINISTRATION:
AFTER HOUSE VICTORY, GERGEN APPOINTMENT,
FEWER THORNS IN THE ROSE GARDEN?

Foreign journalists continued their busy watch of the Clinton administration and freely offered both opinions and advice. While some comment continued to mention the "runway haircut" and "travelgate" matters, most journalists zeroed in on the economic program, the appointment of David Gergen as White House counselor, and President Clinton's Memorial Day visit to the Vietnam Veterans Memorial. Many analysts worried that the U.S. was retreating from its position as world leader.

--THE ECONOMIC PLAN: Commentators hailed the plan's passage in the House last week as a sorely-needed boost to Mr. Clinton's fortunes, but most of them noted as well the wafer-thin margin of victory and several projected that the Senate fight would be even tougher. Germany's right-of-center Die Welt remarked on the "alarming obstacles" coming from fellow Democrats, and the conservative

Australian detected that Mr. Clinton does not convey a "fear factor." Several papers, however, saw the victory as vindication of Mr. Clinton's reputation as a political survivor and urged him to use this "modest triumph" to regain the initiative.

--THE GERGEN APPOINTMENT: Most analysts welcomed the Gergen appointment and praised the president for bringing in a "more mature hand" to help correct the course of his presidency. Denmark's conservative Jyllands-Posten, for example, maintained that by hiring David Gergen, the president "seems to have learned the lesson about concentrating on what he was elected for." A prominent nay-sayer was Paris's conservative Le Figaro, which wondered what Gergen would be able to do "to rebuild the president's image, which has worn thin in three months."

--MEMORIAL DAY: Journalists in France, Italy and Australia commented on the president's controversial appearance Monday at the Vietnam Veterans Memorial. Paris's Le Figaro observed that "the war which he did not wage continues to haunt Bill Clinton," but concluded that the president realized he must now "woo the military." Paris's influential Le Monde noted that both the president and the veterans who spoke agreed that U.S. military intervention abroad should now be limited to a popularly supported cause with a clear mission that could be executed rapidly and decisively. Finally, Italy's leftist, top-circulation La Repubblica praised the president for displaying "dignity and courage," and declared that "Clinton's stature is growing despite his mistakes and his indecision."

This survey is based on 69 reports from 18 countries, May 28-June 2.

EDITOR: Rose Sue Bernstein

EUROPE

BRITAIN: "New Furor Now, Over Race"

The conservative Times (6/2) reported: "As if President Clinton's troubles over the cost of a haircut, the furor over homosexuals in the military and over economic issues were not enough, a new and potentially damaging controversy is set to erupt later this month.

"This time the incendiary issue will be race, and the catalyst will be the Senate hearings of Lani Guinier, the president's nominee to head the Justice Department's civil rights division. Her prescriptions for enhancing minority political power are considered so radical that the hearings could shatter Mr. Clinton's already fragile Democratic coalition, irrevocably destroy his claim to be a mainstream 'New Democrat', and hand him a serious political defeat....

"Republicans, who are still embittered by their savaging at the hands of the Democrats during confirmation hearings of Clarence Thomas, Robert Bork and John Tower, are lining up to denounce her."

"Deeper Reasons For Clinton's Unpopularity"

The Times commented (6/1): "President Clinton is relaunching his administration after just four months.... He is already resorting to the standard plot of politicians in trouble--blaming the sales pitch, not the product....

"Rhodes Scholars proliferate, but they do incredibly dumb things. There are obvious reasons for Mr. Clinton's precipitate fall from grace--inexperience, hubris, the excessive enthusiasm and ill-discipline of a young president and even younger aides who thought they could do it all.... However, there are deeper reasons for Mr. Clinton's unpopularity, about which he can do little. Gone is that aura which clung to his predecessors as they battled the Soviet menace. He lacks their ability to bolster his standing at home by fighting the Cold War abroad. He must finally confront the intractable, no-win domestic problems they largely ignored.... Mr. Reagan may have ensured that he is the 20th century's last two-term president."

"How Is The Recovery Doing?"

The independent Financial Times (6/2) commented: "Doubtless the Federal Reserve would act quickly if the May price data due next week again show upward pressure on inflation. But the greater risk must be that the recovery will continue to disappoint.

"That suggests a more positive climate for bonds than for equities, especially now that President Clinton appears to be overcoming Senate opposition to his budget package. That the package is of necessity mildly deflationary adds to the sense of how little scope there is for concerted international action to revive the world economy. The temptation for some governments may be to go for increased protection as an alternative. Or something similar: like competitive devaluations."

"A Moment To Savor"

On BBC Radio's Today program (5/28) Washington correspondent Gavin Esler commented: "This has been the most significant moment of Mr. Clinton's short presidency, and one he chose to savor. I am very proud, he said, we have broken the gridlock.... Mr. Clinton congratulated members of Congress for voting for a deficit

reduction package which entails a massive and potentially unpopular new energy tax. But with every Republican and 38 Democrat rebels voting against, the plan squeaked through by just six votes.... But Washington likes winners, and this is the best news for the White House in four difficult months."

"A Long Day, Followed By Victory"

On BBC TV's Breakfast News, (5/28) reporter Jeremy Harris said from Washington: "It took a long and tense day of presidential pleading and arm twisting to get Bill Clinton the victory he needed on Capitol Hill to keep his economic program intact and his presidency afloat.... The margin was narrow, the opposition fierce, with the President's tax plans bringing out the critics in both parties.... But to the President's evident relief, the prospect of a White House defeat finally brought just enough rebels back into line.... But the battle for the Clinton economic program still isn't over. He still has to get it through the Senate, in what could make the struggle so far seem like political child's play."

GERMANY: "Amateurs In Washington"

Left-of-center Frankfurter Rundschau (6/2) ran a lengthy comment on American foreign policy by Jochen Siemens including this: "The Clinton administration has so far only become coherently active on a few fields of foreign policy where U.S. interests are directly affected. These include the role of mediator in the Middle East talks, support for President Yeltsin's policies and a very active policy aimed at preventing the further proliferation of nuclear weapons. In other areas--for instance with regard to China--there has been an uninterrupted continuation of Bush's foreign policy."

"But there is no tangible evidence of a leading role in a new world order. The Europeans and NATO are missing the familiar leadership and neither are there any recognizable outlines for a new U.S. role. This could be due to the fact that Clinton's young presidency is doing pretty badly after a series of clumsy mistakes and lack of resolve and that every government which is weak at home tends to lack energy in foreign policy or engage in adventures. Thanks to the American political system, we need not be afraid of the latter, but European powers including Germany are going to have to get used to not being able to follow a world power which no longer wants to lead."

"Fewer Gaffes"

Fritz Wirth commented from Washington in right-of-center Die Welt of Bonn (6/1): "Gergen's support of Democrat Bill Clinton...is a daring undertaking.... This controversial decision of the president has some significance. It allows the assumption that Clinton will correct his previous policy course which was much more left-wing oriented than the election campaign allowed us to presume. Gergen's hiring could be the signal of the renaissance of moderate Bill Clinton. But at the same time, it is the first necessary step to clean up with the youth brigade surrounding Bill Clinton.... "The political establishment will now again take on the helm at the White House under Gergen's leadership. The consequences can only be to the advantage of U.S. policy: fewer gaffes and a relieving breeze of predictability."

"Back To The Real Task"

Left-of-center Frankfurter Rundschau's report (5/29) by Rolf Paasch in Washington noted, "Clinton survived the first 'showdown' of his presidency, but this does not mean that discipline is now prevailing in his camp.... It could be the task for the administration to bring the bill through the Senate, thus finally concentrating again on its real task...after all the distractions of the past weeks: to bring about an economic change of course that will lead to greater economic growth and greater fiscal stability."

"In Questionable Company Of Congressional Democrats"

Wirth also filed the following editorial on the approval of the economic package for Die Welt (5/29): "What is alarming are the stumbling blocks that were laid in Clinton's path by his own party.... It was not only Bill Clinton's ability to function, but also the ability of his party to govern that was questioned during this voting battle. To put it briefly: With such questionable company, Bill Clinton is taking a difficult path."

"Clinton Wins First Round"

Centrist Sueddeutsche Zeitung of Munich (5/29) ran this editorial by Washington correspondent Kurt Kister: "Bill Clinton won a battle, but the outcome was too narrow to proclaim a victory in the war.... Only three votes saved him from defeat. If the House had not given him this narrow majority, the ambitions of the reformers and thus his young presidency would have collapsed....

"It is by no means certain how and whether Clinton's economic package will survive...but his strategy is now clear: For him new spending to assert his social democratic reform package is more important than savings to really reduce the deficit. To achieve this aim he is relying on the powerful left-wing of the Democratic Party. By doing so he is putting off the conservatives--and possibly the majority of voters, too."

"Wafer-Thin Majority"

Washington correspondent Guenther de Thier noted in right-of-center Rheinische Post of Duesseldorf (5/29): "With this wafer-thin success of his economic package, President Bill Clinton achieved an urgently needed success. But in view of the narrow vote, one question must be raised: Can this decision decisively turn the president's wheel of fortune or is it just an empty victory? It was at least a success on which he can build with some skilfulness. The gaffes of the past weeks will now be pushed into the background of the Americans' mind. And this is in itself a pluspoint...."

"The decision of the House of Representatives was the easier part of the road, but it will become much more difficult in the Senate where the controversial energy tax could become the tripwire for the administration.... Now we can only anxiously wait and see what kind of concessions the administration must make to push the program through Congress."

FRANCE: "Clinton Tries To Gain Military's Support"

Stephane Marchand reported from Washington in conservative Le Figaro (6/2): "The war which he did not wage continues to haunt Bill Clinton.... Editorialists are (arguing) on whether his attendance was a courageous move or political bluff.... The military aspect of the Clinton presidency started off badly.... Bill Clinton has understood that he must now woo the military."

"Clinton At Vietnam Memorial: More Boos Than Cheers"

Alain Frachon commented in influential Le Monde (6/2): "Bill Clinton is not the first Commander in Chief who never wore the uniform.... But he has angered the military hierarchy and the rank and file with his desire to end the ban on homosexuals in the armed forces. Also, as the first post-Cold War president he has to cut the Pentagon budget.... On Monday, Bill Clinton was very frank: 'We will continue to disagree on the war.'.... The President and the veterans who made speeches agreed on one point: The U.S. military must intervene abroad only for a cause which is supported by the country, has a 'clear mission' and can be carried out in a 'rapid and decisive' way. The shadow of Bosnia was cast on the Vietnam Memorial."

"Budget Victory A Lift. But Still A Long Way To Go"

Bianca Riemer observed in financial La Tribune (6/1): "Clinton intends to use this victory to rebound.... Although the House vote gave a new lift to Bill Clinton, he is not out of trouble yet."

"The House Vote Was The Easy Part"

Economic Les Echos (6/1) commented: "The White House has had to make many concessions to convince those most reluctant, including in its own camp.... The political battle is promising to be even tougher in the Senate."

"Back On Track With Gergen"

Stephane Marchand reported in Le Figaro (6/1): "David Gergen will not only put the president's disastrous communications policy back on track. His voice will probably count in setting the administration's policy, including foreign policy."

"America Is Going To Pay For Wrong Choice"

Jacques Jacquet-Francillon wrote this front page editorial in conservative Le Figaro (5/31): "America made the wrong choice. We knew it. America is going to pay for it. Heavily.... What will David Gergen be able to do to rebuild the president's image, which has worn thin in three months? Change his haircut? How is he going to explain that the president's budget was approved with just a slim margin in the House where the Democrats have a majority of more than 90 votes? Which magic formula will he have to find to get the Senate to approve the plan?.... If David Gergen knows how to do all this, he will deserve a \$200 haircut--on condition that he gets his hair done somewhere other than an airport runway."

Gergen Nomination Creates A Stir"

Pierre Briancon reported from Washington in Liberation (5/31): "Bill Clinton created a stir on Saturday when he nominated...David Gergen to the position of the man in charge of getting him out of trouble.... Bill Clinton did not hide the two goals he is seeking to reach. On the one hand, it is a question of bringing the influence which comes with age and experience into the White House, something which has apparently been lacking...mainly in the sensitive area of communications and press relations...."

"(On the other hand), the appointment of the former Reagan advisor also has a deliberate political meaning.... Over the last four months, many observers have noticed that the old traditional U.S. left wing has gained more influence than Clinton had promised during the campaign, when he would insist on his image as a 'new Democrat,' a centrist and moderate.... In the country, David Gergen's nomination will not be a shock. It might even be considered as one of these internal games which Washington loves.... Some in the public will see this appointment as new evidence of the president's lack of principles. Bill Clinton, who has always said he wants to undo what the Reagan years achieved, is

today hiring one of the major architects of Reaganism to get him out of trouble."

"What A Victory In Senate Would Do For Clinton"

Influential Liberation (5/29-30) ran this article by Washington correspondent Pierre Briancon, "Overcome by political setbacks, meager public enthusiasm and some...gaffes, Bill Clinton obtained a welcome respite on Thursday when the House of Representatives adopted his budget plan.... Clinton must take into account the narrow margin of his victory--219 votes against 213--and be ready for an even tougher battle in the Senate.... A defeat in the Senate would be disastrous for the president. On the other hand, a victory could have multiple effects. Because by grasping these successes from Congress, Bill Clinton--the eternal survivor, the one who always recovers from hard blows--would once again prove that all rumors about his political death are exaggerated."

"A Limited Triumph"

Le Figaro's Stephane Marchand commented from Washington (5/29-30): "Bill Clinton narrowly won a crucial victory.... After a week of mini-scandals and worrisome erosion of his popularity, the U.S. President is holding up his head again.... The President's triumph is modest."

"End Of The Honeymoon"

Jean Lesieur commented in weekly L'Express (5/28): "Bill Clinton is facing a public relations disaster of almost historic scope.... There is an impressive gap between the expectations that the former governor raised when he took office and the tone of the commentaries on each of his actions now....

"Suddenly, one wonders whether this man is not fooling everyone. For is there anything in common between the \$200 haircut Clinton and the one on the campaign trail?... Bosnia is an issue on which Clinton's about-faces have strengthened the impression that he is an indecisive man....

"Of course, Clinton alone is not responsible for this rout. He can think--correctly--that he is the victim of the oil lobbies who threaten his energy taxes, one of the cornerstones of his economic plan. Also, the press fuels a climate of aggressive surveillance. And Congress in general...does not make his task easier. But Clinton was elected by insisting that he was willing and able to master these paralyzing agents."

ITALY: "How He's Doing So Far--Trying To Please Everyone"

Leftist newsweekly L'Espresso's New York correspondent Dante Matelli (6/2) penned this analysis: "Can one be among the founders of a political lobby which asks for lower taxes and later increase taxes mercilessly? Can one stand for the poor and hobnob with the rich? Talk about reducing the budget deficit and increase public spending?... Yes, one can in today's White House.... So much personal and presidential juggling should not be blamed on cowardice on the part of Clinton. To the contrary, it stems from his innate inclination to believe that contradicting oneself is important in order to be 'fair' with and please as many people as possible.... The result is more than half of the American people are unsatisfied with Clinton's style of government even though they recognize his good faith and will."

"Clinton's Stature Growing"

Ennio Caretto wrote from Washington in leftist, top-circulation La Repubblica (6/1), "For Bill Clinton, Memorial Day was the most humiliating day of his presidency.... Yet Clinton's calvary yesterday was not in vain. To the contrary, it marked a turn for him, for the administration and for the country. In his most difficult moment, the president showed dignity and courage and came away with head high.... This time, he has not tried to shirk, but has faced boos and shame. At the end, a majority of the veterans bestowed on him an ovation. Yesterday marked an important step in Clinton's long march toward reconciliation. Clinton's stature is growing despite his mistakes and his indecision."

"Can't Afford To Let Russia Be In Charge"

Expressing concern about Russia's increasing eminence in Europe, Arrigo Levi remarked in centrist Corriere della Sera (6/1): "The fact that the neo-isolationist policy has been denied by Secretary Christopher and President Clinton is only partially reassuring. The new administration has shown not only tactical indecision and a lack of realism, but an alarming lack of clarity in the general conceptualization of the new foreign policy.... We must proceed more quickly toward strengthening international institutions, beginning with the European Union but also with NATO, meant as a political, more than military, alliance between Europe and America. We certainly cannot let Russia be in charge of new European balances."

"America Repents: 'Perhaps Bush Was Better'"

Vittorio Zucconi declared in leftist, top-circulation La Repubblica (5/28): "To say that Bill Clinton has been a disaster so far is probably to err on the side of timidity.... Experts are desperately seeking a rational explanation for the catastrophic debut of a man who has never appeared to be a giant but who seemed at least to be very, very astute....

"I was among the people who hailed enthusiastically the coming to power of a representative of my generation after 12 years of older people at the White House. We all tried to ignore the suspicion that the fancy hair style and the gift of communication might conceal the diseases of the 'middle generation,' of the ambiguity of 'flower children.' At this point, we can tell ourselves the truth. The main problem for Bill, overwhelmed by gaffes, bad luck, disastrous polls, and the reality of politics, is not to become a great president. His main duty, at the present time, is simply to grow up."

"Economic Plan, Health Reform, Two Key Tests Clinton Must Pass"

Paolo Passarini observed from Washington for centrist La Stampa: (5/28): "The approval of the economic plan and a good reception for the health reform plan are two key tests for Clinton. If he passes them, he can hope to reverse his march towards disaster. If not, his presidency will be indelibly marked.... In the meantime, with a decision halfway between courageous and reckless, Clinton has decided to give an official speech... for Memorial Day ceremonies. He wants to show that he can be a dignified chief of the armed forces even though he did the impossible in order to avoid the Vietnam war."

BELGIUM: "A Test For Clinton"

Washington Correspondent Nathalie Mathelem wrote in independent Le Soir (5/28): "The vote on budget cuts and supplementary taxes ultimately has been reduced to a vote of confidence in the White House. A test President Clinton certainly could do without, after weeks marked by 'incidents' and the scrambling of the definition of his foreign policy."

"On the eve of the budget vote, [Clinton] was short dozens of votes (reportedly 70 out of 218); a team that had been in charge for three months only was facing an unprecedented defeat. The confidence which reigned in the White House at the beginning, has given way to confusion and, owing to the lack of a firm hand, the Republicans and Ross Perot are sitting firmly in the opposition, exploiting each hesitation or [policy] reversal.... This major problem occurs a few days after another difficult moment: the definition of a Balkans policy (and other smaller incidents such as the haircut and travelgate). The brass band take-off of the Democratic presidency turns out to be decidedly ever more distressing."

"Clinton's Authority Already At Stake"

Washington correspondent Yve Laudy in conservative Catholic La Libre Belgique (5/28) commented: "The 176 Republicans, freed since 1980 from the progressives who sometimes voted Democrat, are united as never before. They sense Clinton's weakness and will not give him one single vote.... The Democrats have always been divided; the ones from the South, generally conservative, vote with the Republicans.... Were the Democrats going to demonstrate that the party in power is no more capable of a coherent policy than a divided government? Were they going to nip in the bud the presidency of one of their own people? One has waited a long time for a president with Clinton's political courage,... but power is proportional to popularity. Clinton's popularity no longer reaches 50% and he has not rallied divided opinions sufficiently: 44 % against, 45% in favor of his plan. In short, a (hypothetical) victory could only be achieved by a small margin."

DENMARK: "Hiring Of Gergen Shows Clinton Learned Lesson"

Conservative Jyllands-Posten observed (6/1): "By hiring David Gergen... Clinton already seems to have learned the lesson about concentrating on what he was elected for.... During 12 years under Reagan and Bush, Americans have gotten used to a distorted economy which has also had a negative impact on the rest of the world. Seen from the European viewpoint, one must hope that Clinton will (now) focus on the budget, stick to it--and forget all about hairdressers and nieces (sic) in search of career opportunities."

"Clinton Must Take Advantage Of Victory"

An editorial in conservative Berlingske Tidende (5/29) held, "President Clinton badly needed to win the important vote... on his economic plan.... In foreign policy, the president failed to maintain decisiveness toward the war in the former Yugoslavia.... Domestically, there are problems too.... It's important that Clinton now take advantage of his victory (in the budget) vote in order to regain the initiative."

"A Tough Beginning"

Center-left Det Fri Aktuelt (5/29) observed: "President Clinton won his first victory in a long time.... Otherwise, the President's first four months have been marked by defeat and chaos. His 'new beginning' turned out to be more of a 'tough beginning'.... Now he has finally demonstrated his noted ability to twist arms and provided the first proof that there is power of action behind the many fine words. A serious economic policy in the United States is finally in the making, and the rest of the world can hope for lower interest rates--and perhaps eventually see the framework of a foreign policy that makes the United States's international role under President Clinton clear."

FINLAND: "A Marginal Victory On Economic Plan"

ARMS Email System

Liberal Hufvudstadsbladet (6/1) wrote: "Bill Clinton has discovered the negative aspects of his job. In foreign affairs, he is dependent on disunited Europeans who should be able to take care of European affairs themselves.

"Above all, Clinton has discovered why George Bush lost the election because of domestic and economic matters. The American Congress was not designed to formulate policies for a crisis situation.

"The victory in the House of Representatives (on the deficit-cutting package) was so marginal that it was a victory only in the sense that it was not a fatal defeat."

"Clinton's Credibility Tested"

Leading independent Helsingin Sanomat (5/30) commented: It was vital for Clinton's credibility that his deficit-cutting package was passed by the House of Representatives. Just four months after his inauguration, opinion surveys show that the President's popularity rating is plummeting.

"The U.S. press has criticized Clinton for inexperience and ineffectiveness. Similarly, U.S. allies continue to harbor doubts: Is Clinton too inexperienced?

"If Clinton continues to stumble, he faces the treat of becoming 'Carterized' early in his presidency."

PORTUGAL: "Falling Clinton Seeks New Breathing Space"

Center-right Diario de Noticias (5/1) commented: "Following the disastrous results of the first one-hundred days of his presidency, Clinton now seeks new breathing space. But the choice of Gergen, recognized for a notable capacity as a 'seller' of ideas and images of leaders, is far from being a desperate action of a president in difficulty.

"Clinton's great political vitality seems to reside in his enormous capacity to create new spaces when reality appears to impose strict limits.... This nomination surprised supporters and adversaries alike, and that very same factor of surprise is already giving the president a brief but welcomed period of respite. It remains to be seen what its real benefit will be."

"Clinton's Decline Forces Shuffle: A Republican In The White House"

Diario de Noticias (5/30) editorialized: "Gergen's first and most difficult task will be to reverse the polls which indicate that an increasing number of Americans are discontent with the President.... Apart from displeasure with the economic situation, the American middle-class, a decisive factor in the Democratic victory, has also reacted negatively to the White House 'Haircut' and travel office scandals."

SLOVENIA: "Clinton In Trouble"

Slovene daily Republika (6/2) published this article by Barbara Kramzar under the headline above, "Bill Clinton has disappointed the Americans.... He was elected because of his high goal: the recovery of the exhausted and indebted U.S. economy. His doctrine of higher taxes to decrease the enormous trade deficit...still seems attractive. But not for much longer, if he does not realize it; it seems he will not....

"Even more ardent are criticisms of his foreign policy. Not because of ambiguous and changing statements on Bosnia and Herzegovina;...it is true that the United States cannot be the world's policeman. In the eyes of average Americans, the president's ability to make the U.S. economy more competitive in the world economy...will be decisive."

SWEDEN: "Clinton Used To Living Dangerously"

Liberal Dagens Nyheter (5/30) commented: "In the eyes of the world Clinton has cut a poor figure. Confronted with the war in former Yugoslavia, he vacillated. The fact that his leadership failed to materialize is serious for the Balkans, for Europe and for the world....

"Clinton's opinion polls are declining; he is fascinated by them. He came to power as a minority president and has gained no ground.... Where is his political judgment?.... The President enjoys escaping Washington.... But it is in Washington that he must find his way. The fight is there, not in the countryside.

"Americans love to dethrone their heroes and watch them make a comeback. Clinton is used to living dangerously. He has been knocked down before and gotten back up again. But he needs a victory, and a big one."

"A Victory For Bill"

Liberal Expressen (5/29) editorialized: "Following a long row of political setbacks, Bill Clinton finally made some essential political progress: the House passed his budget proposition with substantial tax increases.... That ought to put the kibosh on everybody who claims that Clinton lacks focus and tries to be everything to everybody. Anyone who goes in for increasing gas taxes and reforming the health care system in the U.S. can be accused of naivete, but not of a lack of political courage."

"Pyrrhic Victory For Clinton"

Conservative Svenska Dagbladet (5/29) opined: "The vote in the House of Representatives was only the first bridge Clinton has to cross.... Clinton's proposed sharp increase of energy taxes has run into opposition from Senators representing states with substantial oil and gas interests.... The risk is that the budget package could hamper growth in the American economy. If that happens, there will be international consequences."

EAST ASIA AND THE PACIFIC

AUSTRALIA: "Thus Conscience"

Melbourne's conservative Herald-Sun (6/2) editorialized: "There was a schizophrenic quality to Monday's Vietnam service in Washington.... President Clinton was there as commander in chief of the US military. He was also present as a reformed draft dodger.... The man who at 23 shared the Western world's deep doubts about that ugly, unwinnable war had returned at 46 to honor the men and women who fought and died in it."

"Protesters Jeer Clinton At Vietnam Memorial"

U.S. correspondent Pilita Clark filed this comment for Melbourne's liberal Age (6/2): "President Clinton yesterday braved jeering Vietnam War veterans to make a speech in front of the famous Vietnam War Memorial.... Despite the booing in the crowd, some of those present said they believed President Clinton had every right to turn up and attempt to be part of the healing process in the post-war years. Some said they admired him for braving the hostile crowd."

"A More Mature Hand For The White House"

The liberal Sydney Morning Herald's dispatch by its Washington correspondent claimed (5/31): "Gergen's appointment, which stunned the Washington establishment, is aimed at bringing a more mature hand into the youthfully staffed White House. It will also probably help quash the impression that Mr. Clinton was only pretending to be a moderate 'New Democrat' during last year's campaign and is really far more left-wing."

"Clinton Sinks Lower, Faster Than Ford"

The liberal Sydney Morning Herald (5/29) carried its Washington correspondent's report, which opined: "One big reason why (President Clinton's) economic package is in trouble on Capitol Hill is because the Senators and Congressmen up there know they have nothing to lose from opposing a loser of a President."

"High Political Stakes"

Business-oriented Australian Financial Review's Washington correspondent (5/28) opined: "With the Clinton presidency now widely perceived as beleaguered, the high political stakes provide an obvious reason for the Administration and rebel Democrat congressmen to make a deal to get the budget plan through the lower house of Congress. But this may come at the cost of further last-minute changes to the Clinton plan, which aims to reduce the U.S. Federal budget deficit by a cumulative U.S. dollars 500 billion over five years through a near-equal measure of spending cuts and tax increases. These changes could include provisions to rebate the President's proposed energy tax for U.S. exports so as not to damage the competitiveness of American industry in foreign markets."

"Who's Afraid Of Bill Clinton?"

The conservative Australian's Washington correspondent (5/28) filed this comment: "Something is missing from this presidency. It has taken the first four months for the missing link to become clear, but events of the past two weeks have crystallized it: the Clinton Administration lacks the Fear Factor. Nobody in Washington is frightened of Bill Clinton or his White House. There's nothing menacing about them, and consequently the revolt is open. That Clinton has such poor support from his White House was shown by the fact he had to spend all of yesterday on the phone lobbying members of Congress to vote today for his deficit reduction package."

HONG KONG: "Shooting The Town Crier"

An editorial (5/31) in the independent, English-language South China Morning Post pointed out, "It's more a case of shooting the town crier than the messenger. True...George Stephanopoulos had difficulties. He did not like his dealing with the news media. And he himself has become a focus of news interest over his romance with Jennifer Grey. But Mr. Clinton should reflect that his political problems are real ones, not simply a matter of better, or worse, communications. The answers lie with the fellow in the chair in the Oval Office. That used to be where the buck stopped."

"The Sooner The Better"

The independent, English-language Hong Kong Standard's editorial (5/29) observed, "The president still insists that the combination in his economic package of cutting the deficit, stimulating growth and emphasizing retraining is just what the doctor ordered. And it will, he claims, get the U.S. economy back on track."

"We must hope that he is right. The United States is the world's dominant economy. And it is in everybody's interest to see it is fixed. And the sooner the better."

JAPAN: "U.S. Diplomacy Thrown Into Confusion"

Moderate Tokyo Shimbun (6/2) said: "We have long anticipated the diplomatic confusion that the Clinton administration is now facing. This confusion indicates the difficulty the United States is having in playing a leadership role in the post-Cold War world."

"The U.S. diplomatic confusion was evident recently in the 'straying' or indecisiveness of U.S. policy on Bosnia-Herzegovina. The most recent example was a White House spokesman's denial of Undersecretary of State Tarnoff's off-the-record remarks on the new diplomatic position prohibiting U.S. involvement on a battlefield far away from the United States."

SOUTH KOREA: "100 Days Of U.S. And Korean Presidents"

Moderate Hankook Ilbo (6/2) opined: "The substance of so-called Clintonomics designed to boost the U.S. competitiveness has lost so much of its original texture that the term Clintonomics has even disappeared. Moreover, two thirds of U.S. ambassadorial positions remain vacant. However, the first 100 days of Korean President Kim shows a striking contrast. Kim's pursuits of a reform policy intended to expel corruption, to revive the economy and to establish state discipline have been made like a 'laser beam.'"

THE MIDDLE EAST

EGYPT: "Perception Of Weakness In America's Leadership"

Salama Ahmed Salama, managing editor of leading pro-government Al Ahram, (5/29) opined, "Now in America there is a great protest against President Clinton and his administration. It is a protest against his hesitant style in dealing with both internal and foreign issues, and his hesitancy in making decisions to support America's leadership role in the world.... The most serious thing about this perception of weakness in America's leadership is that it is transmitted to the rest of the world at a time when many world issues and problems are aflame."

"Reagan's Former Aide"

Kamel Zohairy, columnist for pro-government Al-Gomhouriya, (6/2) concluded in an article, "With the sudden and serious decrease of his popularity,...[Clinton] is forced to use one of President Reagan's aides--a Republican--...to improve the image of the president."

SOUTH ASIA

BANGLADESH: "Clinton's Moves"

The independent Morning Sun (5/31) held: "President Clinton and his team have made a good number of mistakes. His ratings have come down disastrously, and Clinton knows--or ought to know--that he cannot blame others for the problems he faces. Something needed to be done."

"That something was the appointment of a Republican named Gergen as a communications consultant to the President. Stephanopolous is out. Gergen must try to recover some of the good will the president has lost in the past four months. Clinton will need him, if he means to save his presidency."

LATIN AMERICAN AND THE CARIBBEAN

ARGENTINA: "Clinton Again In Search Of The 'Reagan Democrats'"

Washington correspondent Abel Dimant commented in business-oriented Ambito Financiero (5/31): "Upon the surprise designation of a former Reagan adviser for a key White House post, President Bill Clinton not only intends to repair the deteriorated image of his government but also, it appears, to abandon his flip to the left and return to the ideological center."

MEXICO: "Clinton Prematurely Wearing Out"

Leftist-nationalist La Jornada (6/1) editorialized: "With less than six months in office, President Clinton faces a severe drop in popularity and problems--especially on economic issues--with the Congress. (Editorial cites the Los Angeles airport haircut, the firing of members of the White House Travel Office, the transfer of George Stephanopolous and the protests at the Vietnam War Memorial during the President's Memorial Day visit there as having been magnified by a U.S. press concerned with the 'anecdotal, the personal and the peripheral.') The U.S. press concentrates on minor mistakes and ignores the President's very real weaknesses, including the absence of a program, an inability to form a legislative consensus, etc. In the long run, these weaknesses will mean more than the haircut in Los Angeles. But both factors influence the steep erosion in Clinton's image. His team needs to do something quickly to ensure that the rest of his term is not a bitter one."

AFRICA

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SOUTH AFRICA: "Brief Hero"

The liberal Natal Witness (6/1) editorialized: "When Bill Clinton was elected to office by a landslide majority, American voters believed they were choosing a new future.... The perception of his administration coming out of Washington now is that it lacks competent leadership. It could also be asked whether the whole image of the presidency is not so over-publicized that impossible expectations have been created of what anyone in the position could realistically achieve."

"Clinton Lacks Toughness"

Pro-government Die Burger (6/1) commented: "President Clinton is undoubtedly an intelligent man. His quick grasp of especially the economic problems since he took office has surprised observers. But intelligence is not enough to be the leader of the strongest superpower in the world. One also needs an intellectual toughness, something which obviously he does not possess. For the world this is ominous."

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

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RECORD TYPE: PRESIDENTIAL (RECONSTRUCTED EMAIL)

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

CREATION DATE/TIME:02-JUN-1993 11:21:00.00

SUBJECT: President's Speech on the Economy 6.1.93

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

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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: Jeffrey L. Eller (ELLER_J) (WHO)
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TO: Lisa Mortman (MORTMAN_L) (WHO)
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TO: Ernest D. Gible (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: Carolyn Curriel (CURIEL_C) (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: Ethan J. Zindler (ZINDLER_E) (WHO)
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TEXT:

THE WHITE HOUSE
Office of the Press Secretary
(Milwaukee, Wisconsin)

For Immediate Release June 1, 1993

REMARKS BY THE PRESIDENT
TO THE CITIZENS OF MILWAUKEE

Milwaukee Exposition Convention Center and Arena
Milwaukee, Wisconsin

12:10 P.M. CDT

THE PRESIDENT: Thank you very much. Senator Kohl, Congressman Barrett, Mayor Norquist, ladies and gentlemen, it's wonderful to be back in Wisconsin and back in Milwaukee again, for the first time since I became President. I suppose I ought to begin by thanking the state of Wisconsin for your electoral votes. I'm very grateful for that. (Applause.)

I'd also like to thank the Metropolitan Milwaukee Association of Commerce and the Public Policy Forum for hosting this opportunity for me to visit with you, and through you, all the people of Wisconsin, about the economic issues facing our country.

I'd like to introduce some other people who are here

up there somewhere. I asked Senator Kohl where they were, and he said, "Up there somewhere." But it's dark, I can't see. I brought with me the former Chancellor of the University of Wisconsin, now the Director of the Department of Health and Human Services, Donna Shalala, who is here. (Applause.) The Chairman of the Joint Economic Committee in the House, your Congressman, David Obey, is here with me somewhere there. (Applause.) And we were met at the airport by Congressman Gerry Kleczka, who is here

ARMS Email System

Gerry. (Applause.) And Congressman-

elect Peter Barca, who is
also here somewhere. Thank you. (Applause.)

You know, a lot of times when I get out in the
country now, people who worked for me -

-
or who didn't, who just
feel like they can come up and talk, say, well, aren't you
worried about getting isolated up there in Washington? I mean,
what's the real difference in being President and just being out
here living? And I had one thing happen to me a couple of weeks
ago that illustrates the problem of being President or in the
Congress or anything else.

I was in the White House and I was up on the
Residence floor. And I got on the elevator and I was going down
to the first floor where all big -

-
if you've ever taken a tour
of the White House, that's where all the big, fancy rooms are
that the public tours. But we also use them when they're not
open for tours, and I was going to a meeting there. And the
young man who was taking me down in the elevator works for the
Usher's Office, and of course, they were all hired under my
predecessors. He didn't know me very well and he was a little
awkward, you know.

So he took me downstairs, and he opened the doors of
the elevator, and I found myself immediately in the presence of
30 total strangers who were standing there in front of the
elevator. And it turned out that they had been walking out of a
meeting with my wife on something entirely different. I didn't
know them, they didn't -

-
they knew who I was, but I'd never met
any of them. (Laughter.) And there I was -

-
so I said hello to
them, shook hands with them, and they walked by. And I turned
around and looked at the young fellow running the elevator and he
was all red-

faced. And he said, "Oh, Mr. President," he said,
"I'm so sorry I let you out in the midst of all those people."
(Laughter.)

And I looked at him and I said, "John, that's okay.
I used to be one myself." (Laughter and applause.)

I want to say a lot of things that I'll get into in
a moment, but there are one or two things I want to say
especially about Wisconsin. First, I was very moved by the
drinking water crisis here. And one of the things that we tried
to invest in that I don't think is a waste of your money in the
next five years is more federal investment in dealing with
drinking water problems, waste water problems, and other
environmentally-

related issues. I think that's a good investment
of our tax dollars. And I did enjoy my conversation with your
Mayor about that.

The other thing I'd like to do is to -

(applause.)
Thank you. I want to say a little more about this in a moment,
but since it was brought up, I want to complement Congressman
Barrett and Congressman Kleczka for reintroducing the
appropriations to fund the New Hope Welfare Reform Project. It
was vetoed last year. And I just want to tell you that, as I
said, I want to say a little more about this in my speech, but
the idea of giving people the tools they need to move off welfare
and then calling a halt to it after two years, saying it has to
come to an end and people who can should go to work I think is a
good thing. And I think we ought to fund that experiment in
Wisconsin and see if it won't work. I think a lot of people will
be for it, and I think it will work. (Applause.)

For any visitor who comes here to Milwaukee, as I
have many times, the church steeples and the factory smokestacks
are a vivid reminder of the faith and the work that made our
country what it is today. People from every continent have come
to our nation and come to cities like Milwaukee and Chicago and
Detroit without much money in their pockets, but filled with the
faith that if they worked hard and played by the rules, they
would find a better life for themselves and give their children a
better chance.

In my part of the country, in the rural South, when the agricultural economy collapsed in the Depression and then didn't pick up after the Second World War, for 30 years people poured out of the places where my folks farmed in Arkansas and Mississippi and southern states, and came up here to the northern cities seeking that same kind of opportunity.

Over the years in different ways our country has dealt with different economic challenges, but we have always tried to keep alive that American Dream -

-

that if you worked hard and played by the rules you would be rewarded. If you were especially good you could get very, very wealthy, but everyone knew that the country would rise or fall based on the broad middle class, the small businesspeople, the factory workers, the farmers, the people who really lifted the country and made it work.

And we have, to a large extent, in the 20th century succeeded in doing that until just recently. Until recently, that is, in the last 20 years, we had succeeded in building the world's most diverse society and keeping it growing together, not coming apart.

Today, we're more diverse than ever before. One county in California, Los Angeles County, has 150 different racial and ethnic groups. Today we still have the strongest, most vibrant free enterprise economy in the world. We have some of the most productive businesses in the world. But we have serious economic problems, as you all know.

Hard work rewarded by rising living standards is literally at the heart of what it means to be an American. It's at the heart of my family's heritage and probably at the heart of most of your families' heritage. And it's at the heart of the economic philosophy that compelled me to enter the race for President in 1991 and that brings me here again to Milwaukee today.

Once Americans looked forward to doubling their standard of living roughly every 25 years. As I said, that stopped about 20 years ago, as we began to be confronted with the highly competitive global economy and a slower rate of economic growth in our own country. Now, it will take us about 75 years to double our standard of living at the present pace. That means that not only do you have too many people who want to work who can't work, you have too many people working part time and you have too many people who are working like crazy and falling further and further behind.

Because I believe we can do better, I asked the people of this country to give me a chance to serve as President. (Applause.) As I said, it's very important to note what happened and when. Our real average hourly wages peaked about two decades ago. And since then, they've either been stagnant or declining as a whole. Indeed, the average working family is spending more hours a week on the job than they were in 1969 for lower real wages than they were making certainly 12 years ago, and in many cases, 20 years ago.

This is because, as I said, of changes in the global economy, more competition from people who were either more productive than we are or who work for wages we can't live on, or lack of productivity growth, of efficiency growth in our own country, or other problems with our economy. Twelve years ago, in 1981, after the presidential election of 1980, another election conducted in very difficult economic circumstances, the American people decided to give another President the chance to try an approach to deal with this problem.

The whole idea of Reaganomics was trickle-

down
economics -

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that we should lower taxes on the wealthiest Americans, depend upon them to invest in our economy to grow it: we should reduce domestic spending, but increase defense spending even more than we reduced domestic spending.

Now, in the last 12 years, that philosophy was modified around the edges some, but it maintained itself at the heart of our economic dealings. Because the taxes were cut so much in '81, they were added back a little bit over the last 12 years, mostly on the middle class. And after a while, defense spending could not be sustained because of the end of the Cold War, so it began to be cut. But by the time it was cut, health care costs were exploding. So all the defense cuts were swallowed up by exploding health care costs and interest payments on the debt.

But the fundamental idea remains -

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that the most important thing was not to worry about investment or the deficit or anything else; the most important thing was to worry about keeping taxes low on upper income people and keeping the government's hands off the economy, except when it was necessary to invest in defense, and then when it wasn't necessary, to even get out of that.

Now, that was the theory. And we now have had a chance to see how it works. I think it's fair to say that the only reason I was elected in 1992 is that the American people thought that it hadn't work very well, that there were problems -- (applause) -

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I say this -

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as I will make clear in a minute, this is not a partisan criticism, because it took bipartisan agreement at least to go along with the framework of this. But what had happened was that we had a good deal of growth in the early '80s, where we had defense increases and tax cuts, but the deficit got big. Then when the defense business got cut, all we did was pay more for the same health care. No one reinvested in the economy to give those defense workers something else to do, and the deficit got bigger and bigger and bigger.

Now, the American people voted for change. They wanted me to try to rebuild the middle class both in terms of jobs and incomes, to invest in our own people and our jobs, to cut the deficit, to open the doors of education to all, and to deal with the terrible health care crisis, and to make a real dent at welfare reform -

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removing people from dependence and moving them to independence.

I was sent to the White House, I think, to take on brain-

dead politics in Washington from either party -

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or from both. (Applause.) Some, but not all, in the national Democratic Party have placed too much faith in the whole politics of entitlement -

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the idea that big bureaucracies and government spending, demanding nothing in return, can produce the results we want. We know that is simply not true. (Applause.) There is a limit to how much government can do in the absence of an appropriate response by the American people at the grass-

roots level. And there is a limit to how many decisions can be made properly in Washington. And most of our growth has and always will come from the private sector.

On the other hand, some, but not all, in the national Republican Party have practiced the politics of abandonment -

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of walking away from common concerns like dropping test scores, or rising crime rates, or an insufficient infrastructure, or taking care of the people who won the Cold War for us and now don't have anything to do in the wake of defense cutbacks -

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and in simply insisting that as long as you don't raise taxes on upper income people and don't talk about it when you raise taxes on anybody else, everything's going to be fine. Well, that's not right either. We have to move beyond entitlement and abandonment. (Applause.)

I ran for President basically on the same things that I found had worked for me when I was a governor -

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not entitlement, not abandonment, but empowerment -

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the idea of creating a new American community by offering people more opportunity and demanding more responsibility. (Applause.)

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I think we have made a real start at that. In the first few weeks of this administration we have passed an important political reform measure, the motor voter bill; and we have moving through the Congress a really tough lobby disclosure bill and a campaign finance reform bill that are the kind of things Wisconsin has been famous for years. (Applause.)

We have tried to support the middle class in this administration. Only 17 days into the administration, I signed the Family Leave Bill to guarantee that people don't lose their jobs when they have to take a little time off to have a baby or when there's a sick parent. (Applause.) The Congress is now considering our national service legislation, which would open the doors of college education to all and soon will have a health care program that will provide real security to working families. (Applause.)

For the first time in 17 years the Congress passed the budget resolution, the outline of our deficit reduction plan and our plans to invest in the country, on time -

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for the first time in 17 years. And that helped to produce the lowest home mortgage rates in 20 years and other low interest rates because people believe we're trying to bring this deficit down. So we have made a good beginning. (Applause.)

But to be fair, the hard work is still ahead. The House of Representatives passed my economic program last week with some minor modifications, many of which made them better, I thought. (Applause.) But the hard work lies ahead. All the difficulties in this world are in the details. We can always agree on generalities. The question is, what are the specifics?

I came here to ask you to join with me in trying to tackle the three deficits that are paralyzing this country today: the deficit of dollars in our federal budget, the deficit of investment in the private and public sectors, and the deficit of responsibility in our national government. (Applause.)

Now, let's talk about this deficit, the government's budget deficit. Our country last ran a balanced budget in 1969. We haven't balanced our national books since then. But to be fair, the deficit was not a serious problem for our economic performance until 1981 when we built permanent deficits into our federal government system.

What happened? President Reagan, in the midst of a recession, made what is -

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has been a typical proposal by presidents throughout American history -

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he said, we're in a recession, we ought to have a tax cut. The problem was, by the time he and the Congress got through bidding each other up and playing to the American people's hatred of taxes, the tax cut was twice the percentage of our annual income that he originally proposed. And it was adopted anyway. Nobody really thought about what it would do to the structure of the federal budget.

And ever since then, we've been dealing with the consequences of that, plus increasing spending, as I said

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first in defense; and then after defense was cut, an absolute explosion in health care costs, which I'll bet many of you have also experienced in your private health insurance premiums as well as your government tax dollars. (Applause.)

Listen to this: Over the past dozen years alone, the annual deficit soared from \$79 billion to \$322 billion. The national debt in 12 years, after over 200 years as a nation, quadrupled from \$1 trillion to \$4 trillion. While Washington cut taxes on the wealthiest individuals, even after the deficit went up, we had exploding health care costs, exploding costs to pay interest on a bigger and bigger debt. And while the government was used as a punching bag -

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everybody talked against big government -

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no one ever really did anything fundamentally to reform the way it operates or rein in its unnecessary spending.

As this deficit soaked up more and more of our national savings which could otherwise have been invested in

private, plant and equipment and human skills, we created a second deficit -

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an investment deficit. From the 1960s to the 1980s, public investment -

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that is, the expenditure of your federal tax dollars in education and training, in new technologies for new jobs, and in infrastructure -

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things like better water systems and bridges and roads and airports -

-

dwindled from four and a half percent to just 2.6 percent of our annual income.

Every time a company can't find qualified workers, every time trucks are rattled by highways riddled with potholes, every time a department store closes because a city is not safe after dark, we see the consequences of the investment deficit. Our income as a nation goes down, and we have fewer jobs as well.

Meanwhile, national policy rewarded companies for their financial strategies, not their investment strategies: for making deals, not products; for seeking new mergers, not new markets. Business investment declined from 7.2 percent of our gross national product in the 1970s to only 5.4 percent in the '80s.

The investment deficit also slows the growth of our workers' productivity. And in a market economy, people get paid by what they can produce by global standards. Compensation per hour -

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what workers earn in wages and fringe benefits -

-

grew more slowly in the last 20 years than in the previous 100. From 1954 to 1973, hourly compensation grew at over 3 percent per year. The more people produced, the more they earned. But in the last 20 years, as productivity slowed down, compensation increased by less than one percent per year.

This low productivity led to higher unemployment, stagnant wages

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and guess what? -

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lower tax receipts. So the deficit got bigger, because people weren't earning enough money to pay into the government to keep the deficit down. They relate one to the other.

This was aggravated when we cut the defense budget with no plan to put the defense workers back to work in the new civilian economy. And in some of our biggest unemployment areas -

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you see from Connecticut to Southern California, you see high

dollar, scientific workers, people with advanced degrees and very skilled factory workers with nothing else to do because there was no thought given to what these people would do once the defense work was shut down, even though we know there are tens of thousands of jobs waiting to be had in the global economy in new technologies, in aerospace, in electronics, in biotechnology, and environment cleanup, just to name four. We know those jobs are out there. But we know our competitors are working hard in partnership with the government and the private sector to develop them.

At the same time, the exploding cost of health care and education put a crimp not only on the growth of average families' incomes and small business incomes, but on the overall health of our economy. Average health costs per family tripled in the last dozen years. Too many middle-

class people at the same time experienced job block -

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that is, they couldn't move jobs because someone in their family had been sick. They had what the insurers call a preexisting condition, meaning that if they wanted to have their health insurance, they had to stay in the job they were in.

Now, we're living in a country, folks, where the average 18-

year-

old will change work seven or eight times in a lifetime. If you can't change jobs in this kind of an economy, your future is dramatically constricted -

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all because we are the only nation with an advanced economy that hasn't figured out how to provide basic health care at affordable cost to all of our people. (Applause.)

And look what's happened to education. In the 1980s, the value of an education virtually doubled. By the end of the decade, the average college graduate was earning twice the average high school graduate -

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the difference between what a college graduate and a high school graduate earned at the end of the decade was twice what it was in 1980 at the beginning. And yet, look what happened to college costs. The cost of public colleges went up by 109 percent and private colleges by 145 percent. College drifting, drifting, drifting out of the reach of ordinary Americans, and the college dropout rate became more than twice as high as the high school dropout rate, either because people were sent unprepared, which was wrong, or they couldn't afford to stay, which happened all too often.

Virtually every economic decision that was made in Washington -

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or not made properly

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sent signals to our people that the old rewards for hard work and playing by the rules and responsibility were declining. Most of the economic gains of the 1980s went to people in the top one percent of the income brackets, and most of them were not those that were producing new products and services, but instead were those who were producing financial arrangements, which exploded the cost of paperwork and didn't do much to create more jobs in America.

Too many people who were at the bottom rung of the ladder and working hard to get out -

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which, after all, is where most of our families started somewhere along the way -- found that their hard-

earned wages left them below the poverty line and removed ever more the incentive to work instead of to be on welfare. If work doesn't pay, why not go on welfare? How many times have we heard that said in the last 10 or 12 years in the city streets and in the rural communities of America?

These are the things, my fellow Americans, that we have to change. This is a historic moment. Now that the House has passed this budget plan to reduce the deficit and to target investments in our future, and it's going to the Senate for further debate, we can make a decision to seize control of our economic destiny. That is why I have asked everyone in Washington to go beyond politics as usual, to forget about partisan divisions, to try to find bipartisan responsibility in place of bipartisan blame and irresponsibility. (Applause.)

Now, the plan that I have proposed cuts \$500 billion from the federal deficit, the largest deficit reduction program in our history. It makes decisions long delayed and avoided. The plan is balanced and fair. About half of the deficit reduction comes from spending reductions and restraints on entitlements; about half comes from tax increases. Entitlements - that is, medical programs, Social Security benefits, agriculture benefits, welfare benefits, food stamp benefits, things you get because of who you are -

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those things -

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we rein
in spending by \$100 billion over the next five years.

We cut 200 other areas of the budget by more than \$150 billion in the next five years. We cut some very popular programs in this country, from highway demonstration projects to rural electrification. But that has to be done. We cut about \$47 billion directly out of the operations of the federal government -- freezes in federal pay, restrictions on federal retirement, the reduction in the federal work force by 149,000 people over the next five years. (Applause.)

All of that has been written into this budget. The plan imposes new discipline on government spending -- no increases in taxes unless there are cuts in spending -- and all of it put into a trust fund that must remain there for the five-

year life of the deficit.

We also adopted a unique mechanism right at the end of the House of Representatives debate which requires every year, if we miss this deficit reduction target -

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and Congressman Obey got a bunch of charts; I wish he were up here showing them to you -- about how the two previous administrations said the deficit would go down to zero three different times, and they never did make a target. If we miss our targets, every year -

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now the President is legally bound to come in and offer a correction in the budget to meet that deficit reduction target, and the Congress has to vote on it. (Applause.)

Now, I lead with all this -

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I dare say that most of you, since all you've heard are about the fights on taxes, didn't know how much spending was cut and probably don't know what incentives are there for investment. I'll get to that in a minute. Some taxes are raised. No less authority than David Stockman, who was President Reagan's Budget Director, was quoted not long ago as saying, anybody, Republican or Democrat, who thinks you can get this deficit down without increasing taxes does not understand what we did to the tax system in 1981. (Applause.)

Now, those are the spending cuts we had. the spending cuts are real. There are more than 200 of them. There are more than I recommended in the campaign because I didn't know in the campaign what happened right after the election, which is that the deficit miraculously was increased by \$165 billion, announced by the government before I took office but after the election.

So we cut spending some more. And there are some more tax increases, too. But look how they fall. Seventy four percent of the money we raise comes from people with incomes above \$100,000. (Applause.) Over 60 percent of this money comes from people with incomes above \$200,000. (Applause.) Now, that is not an attack on the wealthy. It is an acknowledgement that people in that income group had their incomes go up and their taxes go down in the '80s; middle-

class people had their taxes go up and their incomes go down in the '80s. So we're just trying to redress the fairness of the matter. (Applause.)

Now, let me tell you exactly what you will pay if you're a middle-

class American, if your family income is under \$100,000. I had wanted, and I advocated in the campaign, tax relief for middle-

class families, especially those with children. I still want that, and I still intend to propose that before I'm done. But I can't do it now because the deficit is so much bigger than it was when I was making these proposals. It would be irresponsible for me to advocate a very substantial increase on upper incomes and not ask the middle-

class Americans to make any contribution at all.

But listen to what it costs. First of all, for working families with incomes under \$30,000, we have done everything we could to make sure that the energy tax, which is the middle-

class tax here, will cost nothing by giving an income tax credit to offset the income tax. (Applause.) Arthur

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Anderson -

one fellow out here has been heckling me and saying I'm not telling the truth, so I'll say, Arthur Andersen, which is a fairly reputable firm, hardly packed full of Democrats -

(laughter) -

has examined my program and says that a family of three with an income of \$25,000 a year or less will actually get a tax cut under the Clinton economic plan as it is now. (Applause.)

For a family with an income of \$40,000 a year, if the energy tax passes just as it is, and if there are four people in the family, the bill will be a dollar a month next year, \$7 a month the year after that, and \$17 a month the year after that. All of the money, every last red cent of it, will go into a deficit reduction trust fund to bring down the deficit. Every penny. (Applause.)

Now, the question is, is it worth it? Is it worth it? And here's my answer to you. You may say it's not worth it, but look what's happened since November. First, when we announced the energy tax and the deficit reduction plan, long-

term interest rates started to go down. Second, after I actually presented it to Congress in February they went down some more. Now, for most of the last three months, long-

term interest rates have been at their lowest rate in decades; mortgage rates at the lowest rate in 20 years; consumer loans down; college loans down; car loans down; business loans down. Millions and millions of Americans are out there breaking their necks to refinance their home loans and their business loans. So much so that the business analysts say that if we can keep interest rates down at this level for a year, we will put \$100 billion back into this economy in lower interest rates because people think we're serious about bringing the deficit down. (Applause.)

What does that mean? What does that mean? That means, let's just say if someone had a \$100,000 home mortgage financed at 10 percent and they refinanced it at 7.5 percent, that would be a \$2,000 saving in one year. A \$2,000 saving in one year. In other words, there would be more than twice the savings in one year as this program would cost that same family in four years if it were passed exactly as it is today.

Now, I think that's pretty good for America. If we don't do something to get the interest rates down, clean the debt out, and get control of our economic destiny, we're going to be in big trouble.

Now, there are also a lot of incentives in this program for people to further save money. Let me just give you a few. Let's take a typical farm family in Wisconsin. The family's income net is under \$30,000. They will be eligible for tax credits. A single-

family farm under this program for the first time will be able to get a tax deduction for their health insurance premiums, something they haven't been able to do before.

The expensing provisions for small businesses and farmers will allow them to write off \$25,000 -

not \$10,000 -

of investment now. So much so that the average Wisconsin farm, even after they pay higher energy costs and have agricultural budget cuts, will wind up with a lower bill rather than a higher bill if this whole program passes.

And I think it's very important to look at the incentives here. We have more incentives for small businesses, an historic incentive for people to invest in new business, real incentives for people to put money into plant and equipment and hire people in America, instead of just put money into financial transactions or invest money overseas. These are incentives that will give the American people the way to lower their taxes by creating jobs here in America, which is what I talked about in the campaign. (Applause.) That's how you ought to be able to lower your tax bill. (Applause.)

Now, let me also tell you that this plan invests

some new money. You have to ask yourself whether you think it's worth it. Is it worth it for us to invest enough money at the national level to do the following things: to try to provide some incentives for companies who won't have defense contracts anymore to develop domestic technologies to put those high wage workers back to work? (Applause.) Is it worth it to try to provide jobs in America in areas where America needs work with new water systems and new environmental cleanup systems? Is it worth it to provide a small amount of money to try to see that America joins Germany, Japan, and every other advanced country in saying if you don't go to a four-

year college, at least you ought to have access to two years of further education and training so you can get a good and decent job? (Applause.) Is it worth it or not? You have to decide. (Applause.)

Now, if you believe all government spending is evil and bad, you would say, no, it's not worth it. But if you look at our competitors and if you look at what works and what produces growth, and the fact that it is clearly the skill levels of our people which will determine as much as anything else the economic future of America, I think you'd have to say, yes, it is worth it. We've got too many people who are not competitive in a global economy today. (Applause.)

One final thing. This state has always been a pioneer -

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people in both parties have always been interested -

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at least in my experience as governor -

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in welfare reform, in moving people from welfare to work. One of the biggest problems with welfare reform is this: If you take somebody off welfare and you put them in a low-

wage job because they don't have much education, they have to take that wage and pay for child care out of it, because they're not home taking care of the kids anymore, and they may not have medical insurance. And the earnings are so low there is a big incentive not to do it.

This bill, this economic program, makes a major down payment on welfare reform -

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doing what I want to do, which is to change the whole system and say after you get education and training, if after two years you don't have a job, you have to go to work in the public or private sector. This bill starts that by saying this: If you work 40 hours a week and you've got a kid in your house, the tax system will lift you out of poverty. We'll give you a tax break so that you will not be living in poverty if you work full-

time with children in your home. What else could be more American, and what else would do more to end the welfare dependency we have in this country? (Applause.)

Now, let's talk about where we are with this. This bill's going to the Senate now. Senator Kohl and Senator Feingold are going to get a chance to work on it. And everybody in America -

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if I said, wouldn't you like it if we did everything I just said but we did it with more budget cuts and even less tax, and you would say, yes; I would say yes. Who could disagree? Who could disagree? The question is, what are the details?

Let me try to describe to you what's going on. When you hear all this stuff, that this is a tax program -

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this is not just a tax program. This is a budget cutting program. This is an investment program in your future. This is incentives for the private sector to create new jobs in ways that have never been provided before.

You know, in this bill, if you invest in a new business and it makes money, and you hold that investment five years, you cut your tax rate in half under this program. That's a real incentive. Under this bill, if you invest money in a poor neighborhood in Milwaukee, if it gets designated an empowerment zone, you can get all kinds of incentives for private sector investment that have never been available before.

ever; never
proposed by Republicans or Democrats before to get private sector
investment to rebuild. (Applause.) So there's a lot of things
in this bill. (Applause.)

But let's just take the rhetoric. Everybody would
like to do all this with less tax and more budget cuts. But look
behind the rhetoric. For example, when the House voted on my
program last week, there was a Republican substitute. The
Republican substitute purported to have the same amount of
deficit reduction I did with no taxes and all budget cuts. Guess
what. More Republicans voted against a Republican bill than
Democrats voted against my bill. (Applause.) Why? Why?
Because the Republicans who voted against it thought it cut too
much out of Social Security, too much out of medical care, too
much out of farm programs, too much out of things that are part
of the fabric of this nation's economy or part of our built-

in
obligation to one another. So they disagreed. They couldn't
agree on that.

Let me give you another example. Some define less
tax and more cuts as lower taxes on the very wealthy, replaced by
reducing the cost of living increase to Social Security
recipients barely above the poverty line; or to people barely
above the poverty line who are working, they want to reduce the
tax credits they get.

Let me give you another example. Others say, well,
just cut more Medicare costs. Don't give those doctors and
hospitals any more money. Now, that's got a lot of appeal to a
lot of people. But let me tell you what happens. If you cut
Medicare costs without reforming the health care system, you can
do it to some extent, but if you do it too much, you know what
will happen? Every one of you who works in the private sector
who has a private health insurance policy, will have your
premiums go up as a result.

Because if the government doesn't pay for the care
that the government mandates that people get, what do the doctors
and hospitals do? They put the cost onto private business, onto
private employers and private employees. And your health
insurance premiums soar.

One of the reasons a lot of you are paying too much
for health care today is that American has 35 million people with
no health insurance, and other people who are being
undercompensated; and as a result of that, you're paying more.
Because everybody in this country gets health care, don't they --
they just get it when it's too late, too expensive, and at the
emergency room. And you get sent the bill if you have health
insurance. So it sounds good, but it may not be so good.
(Applause.)

I could give you a lot of other examples. The way
words are used. For example, the way our adversaries calculate
this, if we ask upper-

income Social Security recipients -

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who
are getting more out of the system than they put in, plus
interest -

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to pay a little more of their income to taxation,
then that's a tax. But if we cut the cost of living allowance to
the poorest Social Security recipients, that's a budget cut.
Right? That's the way they define it.

Now, but most people in this room say, well, if you
have to do one or the other, better to ask people who can pay and
who are getting more back out than they put in plus interest to
give a little more than to take it out of the poorest ones who
are just above the poverty line. (Applause.) But if you get
into these word games -

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it sounds terrible if it's tax and cut.
It doesn't sound so bad when you talk about what it really is.

Here are the principles that I hope the Senate will
honor next week. Number one, we've got to cut the deficit at
least \$500 billion, and we ought to put it in a trust fund so the
money can't be fooled with for the next five years. (Applause.)

Number two, because of what happened in the last 12
years, any taxes we raise must, in the end, be progressive.
Those who can pay more should pay more, and we should minimize
the burden on the middle class. (Applause.)

Number three, don't do anything to the incentive to

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move people from welfare to work. Let's go ahead and say that if you work 40 hours a week and you have a child in your home, you don't deserve to be in poverty. You've played by the rules and we'll let you out of poverty. (Applause.)

Number four, keep the incentives for small businesses, for new businesses, for investment in our cities, for housing incentives, for research and development -

keep all those tax incentives in there to grow this economy. Don't take them out. (Applause.)

And, number five, when we cut spending -

and we'll cut some more and raise some -

we'll cut the taxes and have more spending cuts next week. But when we do it, let's leave the money in there that will shape these children's economic future. Let's have the money for education and training, for investment in technology, for help for the defense industries that are building down. Let's rebuild the American economy. Because, after all, you can cut all the spending you want, and if people don't have jobs and they aren't earning money, we're still not going to be able to balance the budget. So let's keep the economic future of the country uppermost in our minds. (Applause.)

The last thing I'd like to say to you, my fellow Americans, is that none of this is going to be easy, but you should not be discouraged. After all, these trends, as I said, have gone through administrations of Democrats and Republicans for 20 years now. We are moving away from a set of policies that have been the rule for 12 years. I'm trying to move beyond a bipartisan gridlock which has existed for about a decade.

We are trying to do it in a global economy where other rich nations have unemployment rates as high or higher than ours, and there's a recession all over the world. This is not easy, but it can be done. It can be done if we have the courage to change direction. And if we will listen and look beneath the labels to the facts, I believe we can do it. It is simply a question of asking what we have to do to regain control of our destiny, what we have to do to invest in our people, what we have to do to get jobs and incomes and health security back into this country again.

And let me just say one last thing in closing. When I was a governor for 12 years, my state in every one of those 12 years had a tax burden -

the state and local tax burden was in the bottom five in America. We had one of the toughest balanced budget laws in the country. And when I asked the people of my state for more taxes it was always to pay for something specific -

better schools, better roads, more jobs, in a trust fund. I never ever dreamed I be in a position in my life asking people to pay \$1 just to bring the deficit down.

But we got ourselves in this fix, folks, over a long period of time. And until we get our interest rates down and regain control of our economic future and show that we have the discipline to handle our affairs, it is going to be very difficult for us to do a lot of these other things that all of us want to do.

These decisions are not easy, but we must make them. So I ask you again -

encourage Senator Kohl and all the other people in the United States Senate, encourage Senator Feingold, encourage them all, to give me a good budget with less taxes and more spending cuts. But remember the principles -

make sure the money goes to deficit reduction; invest some in our economic future, because that's important; make sure the people who can pay do; don't take the welfare reform initiatives out of it; and remember that in the end, the private sector creates the jobs, so leave the incentives in there.

And let me say this: fifty of the 100 biggest

ARMS Email System

companies in this country have endorsed this program. I have been very moved that so many people in upper-

income groups, who are going to pay the overwhelming majority of these taxes, have endorsed this program, because they know that it is imperative to get control of our future. (Applause.)

And I ask you, the people of Wisconsin, to endorse the program for the future of your children and our nation. (Applause.)

Thank you very much, and God bless you all.
(Applause.)
END12:55 P.M. CDT

ARMS Email System

RECORD TYPE: PRESIDENTIAL (RECONSTRUCTED EMAIL)

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

CREATION DATE/TIME:02-JUN-1993 18:27:00.00

SUBJECT: Philadelphia Speech

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)
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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

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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

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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)
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
(Philadelphia, Pennsylvania)

For Immediate Release May 28, 1993

REMARKS BY THE PRESIDENT
TO THE PEOPLE OF PHILADELPHIA

Courtyard
City Hall
Philadelphia, Pennsylvania

12:19 P.M. EDT

THE PRESIDENT: Thank you very much, Rosemary Greco.
You know, she's the sort of person that I ran for President to
support -

-

a person who started out as a bank teller and became
the president of a bank. That's the American Dream. (Applause.)

I want to say how glad I am to be here, back in
Philadelphia, a city that has been so good to me for so long now.
(Applause.) With your Mayor and Senator Wofford and with the
members of the House delegation who are up here on the platform
with me, and with your State Treasurer Catherine Baker Knoll -

.

I'm glad to be here with all of them. Give them a hand, will
you? (Applause.)

My fellow Americans, since I became President I have
been working to break the gridlock in Washington, to prove that
government could work for you again. And there have been some
impressive examples of success in that regard. The Congress,
after eight years of rankling with the President and two vetoes,
voted to pass the Family and Medical Leave Act to guarantee
working people a little time off when the baby was born or a
parent was sick. (Applause.) And eventually, after years of

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haggling, voted to pass the motor voter bill to open up the voter registration rolls to millions of Americans and bring them into the political process. (Applause.)

But the real issue was whether we had the courage to come to grips with the economic problems which have paralyzed this country. After years and years of years of gridlock. after years of leaders talking about economic problems and not doing much about them. after years in which we ran our national debt from \$1 trillion to \$4 trillion and reduced our investment in our people, their jobs and their future at the same time, last night the House of Representatives gave the American people a victory for economic growth over gridlock. (Applause.)

The plan cuts the deficit by \$500 billion, cuts \$1 trillion -

-
a quarter of a \$1 trillion in government spending, asks the wealthy who can best afford to pay their fair share, invests in education and jobs, and rewards work instead of welfare.

(Audience interruption.)

Let me tell you something -

-
wait a minute. You know one things that's wrong with this country? Everybody gets a chance to have their fair say. My budget did more to fight AIDS than any in history, and we're having to put up with this. (Applause.) Tell them to let me talk. (Applause.) If you want to give a speech -

-
go out there and raise your own crowd. We'll be glad to listen to you. (Applause.)

So there were those -

-
(interruption) -

-
I'll make you a deal. I'll ignore them if you will. (Applause.)

There were a lot of people who said we could never change the way things were in Washington -

-
the same sort of people who picked the Phillies to finish last this year. (Applause.) By the way, I think the Phillies are looking pretty good, even that big fellow, Kruk, you know, is a big bat. I wonder who cuts his hair? (Laughter and applause.)

Let me tell you something, folks, make no mistake about it, this national capital of yours is beginning to change. After years in which our House was coming apart with higher deficits and less investment, a government by special interests instead of the national interests, middle class working harder for less -

-
things are really beginning to change. (Applause.)

After years of a lot of hot air and no responsibility and no willingness to take the tough decisions. yesterday the House began to throw out the economic program that ran our debt to \$4 trillion, ran the middle class into the ground, created a new class of poverty and robbed our country of opportunity and any sense of community. We are now moving forward with a plan that reduces the deficit, asks the wealthy who can pay their fair share, gives the middle class the chance of having a future with real economic growth, and provides profound incentives to prefer work over welfare. These are the kinds of things you elected me to do. (Applause.)

And I want to say one of the most rewarding things is the people who supported the program -

-
I mean, after all, this is a program which asks that 75 percent of the money raised in taxes be paid for by people with incomes above \$100,000. Any yet, among the strongest supporters were people who had that income who believe their country was more important than their own pocketbook. And we ought to reward that. (Applause.)

We had not just labor leaders and small

ARMS Email System

businesspeople and mayors of small and big cities and governors for this program. There were people who led some of the biggest

-

-

lead some of the biggest companies in this country out there working to give our country a better chance and a brighter future --

because they know that we have to stop reducing our investment and running up our debt. We need to reverse our priorities, and now we're on the way to doing it. (Applause.)

A lot of these decisions were not easy, but they had to be made. I tried to set a good example. I reduced my own staff. We've had a reduction in this budget in the federal work force by attrition, not by laying people off -

-

but we're going to reduce the federal government by 150,000 over the next four years. That's a lot. That's a lot of government spending cuts. (Applause.) We cut more than 200 specific programs. We cut \$2 in spending for every \$1 in new investments and education and jobs and technology.

There were things that had never been really seriously dealt with before -

-

the budget's sacred cows; everything from agricultural subsidies to the REA to other problems that affect the cities. Demonstration projects that had never been seriously reviewed; cuts in the Medicare program that couldn't be justified. And the federal employees perhaps took the biggest hit of all, foregoing a pay raise and having a budget that lowers their raises below the cost of living for four years, because most of them agreed that they couldn't ask any of you to pay more

even the wealthiest Americans -

-

unless they took less. That's the kind of spirit it's going to take to turn this country around and move the country forward. (Applause.)

I'll tell you something else. Every dollar in taxes and all the budget cuts have to go into a deficit reduction trust fund. There will be no taxes without the budget cuts and all the money will go to bringing the debt down. And we will have some left over to do things that need to be done. Here in Philadelphia, you know, because of defense cuts, we need to invest some money to help move our country from a defense to a domestic economy. New technologies for new jobs and new opportunities in the future. (Applause.)

Because this debt turned out to be bigger even than we knew before the election, I did ask the Congress to adopt an energy tax, some of which will be paid by middle-

class Americans. But I want you to know exactly how it works and you've got to decide whether you think it's worth it.

First of all, we have income tax reductions to protect family incomes below \$30,000 from the impact of the energy tax. For people above \$30,000 up to \$100,000, here's what it costs: \$1 a month next year; \$7 a month the year after; and if you've got a family of four, \$17 a month after that. But consider this: Look how much interest rates have gone down. If we keep interest rates down and people can refinance their homes, get car loans at lower rates, get consumer loans at lower rates, get lower business loans from good bankers like Rosemary, you will save more in interest rates than you'll ever pay in the energy tax, and you'll have a healthier economy and a lower deficit. (Applause.)

Just for example: If someone had \$100,000 home mortgage that was financed at 10 percent and they refinanced it at 7.5 percent, they'd save \$175 a month -

-

a month, not a year. This is going to be good economics. If we can keep interest rates down by bringing the debt down, that will release another \$100 billion into this economy this year to put the American people back to work. (Applause.)

Yesterday was a historic day, but it was just the beginning. Now the bill goes onto the Senate. And we must work to pass the bill that meets these principles: The wealthy must pay their fair share. We have to reduce the deficit by \$500

billion. We have to keep the incentives for people to invest in our jobs and in our cities. And we've got to give people incentives to move from welfare to work, not the other way around. That's the kind of bill that needs to come to my desk. (Applause.)

There are 80,000 lobbyists in Washington. Many of them don't want Washington to change. Think of that. Maybe some of you all are in the wrong line of work -

80,000. Special interests that work in the Senate who have now proposed that we cut Social Security and put more of a burden on the middle class in order to relieve the burden on the wealthiest Americans, when many of them are leading the crusade for change. I think we can do better. I think we can do better. And we're going to do better in the United States Senate with your help. (Applause.)

The process of changing is not easy, not even and not quick. But we are moving in the right direction. The budget is on the way to being realized. There is a program now in the United States Congress with broad bipartisan support to fulfill the commitment I made to you to open the doors of college education to all Americans and give our young people a chance to pay off their college through national service through their communities here at home. (Applause.)

Very soon the national commission on health care, which my wife has chaired will present their plan to provide affordable health care to all Americans and bring down the cost of health care that threatens our economic stability. (Applause.) How many millions of Americans not only lack health insurance, but have it and are terrified of losing it because somebody in their family has been sick and they think they'll never be able to change jobs. We can do better, and we will with your support. (Applause.)

Finally, there are bills in the Congress which will help to change the very way your national government works. a bill that will require every lobbyist to register and to say how much money they spend lobbying all the rest of us and report it to you -

-
I think that would be a good thing -
-

already passed
the Senate; can pass the House. (Applause.)

And Mayor Rendell was talking about the campaign finance reform bill, which at long last will lower the cost of congressional campaigns, limit the influence of political action committees, and open the airwaves to candidates so they can have an honest debate. That bill is in the Congress and we ought to pass it this year. (Applause.)

When I was running for President, I was profoundly influenced by the series in the Philadelphia Inquirer by Donald Bartlett and James Steele. The stories they made into a book called "America, What Went Wrong?" They said that after 50 years, the middle class and small business had been helped for 50 years, but things began to change about a dozen years ago. About a dozen years ago, the national government adopted tax policies and economic policies that rewarded those who shut jobs down in America and sent them somewhere else; rewarded those who laid their workers off and bailed out with golden parachutes to better lives. We stopped rewarding responsibility and work and rigged the game of economic life against the broad American middle class. They were right, but we're fighting to change that.

And Americans from all walks of life are helping. I will say again, to me the most moving thing of all has been how many genuinely successful Americans, people this country has been good to, people who have made a lot of money, have come forward and said, go ahead and raise my taxes if it will bring the deficit down and put the American people back to work and get this country going again. That's the kind of statesmanship we need everywhere in this country. (Applause.)

Yesterday we began the process of saying no to gridlock, no to special interests, no to the spiraling deficit, no to increased unemployment, no to the conditions which lead so many of you to work harder for lower wages every year. We said yes to a brighter future to America. Yes to lower deficits. Yes to more jobs. Yes to higher incomes. Yes to a future in which we have a real chance to compete and win.

Things are going in the right direction. Stay with us, fight with us, help to lift this country up, and believe in its future. And we can do it.

Thank you, and God bless you all. (Applause.)
END12:35 P.M. EDT

ARMS Email System

RECORD TYPE: PRESIDENTIAL (RECONSTRUCTED EMAIL)

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

CREATION DATE/TIME:02-JUN-1993 11:33:00.00

SUBJECT: President's Remarks at Photo Op with Brian Mulroney 6.2.93

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)
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TO: Thomas O. Levenberg (LEVENBERG_T) (WHO)
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TO: Jeffrey L. Eller (ELLER_J) (WHO)
READ: UNKNOWN

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

TO: Ernest D. Gible (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)
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TO: Lavora R. Barnes (BARNES_L) (WHO)
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TO: C. Patricia Cogdell (COGDELL_C) (WHO)
READ: UNKNOWN

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TO: Kimberly S. Hopper (HOPPER_K) (WHO)
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TO: Lorraine A. Voles (VOLES_L) (WHO)
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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)
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TO: Jack Quinn (QUINN_J) (VPO)
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TO: Katie McGinty (MCGINTY_K) (VPO)
READ: UNKNOWN

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)
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

For Immediate Release June 2, 1993

REMARKS BY THE PRESIDENT
AND PRIME MINISTER BRIAN MULRONEY OF CANADA
IN PHOTO OPPORTUNITY

The Oval Office
8:49 A.M. EDT

Q Is this a hail and farewell visit?

PRIME MINISTER MULRONEY: I came down to see the President about NAFTA and some trade matters and Bosnia, where we have troops on the ground, and to work with him -

-

we agree with prudent and thoughtful course he's been pursuing there. And I'd like to talk to him about further engagement at the United Nations. And also to say good-

bye -

-

and to you, Helen. After a decade I thought I owed you a trip.

Q Are you going to miss it?

PRIME MINISTER MULRONEY: Pardon?

Q Going to miss it, aren't you?

PRIME MINISTER MULRONEY: Yeah. All politicians suffer from decompression when they leave office.

Q Do you agree with the Bosnia policy?

PRIME MINISTER MULRONEY: Yes, I do. I agree that -

Q You don't think it should have been more aggressive on the allied part?

PRIME MINISTER MULRONEY: Well, I've been astonished by some American commentators and observers asking for an American solution in Bosnia. There's no such thing. There is only a common solution, for all of us have to get into this together and accept our responsibilities. It's unfair to say that, oh, why don't we have an American solution to this intractable problem that's gone on for hundreds of years. It's not available. But there is, perhaps, a better, as the President's pointed out, a better common approach that we can develop at the United Nations Security Council with everybody pulling his weight or her weight. And that's what we're going to talk about today.

Q Mr. President, Senator Boren says now that there can be no BTU tax -

-

no longer a compromise, it's now none.

THE PRESIDENT: I don't have any comment on that. I had a good visit with him. He called me the other day, said he was encouraged by where we were going, and he thought we would reach agreement. I'm not going to get into a verbal war of words. The Congress is out this week and we're going to meet next week and try to work it out.

Q Have you decided to push a health care plan? Have you decided to push a health care plan?

Q Are you going to pull the nomination of Guinier?

THE PRESIDENT: No, there's been -

-

we're working ahead. As a matter of fact, I've got another meeting, a big meeting on the health care issue this week. We are, you know, trying to -

-

we're trying to do two things. We're trying to, first of all, to get as many of the kinks work out as we can before we go forward. It's an enormously complicated issue. And then we want to make sure that we have, you know, discussed it with as many people as possible.

-

many groups and everything -- after we've reached some final conclusions; and that when we present it to the Congress, it's presented at a time and in a way that both the Congress and the American people can focus on it. But there's been no decision for a sustained delay here. I'm focusing right now on passing the budget when the Senate comes back next week.

Q Will it be released this month?

THE PRESIDENT: I don't want to get -

-

I'm not in a time

-

-

I don't want to get -

-

Q How about Guinier? Are you pulling out the nomination of Guinier?

PRIME MINISTER MULRONEY: Bye, Helen. (Laughter.) On behalf of all Canadians, Helen, good-

bye.

Q Nothing ventured -

-

(Laughter).
END9:05 A.M. EDT

ARMS Email System

RECORD TYPE: PRESIDENTIAL (RECONSTRUCTED EMAIL)

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

CREATION DATE/TIME:04-JUN-1993 15:44:00.00

SUBJECT: Press Briefing by George Stephanopoulos 6.4.93

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

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

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

TO: Maria M. Tio (TIO_M) (WHO)
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TO: Joshua N. Silverman (SILVERMAN_J) (WHO)
READ: UNKNOWN

TO: Jess Sarmiento (SARMIENTO_J) (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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TEXT:

THE WHITE HOUSE
Office of the Press Secretary

For Immediate Release June 4, 1993

PRESS BRIEFING
BY GEORGE STEPHANOPOULOS

The Briefing Room

12:41 P.M. EDT

MR. STEPHANOPOULOS: We're going to be having a presidential statement on sanctions against Haiti later this afternoon. And there will be a background briefing here at 2:30 p.m. by an official from the State Department and Treasury Department.

Any questions?

Q Is it paper or are we going to see the President?

Q You said presidential statement.

MR. STEPHANOPOULOS: We'll have a paper, the statement, and then we'll do a background briefing.

Q Is that an attempt to try to placate the Congressional Black Caucus?

MR. STEPHANOPOULOS: Not at all, Andrea. Nice try, but, yes, I think the President three or four days ago said that we would be having a statement on Haiti later this week, and this is that statement.

Q? Well, what is the President's view about those who feel that he has let them down and that he abandoned their principles in this case?

MR. STEPHANOPOULOS: Well, I think he President spoke to that last night. He was standing up for his principles and what he believed in. When it came down to the final decision, he felt that he simply could not go forward with a divisive fight, a fight that would polarize the Senate, a fight that would not help lead to progress in civil rights over writings that he could not in good conscience defend.

ARMS Email System

Q Let me follow on that. She says that he misinterpreted her writings; and the Attorney General said this morning that she read the writings and no difficulty with them.

MR. STEPHANOPOULOS: Well, I think that the President and Professor Guinier went over that last night. They met for an hour and 15 minutes. They had an extended discussion. I don't know how deeply they went into the writings, but I know they did discuss the writings, and they simply have a disagreement here. I don't know that it serves any useful purpose to go back over that ground. We're going to look forward. But if there is a disagreement, that is a disagreement the President feels in his heart. He read the writings. He read the University of Michigan Law Review. And there's simply a difference of opinion.

Q Has the President spoken with, or has anybody on the senior staff spoken with any of the civil rights leaders or members of the Congressional Black Caucus since the decision to withdraw her nomination, and can you tell us about that?

MR. STEPHANOPOULOS: Yes, the President has spoken with members of the Congressional Black Caucus, and I'm certain that that will continue today and over the weekend. I also believe that there have been meetings at a staff level and phone calls with members of various civil rights groups. I believe there's a meeting this afternoon, and if I can get a list on that, we'll put it out. I don't --

Q Who will meet

MR. STEPHANOPOULOS: Staff will meet with various members of civil rights groups. And, again, if I can get a list, I'll put it out.

Q -

-
put it out?

MR. STEPHANOPOULOS: I think so.

Q Staff only?

MR. STEPHANOPOULOS: I believe so, yes.

Q Tell us who in the civil rights, or in the Black Caucus that he spoke to.

MR. STEPHANOPOULOS: I know he spoke to the Chairman, Kweisi Mfume, last night. And I know that he is planning or may have already spoken to some members today. I don't know who else he's spoken to since then.

Q Did he anticipate, having made that decision, the kind of reaction that he got from them?

MR. STEPHANOPOULOS: I think that, unfortunately, there were tough politics involved in this issue. But the President felt that he had to go forward with what he believed was right, and that's what he did.

Q George, can you just give us a little blow-

by-

blow

-- first of all, why the decision was made last night instead of the day before when we were getting so many indications that it had been made? And what was the role of David Gergen? If you could just kind of take us step by step -

MR. STEPHANOPOULOS: I think that more than anything else the President wanted to make sure that he was as fair as he possibly could be to Professor Guinier. It was a very difficult decision for him. It was a very painful decision for him. He knows that in many ways she was, unfortunately, put through an ordeal through no fault of her own. But he wanted to make sure yesterday that he was completely confident in his decision. And as you know, he spent much of yesterday morning reading her writings. He read the University of Michigan Law Review article. He read some other items. And he wanted to talk to some people during the day. David Gergen was around. He was part of the meetings, but he didn't say all that much, but he was around in part of the meetings.

Q Is there any reason he couldn't have done that the day before? I mean, did he want to wait for her to go on Nightline? I mean, what was the -

why did it take so long?

MR. STEPHANOPOULOS: Well, again, I think that the President spoke to that yesterday. He wanted to make sure before there was any final decision that he had a complete understanding. The situation was evolving and he just felt that yesterday morning he wanted to get a full understanding before he made a final decision.

Q Was there a staff failure in not getting those briefs to him earlier?

MR. STEPHANOPOULOS: Again, I think it was unfortunate -- at the beginning the President said himself that had he read the writings beforehand, he probably -

-

he would not have nominated her. I think that the President may have not been adequately briefed. That's too bad. But he takes responsibility for it.

Q George, you said you want to look forward. Can you tell us specifically what is it that the President's going to be doing to try to focus on different things? Is he going to go certain places, do certain things in the next three, four, five, six, seven days to placate the liberals who are upset, the moderates who want to be reassured, and so forth?

MR. STEPHANOPOULOS: Well, the President is going to, first of all, do what he can again to continue to make progress on his economic plan. He's going to continue to work with members of the Senate and the House. As I said, he's going to be speaking with members of the Congressional Black Caucus both today and over the weekend, and I would expect that he'll be meeting with them when the Congress returns next week. I think he'll continue to try to make progress on appointing a Supreme Court nominee sometime in the near future. And he'll just be focusing on getting the economic plan passed.

Q A follow-

up on the Supreme Court nominee. Is he going to be influenced by concern voiced over the dropping of this nomination on what he does on the Supreme Court nominee? In other words, might that result in a different person being named?

MR. STEPHANOPOULOS: I don't think so. He's going to pick the person who he thinks can best serve on the Court.

Q When will that come?

MR. STEPHANOPOULOS: Soon.

Q George, will there be any staff changes as a result of this latest nomination problem?

MR. STEPHANOPOULOS: I don't think so. I think that, as you know, Mack McLarty has said that there will be sometime in the near future some reorganization of some kind, and he'll announce that when he can. But I don't think there's anything directly tied to this.

Q Will that involve Mr. Nussbaum? Will he stay in that position?

MR. STEPHANOPOULOS: Again, I can't comment on any of the changes, but not to my knowledge.

Q George, can you tell us if the President has talked to Bernie Nussbaum about how to vet candidates for these sorts of positions in the future?

MR. STEPHANOPOULOS: Again, I don't know that he's had any direct conversation in the last day or so. But, obviously, this is something we want to pay a lot of attention to. We want to make sure that we have a complete vet, that we catch every conceivable problem and see every conceivable outcome.

Q George, did the President watch Lani Guinier's news conference on television this morning?

MR. STEPHANOPOULOS: I don't think so.

Q What is your reaction to what she basically had to say, that she still feels that she was hung out to dry?

MR. STEPHANOPOULOS: Again, I think the President feels very badly about this. He feels very sorry for Lani Guinier. He thinks she's a woman of outstanding character, outstanding intellect who's had an outstanding career in the fields of civil rights as a civil rights attorney. He feels badly about what's happened. It was a very painful decision for him.

Q The Attorney General and the President clearly disagree on the impact of her writings. And the Attorney General also said this morning that she has been -

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that these things had

been flagged to her and she's read them to her satisfaction and felt there was no problem with them. One at a time -

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has the President and the Attorney General talked about their differences over interpretation of Ms. Guinier's writings? And, secondarily, who was the person in the White House who she said flagged her about the provocative nature of the writings?

MR. STEPHANOPOULOS: Number one, I don't think so. They did have a good conversation last night and during the day yesterday.

Q -

-
discuss their disagreements about this -

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MR. STEPHANOPOULOS: I think what the Attorney General told the President is that she supported his decision and she felt it was time to move on.

On the second question, I don't know who had the contact at the Justice Department. I can try and find out, but I don't know.

Q George, this is the third time that this has happened involving a Justice Department nominee. What are you guys learning about the vetting process and what needs to be systematically done to make sure that this sort of thing doesn't happen again?

MR. STEPHANOPOULOS: Again, I don't know that you can necessarily take different events and say the exact same thing happened because it didn't. I think that obviously this is very complicated and we live in a time when there are an awful lot of attention paid to nominations like this, and you have to try and think of every conceivable political substantive problem that might arise. Generally, we've done a very good job with that. I mean, I think -

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Q The exact same thing did happen in this respect, and that's that in both cases -

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in all three cases

MR. STEPHANOPOULOS: I didn't get to finish my sentence.

Q -

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there were items that somebody in the White House knew about and alerted somebody about and still no action was taken.

MR. STEPHANOPOULOS: I resist making any exact comparisons. I mean, these are different cases. What I was trying to say is that, generally, we've had a lot of appointments and, generally, the vetting process has worked. Our nominees have gotten through with good speed, at a faster pace than our two predecessors, President's Reagan and Bush, and we've generally avoided serious problems. These things do happen in the course of making a lot of nominations where you have wholesale change in government. There are going to be problems that arise. You can't catch everything. You can't have perfection. Obviously, we would like to do better. We will do better.

Q George, a month ago, a conservative group said that they were going to go after Guinier, they were going to try to defeat her. They knew about the University of Michigan Law Review article. They knew about some of the other -

-

quote, unquote -

-

"controversial things" she had written about. Are you saying that in the last month that the President was not told about the writings and there was no communication with him on that?

MR. STEPHANOPOULOS: First of all, to take it in two

parts. Number one, I think the President still strongly disagrees with the mischaracterizations of Professor Guinier's work by a lot of those conservative groups. They took things out of context. They made charges that are simply not true. To my knowledge, Professor Guinier's explicitly rejected the notion of quotas. And they go forward and try and make charges about quotas. I think that was wrong; I think the President thinks it was wrong.

I think the President also did speak to it a couple of weeks ago. I mean, he believed that this job is essentially the job to enforce the civil rights laws and that Lani Guinier could and should be judged largely on the character of her work as a civil rights attorney and her overall career. Unfortunately, the focus of the nomination became her writings and that the President believed would be very divisive, would be very polarizing and it was not something that he could, if that was going to be the basis of the nomination, not something that he could in good conscience defend.

Q Can I follow up on that?

Q If she doesn't believe in quotas, can you summarize what she does believe in?

MR. STEPHANOPOULOS: I don't think it's for me to summarize what Professor Guinier believes in. The President has expressed his view. The President has made his decision.

Q What did he read that he didn't agree with?

MR. STEPHANOPOULOS: Well, the President spoke to that last night. He said her views in the University of Michigan Law Review article on proportional interest representation could lead to kind of sweeping remedies that he just couldn't support. But he spoke to that last night.

Q Isn't that quotas, though?

MR. STEPHANOPOULOS: No, it's not quotas.

Q Can you define why not?

MR. STEPHANOPOULOS: Well, it's not about quotas at all. It's about setting up different procedures in legislatures on minority voting.

Q George, on that issue, why is Jesse Jackson not right then in that the President has made perhaps -

MR. STEPHANOPOULOS: That's quite a lead-

in. I can't wait for the second half. (Laughter.)

Q -

in choosing the architect of Reaganomics as one of his senior advisors, and yet has decided to cut loose Ms. Guinier for an academic writing when her commitment would be to enforce Congress's civil rights law anyway?

MR. STEPHANOPOULOS: What the President said was that he -- that this fight would be polarizing, would be divisive, would tear the Senate apart in a debate over ideas that he could not defend. That is why he chose not to go forward.

Q But her job would be to enforce civil rights laws passed by Congress.

MR. STEPHANOPOULOS: Yes. I mean, it would, and it also would -

she also would be in charge of day-

to-

day enforcement of the civil rights laws. That involves dozens of decisions every day which would -

which could have an effect in state and local jurisdictions. And he felt that he just could not go forward with the nomination.

Q But, George, in a political sense, I guess the question is, why didn't the President or his advisors see the train coming? I mean, if this is going to be a big fight, a huge fight, divisive, why didn't they see that coming?

MR. STEPHANOPOULOS: I think it's something that built up over time. I mean, Professor Guinier did go forward and meet with the senators. It appeared that the opposition did not lessen, and it

also appeared that the writings were becoming the focus of the debate.

Q Why couldn't you let the Senate debate that? That's what advise and consent is all about. There was some suggestion that the administration was trying to let some of the Democrats off the hook on this so that they wouldn't have to vote against Lani Guinier. How do you respond to that?

MR. STEPHANOPOULOS: What the President was trying to do was to avoid, as I've said before and as he said last night, a divisive, polarizing battle which would not serve the purpose of bringing people together, which would not serve the interests which he expounded in his campaign of healing racial divisions, instead it would tear people apart. That was a fight he felt he could not go forward with in good conscience.

Q Well, how will this heal racial divisions?

Q Does avoiding that battle improve the chances for the budget reconciliation bill in the Senate?

MR. STEPHANOPOULOS: I don't know about that. I do know that the President is going to do everything he can in the coming days and weeks to make sure that we get a consensus behind that plan, that we get a majority behind that plan and we get it passed as quickly as possible.

Q If you had had the battle, would that have created problems potentially for the budget reconciliation battle?

MR. STEPHANOPOULOS: I suppose that's possible. I suppose it would have been -

- it could have been a diversion. But the President is going to focus on the economic plan.

Q George, a couple of weeks ago out in the Rose Garden press conference, the President said that, when Brit raised the question about her writings, he said that the Attorney General and the President would set civil rights policy for the country, implying that he didn't have to necessarily agree with every last speck of her writings. What happened to that notion that since policy would be set by General Reno and the President it wasn't necessarily that important that they -

- MR. STEPHANOPOULOS: Well, I think it became clear that that wasn't the basis upon which the Senate debate would take place. And the Senate debate was going to be about Lani Guinier's writings and about -

- and that's what it was going to focus on.

Q It was clear that the Chairman of the Senate Judiciary Committee didn't feel as though he could, in good conscience, defend her writings, either. Did you all ever take a head count or try and find a Democratic rabbi for Ms. Guinier in the Judiciary Committee?

MR. STEPHANOPOULOS: Well, as you know Professor Guinier did meet with several members of the Senate Judiciary Committee and several other senators. Obviously, we're in contact with members of the Senate every day and the President did have discussions with members of the Senate Judiciary Committee and other senators. I don't think there was a formal head count in that sense at all, but there was serious consultation.

Q George, here in this case as in the jobs stimulus package you kind of let your adversaries define the debate, you didn't define the debate. How do you go forward from here and go on the offensive in cases like this to let your issues be the battleground that the President spoke about last night?

MR. STEPHANOPOULOS: Well, I think that's what we're going to try to do every day and we're going to try and bring it back to the important issues that he got elected on, bring it back to reviving this nation's economy, bring it back to getting our health care plan through, bringing it back to the issues that elected the President, the issues the American people expect him to focus on.

I mean, in that regard, one of the things the President was pleased to note this morning was the lowering of the unemployment rate for the first time, I believe, in 18 months, the first time that it was below seven percent. Obviously, this is something we take great heart in and we're going to continue to focus on the economy.

Q George, do you concede that you failed to define the debate in your terms that were favorable to you?

MR. STEPHANOPOULOS: Well, again, I think that part of the problem was that in the end there was a disagreement over the nature of the writings and that was inescapable.

Q You defined this whole dispute a little while ago as a question of her confirmability, in essence. The dispute over the writings was going to make her unconfirmable in the Senate. How then -

-

do you disagree with that characterization?

MR. STEPHANOPOULOS: Yes, I guess I do disagree with that characterization. In the end the President also could not -

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I mean, the President had substantive disagreements in principle over those writings.

Q As I understand it, but the way you said it just a few minutes ago when you were asked about consultations and head counting, you said there was a basic question of whether

-

that you had obviously consulted with members of the Senate, as the President said he would do, and obviously you did not get good messages back from them about this, which helped to reinforce what the President's ultimate decision was. But assuming for a case that that's so, how could Vice President Gore say there was no politics in this decision?

MR. STEPHANOPOULOS: Well, I think that in the end the final decision was about the writings. There's no question about that. I mean, that's why the President chose to withdraw the nomination. He felt that he could not move forward defending writings which he did not believe in. As he said last night, and he said it very, very clearly, if this were an attack on her character, if this were an attack on her legal career, he would move forward even if there were only one senator supporting it. That is not what this was about. In the end he felt that he could not go forward because her writings were not writings that he could defend through this debate.

Q George, can you explain why when she went to the Hill -

-

Q Wasn't there even one senator on the Judiciary Committee who you knew you could count on?

MR. STEPHANOPOULOS: I don't have a head count in the Senate.

Q George, can you explain why when she went to make her calls, she went by herself without anyone from the White House staff accompanying her, according to reports from the Hill?

MR. STEPHANOPOULOS: I don't know that that's true. I mean, I would defer to Ricki, but I think that she had a team as all conferees have a team.

Q The reports we're getting from the Hill is that she did not have a team, she went by herself.

MR. STEPHANOPOULOS: I just don't think that's true. I can get more information for you later.

Q Was anyone from the White House with her?

MR. STEPHANOPOULOS: First of all, I know that Ricki worked very closely on this whole -

-

MS. SEIDMAN: Howard Paster accompanied her on the meetings -

-

MR. STEPHANOPOULOS: She said Howard Paster also accompanied her on meetings.

Q Can you take that question and check?

MR. STEPHANOPOULOS: Sure, absolutely.

Q We were told he did not.

Q George, the First Lady yesterday told labor groups that she expects to have a December 24th signing of the health plan. How is that possible given that the earliest you're going to get it up there is the end of this month?

MR. STEPHANOPOULOS: Well, I think that -

hopefully, we will have quick consideration by the congressional committees. And we'll be able to just push hard throughout the fall.

Q Do you really think that's realistic?

MR. STEPHANOPOULOS: Sure, it is.

Q What's your message to the civil rights leaders that you're reaching out to? And what was the President telling those members of the Black Caucus that he talked to who accused him of cowardice and -

MR. STEPHANOPOULOS: Well, what he said, first of all, is that we have a disagreement over principle. I'm sorry about that, but that's the way it is. I hope you'll understand. I hope you'll also know that I remain committed to civil rights, committed to the strong enforcement of the Voting Rights Act and the other civil rights laws, committed to making progress. And I'm committed to getting a nominee now as we move forward who's committed to those same goals. And I look forward to working with you. I understand your strong feelings about this. You're going to have to understand mine, and let's move forward.

Q George, is he going to consult any of those civil rights groups for a name or names for the next nominee?

MR. STEPHANOPOULOS: I'm certain there will be consultations.

Q Were they consulted on Lani Guinier, or did that just come from his own acquaintance with her?

MR. STEPHANOPOULOS: I think, clearly, the President's acquaintance with her and her work had a lot to do with the nomination. But I also believe that they were consulted and were obviously very pleased with the original nomination.

Q A quick economics question, to give you a break. With the job figures out, does this mean that -

a few extra jobs now, does the administration plan to modify or maintain its view of the jobless recovery?

MR. STEPHANOPOULOS: Well, obviously, we're pleased by the drop in the unemployment rate. We want to continue -

we want to see that continue. We want to see the unemployment rate continue to go down, and that's -

we're going to continue to push for the President's economic package.

Q Does that change your view that there is a jobless recovery?

MR. STEPHANOPOULOS: Well, the only thing we've seen this month is improvement. And we hope to see more in the coming months.

Q George, may I follow up on the economy for a second? Secretary Bentsen this morning suggested in an interview on CNN -

(laughter) -

MR. STEPHANOPOULOS: By whom?

Q -

he suggested that you might be willing to reconsider the increase in the income tax rate so it wouldn't be retroactive to January 1st, '93, but would be active January 1st, '94, depending on the state of the economy. Is that now open to consideration, as Secretary Bentsen has suggested?

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MR. STEPHANOPOULOS: I didn't see the interview, so I don't think I should comment on that directly. What the President has said is that as we move through the Senate we expect to have fewer taxes and more spending cuts. The exact composition of that at this time I don't know, but we're going to continue to look at a variety of options.

Q Do you know why he -

MR. STEPHANOPOULOS: No, the explanation is just some technical problems, but I don't have anything more on that.

Q He also suggested in a Wall Street Journal interview that maybe you're willing to cut the Btu tax by 25 to 33 percent as part of a compromise with the senators.

MR. STEPHANOPOULOS: As I say to answer again, I think that we're looking at fewer taxes and more spending cuts. The exact composition I don't know.

Q George, just to follow up on the economic question. I realize that you all are pleased about the drop in the unemployment rate, but there's also some renewed speculation that the Federal Reserve may be forced to raise interest rates. Would the administration oppose that?

MR. STEPHANOPOULOS: Obviously, we're always -

we're watching that closely and we share the same goals of promoting growth while restraining inflation. But I'm not going to comment directly.

Q George, it sounds like the next potential crisis coming at you, the next train coming in your direction -

(laughter)

MR. STEPHANOPOULOS: Thanks for the warning.

Q -

is the Congressional Black Caucus has said they might exact revenge for what Clinton did on this nomination and thus vote against the economic package when it comes up for final approval. I have a couple of question on that. One, does he think that that is an appropriate or even patriotic stance to take, to use revenge to get the budget package, \$500 billion or whatever it is.

Q It's certainly not patriotic. (Laughter.)

Q What is he doing to convince them not to do that?

MR. STEPHANOPOULOS: Well, the President's talking to members of the Black Caucus and he continues to believe that his economic package is in the best interest of the country. And he's going to continue to reach out support from every quarter, Democrats and Republicans alike. And we're going to do everything we can to get support. The President is sensitive to their concerns, and he's going to talk to them about it and listen to what they have to say.

Q To follow up on that idea, it seems in the last week the President has been whipsawed from one side to the other in dealing with Congress. If he's not trying to beg for votes from conservatives and moderates and making promises about -

on the energy tax or whatever, now he's trying to placate the Congressional Black Caucus. Why hasn't he been able to show more leadership in dealing with these -

MR. STEPHANOPOULOS: I think that's upside down. The President showed leadership last week in the House when he stood before and asked members of the House for a very tough vote on a package to reduce the deficit. One of the toughest votes in a generation and he got it passed. He stood up for what he believed in and it worked.

I think he did the same thing this week and this was a

very painful decision for him. It was a very difficult decision for him, but in the end he had to stand up for what he believed in, despite the political consequences either way. He had to say, this is what I think is right, this is what I must do. And that's what he did.

Q George, so many senators were opposed to Lani's nomination. Have any of those who were opposed to her called the President to congratulate him and express support for the decision. to say, hey, we'll work with it -

MR. STEPHANOPOULOS: I don't know about calling the President. It's my understanding that Senator Mitchell put out a statement last night. I believe that Senator Breaux is putting out a statement today. I think others are probably doing that as well.

Q What is your response to Republican senators who say that Professor Guinier deserved her day, deserved her hearing?

MR. STEPHANOPOULOS: The same response I gave here.

Q I'm sorry, I don't see the relationship.

MR. STEPHANOPOULOS: The relationship -

Q Do you feel that they're not being honest in that or what?

MR. STEPHANOPOULOS: No, I think that the President felt that this would be a divisive battle, one that he would

that he did not think it was in the best interest of civil rights or the best interest of the country. That's why he chose not to go forward.

Q George, when is the first meetings going to be taking place with senators on the budget bill? Is there going to be anything this weekend or Monday, Tuesday?

MR. STEPHANOPOULOS: I don't know about any formal meetings this weekend. I mean, obviously, the President and other members of the staff have been talking to senators straight through this process. That will continue. I don't know of any scheduled meetings at this time.

Q How about the meeting with Boren? Has anything been set up yet?

MR. STEPHANOPOULOS: No.

Q Okay. Let me follow up on specifics. Is the President or the White House prepared to come to the table with its ideas for additional spending cuts, anticipating that this is where we're going to end up or are you waiting for members to come to you?

MR. STEPHANOPOULOS: I think we're going to just work with the Senate and work with the Chairman of the Senate Finance Committee, Mr. Moynihan; and other members of the Senate Finance Committee; and the majority leader, Senator Mitchell; and continue to work with them on the best package. But those consultations are continuing now.

Q What did Secretary Bentsen mean when he was talking about a new mechanism to collect Medicare from the elderly?

MR. STEPHANOPOULOS: I don't know. I didn't see the statement.

Q The President was supposed to take a trip early next week; it's been canceled. The question is does he plan to spend more time here trying to get things in order at least in the foreseeable future. or does he plan to travel as much as ever?

MR. STEPHANOPOULOS: Before we weren't traveling enough. I think that he'll probably travel, I mean, just continue to have a mix, come out every week or two. This week -

next week he's going to be focusing on the reconciliation plan. He's got a lot of work to do and he's going to stay here and focus on it.

Q George, it's not clear from what you said or what the President said last night that he was specifically warned about the problems with Guinier's writings. Was he ever specifically warned by anybody in the White House staff that there might be a problem here?

MR. STEPHANOPOULOS: What he was told was that there

-

just that some people thought there might be a controversy with the writings, but that it shouldn't be a big deal, not worry about it. And obviously, the briefing could have been more full, but the President takes responsibility for that.

Q Was that prior to nomination?

Q When did that take place?

MR. STEPHANOPOULOS: I don't know.

Q Was that prior to nomination -

-

that conversation?

MR. STEPHANOPOULOS: What?

Q Prior to her nomination or after her nomination that he was warned about possible controversy?

MR. STEPHANOPOULOS: I think it was at the time.

Q George, have any other nominees or appointments been judged on the basis of their writings? Is this the first one? Have any -

-

has the President gone over past writings of any other appointments?

MR. STEPHANOPOULOS: Not to my knowledge. I think it would obviously come into play with the Supreme Court at some level. I mean, this is similar with Judge Bork. I don't think -

-

but I couldn't swear, I mean, there are so many appointments, I couldn't speak to every single one.

Q Whose job is that to send up a red flag about controversial writing?

MR. STEPHANOPOULOS: Well, I think that, obviously the vetting process is supposed to be sensitive to all the different concerns. I mean, it's something that we're striving for. In this case, it didn't work adequately, but we're going to move forward.

Q Whose job is it to send up that flare? Is that the Personnel Office? Is that the Counsel's Office? Is that somebody else? Whose responsibility was it here?

MR. STEPHANOPOULOS: The Counsel's Office is responsible

-

has overall responsibility for the vetting.

Q And who warned the President?

MR. STEPHANOPOULOS: I don't know what the nature of the conversations were. I don't know who was there at the time.

Q

he characterizes it as unfortunate. But is the President -

-

I mean, isn't he a little upset with the way the staff handled this whole thing?

MR. STEPHANOPOULOS: The President is sorry about this whole thing.

Q George, it's been written that maybe one of the reasons that he didn't get a strong warning is because the President and the First Lady are good friends with Ms. Guinier. Do you think that was indeed a factor in why they didn't warn him more strongly about these writings?

MR. STEPHANOPOULOS: I don't really know. And I would the President made a statement last night. I don't know that it serves much more purpose to go back over that. It's hard to reconstruct the events exactly or what was in people's minds exactly. But for whatever reason, the process didn't work as well as it could have worked and we're going to do better.

Q George, after the nomination, whose job was it to

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see the train coming and then whose job was it to tell the President that there was a serious problem here and he should reconsider?

MR. STEPHANOPOULOS: Again, I don't know that this kind of finger-

pointing is going to serve any purpose. What we do know is that in this case it didn't work as well as it could have worked.

Q -

-
going on -

MR. STEPHANOPOULOS: Well, as you know, Mack is doing a review -

-
is planning on announcing an overall -

-
some changes in the staff structure to make it work better over time. We're looking to strengthen. We've had a lot of people stretched very thin for the past several months.

Q This has nothing to do with -

MR. STEPHANOPOULOS: No. I just said -

-
we know overall we can be doing a better job, and we're going to continue to try to improve that.

Q George, you were asked a question about Jesse Jackson earlier. I'd like to hear a little bit more of your response. What the Reverend was saying late last night -

-
and it's the quote that's used in the paper this morning and he amplified on it further there -

-
was the implication of a double standard. He was suggesting that Lani Guinier was being judged on the basis of her past writings and statements. And his question was, if that's the case, then why is David Gergen being hired at the White House at all? Would you address the issue of -

MR. STEPHANOPOULOS: Again, you have to look at the President's reasoning for not going forward. In this case, those writings were becoming the focus of a divisive, polarizing debate in the Senate. They were not -

-
and that debate would not serve a constructive purpose. It would not advance the cause of civil rights. It would not help bring people together. The President felt that he can -

that that debate, under those circumstances, would not be helpful, would not be good for the country. And that's why he chose not to go forward.

Q -

-
coincidentally -

Q May I follow up?

MR. STEPHANOPOULOS: Sure.

Q

threaten the economic program?

MR. STEPHANOPOULOS: What I said was that it would not help the cause of civil rights, it would be polarizing, it would be divisive. It would not be helpful in any way.

Q Why would that be the case? Why wouldn't the public be served by an open public discussion about race?

MR. STEPHANOPOULOS: In this case, it would have been a discussion focused on ideas that in the end he could not defend. That's why the President could not go forward.

Q George -

excuse me -

could I just follow up on my original question?

MR. STEPHANOPOULOS: Sure.

Q Would you agree or disagree then with the other part of Reverend Jackson's statement last night in which he suggested that it would seem to him that Mr. Clinton would feel closer to the writings and ideas of Lani Guinier than he would to those of David Gergen?

MR. STEPHANOPOULOS: Again, I'm not going to get into that kind of a comparison. I'm just not going to do that. What I would say is that in this case, which is the case the President had to deal with this week, he felt he could not go forward.

Q George, could you tell us what Gergen's been doing on his first day and a half?

MR. STEPHANOPOULOS: He hasn't really officially started yet. He's sort of getting the lay of the land.

Q Meeting with staff to get -

MR. STEPHANOPOULOS: I think he has been meeting with staffers, sure.

Q Where is his office going to be?

MR. STEPHANOPOULOS: I don't think that's been settled yet.

Q In the hallway, in the corridor? Is he going to have a telephone? (Laughter.)

Q Are you going to stay in your office?

MR. STEPHANOPOULOS: I don't know what the final decisions are yet.

Q George, are you going to continue briefing for a while yet?

MR. STEPHANOPOULOS: I don't know. (Laughter.)

Q He means like next week, not today.

MR. STEPHANOPOULOS: I know what he means. (Laughter.)

Q On scaling back the Btu tax, one of the CEOs at the luncheon on Wednesday, said that the President gave a very clear message that even though he would want that energy tax broad-

based domestically, that internationally, he feels there should be some protection granted. Along that line, he was given the clear impression that the President was willing to support the exemption from the Btu tax for energy intensive exports.

MR. STEPHANOPOULOS: We're in consultations with the Senate on all this right now. We've made some decisions; we'll let you know.

THE PRESS: Thank you.

END 1:16 P.M. EDT
#80

06/04

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RECORD TYPE: PRESIDENTIAL (RECONSTRUCTED EMAIL)

CREATOR: Nestor M. Davidson (DAVIDSON_N) (WHO)

CREATION DATE/TIME:07-JUN-1993 07:35:00.00

SUBJECT: Senate Watch 6/7/93

TO: Barbara C. Chow	(CHOW_B) (WHO)
READ: UNKNOWN	
TO: Nestor M. Davidson	(DAVIDSON_N) (WHO)
READ: UNKNOWN	
TO: Steve Ricchetti	(RICCHETTI_S) (WHO)
READ: UNKNOWN	
TO: Margaret C. Sherry	(SHERRY_M) (WHO)
READ: UNKNOWN	
TO: Tracey E. Thornton	(THORNTON_T) (WHO)
READ: UNKNOWN	
TO: Susan Brophy	(BROPHY_S) (WHO)
READ: UNKNOWN	
TO: Timothy J. Keating	(KEATING_T) (WHO)
READ: UNKNOWN	
TO: Unice B. Lieberman	(LIEBERMAN_U) (WHO)
READ: UNKNOWN	
TO: Ann M. Cattalini	(CATTALINI_A) (WHO)
READ: UNKNOWN	
TO: Lorraine C. Miller	(MILLER_L) (WHO)
READ: UNKNOWN	
TO: Karen L. Hancox	(HANCOX_K) (WHO)
READ: UNKNOWN	
TO: Stuart E. Trevelyan	(TREVELYAN_S) (WHO)
READ: UNKNOWN	
TO: Kathleen L. O'Neill	(ONEILL_K) (WHO)
READ: UNKNOWN	
TO: LeeAnn Inadomi	(INADOMI_L) (WHO)
READ: UNKNOWN	
TO: Melissa G. Banks	(BANKS_M) (WHO)
READ: UNKNOWN	
TO: Anne Walker	(WALKER_A) (WHO)
READ: UNKNOWN	
TO: Meeghan E. Prunty	(PRUNTY_M) (WHO)
READ: UNKNOWN	
TO: Ricki Seidman	(SEIDMAN_R) (WHO)
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TO: Eric Berman	(BERMAN_E) (WHO)
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TO: George Stephanopoulos	(STEPHANOPO_G) (WHO)
READ: UNKNOWN	
TO: Heather Beckel	(BECKEL_H) (WHO)
READ: UNKNOWN	
TO: S. Collier Andress	(ANDRESS_S) (WHO)
READ: UNKNOWN	
TO: Mark Bernkopf	(BERNKOPF_M) (WHO)
READ: UNKNOWN	
TO: Elizabeth A. Bernstein	(BERNSTEIN_E) (WHO)
READ: UNKNOWN	
TO: Robert O. Boorstin	(BOORSTIN_R) (WHO)
READ: UNKNOWN	
TO: Keith Boykin	(BOYKIN_K) (WHO)
READ: UNKNOWN	
TO: David Dreyer	(DREYER_D) (WHO)
READ: UNKNOWN	
TO: Deborah L. Fine	(FINE_D) (WHO)
READ: UNKNOWN	
TO: David Kusnet	(KUSNET_D) (WHO)
READ: UNKNOWN	
TO: David Leavy	(LEAVY_D) (WHO)
READ: UNKNOWN	
TO: Mike Lux	(LUX_M) (WHO)
READ: UNKNOWN	

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TO: Doris Matsui (MATSUI_D) (WHO)
READ: UNKNOWN

TO: Jason Solomon (SOLOMON_J) (WHO)
READ: UNKNOWN

TO: Kimberly Tilley (TILLEY_K) (WHO)
READ: UNKNOWN

TO: Michael Waldman (WALDMAN_M) (WHO)
READ: UNKNOWN

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

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

TO: Paul R. Carey (CAREY_P) (WHO)
READ: UNKNOWN

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

TO: Ken Chitester (CHITESTER_K) (WHO)
READ: UNKNOWN

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

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

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

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

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

TO: Deborah J. Behr (BEHR_D) (OA)
READ: UNKNOWN

TO: Manager Infomgt (INFOMGT) (SYS)
READ: UNKNOWN

TO: FAX (92240291, Mike Feldman) (TLXA1MAIL_ \F:92240291\C:Mike Feldman\\) (DEFAULT)
READ: UNKNOWN

TO: FAX (94885056, Tom Janenda) (TLXA1MAIL_ \F:94885056\C:Tom Janenda\\) (DEFAULT)
READ: UNKNOWN

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

TEXT:
PRINTER FONT 18_POINT_ROMAN
SENATE WATCH
HORIZONTAL_PITCH 10
PRINTER FONT 12_POINT_ROMAN
Monday, June 7, 1993

FLOOR: The Senate convenes at 2:00 p.m., and at 2:30 p.m. will return to consideration of S.3, the Campaign Finance Reform bill.

EVENTS:

10 a.m. ENTITLEMENTS The American Association of Retired Persons sponsors a news conference on the overall effects of entitlement caps on low and middle

-income Americans, as proposed in the Boren

-Danforth budget plan.

10:30 a.m. LEVIN Sen. Carl Levin, D

-Mich., briefs news media on his recent trip to Croatia, Macedonia, Albania and NATO headquarters in Brussels.

10 a.m. ENERGY Sen. Phil Gramm, R

-Texas, addresses Cato

Institute seminar on the energy tax. Sen. Bob Dole, R

-Kan., gives

keynote speech at 11:45 a.m.

1:30 p.m. TV VIOLENCE Sen. Kent Conrad, D

-N.D., and

representatives of national groups concerned with the effect of television violence on children hold news conference to announce a new national task force on TV violence.

2:30 p.m. DEFENSE Sen. Jeff Bingaman, D

-N.M., holds news

conference to release an Office of Technology Assessment report on

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defense conversion.

UPCOMING HEARINGS

June 8

9:30 AM Senate Committee on Governmental Affairs

Topic:

Strategic Defense Initiative Program

10:00 AM Senate Committee on the Judiciary

Constitution Subcommittee

Juvenile Justice Subcommittee

Topic:

Proposals to Reduce Violence on Television

Scheduled Witnesses:

Sen. Conrad (D)

ND)

Rep. Markey (D)

-MA)

Brandon Centerwall

Brian Wilcox

Thomas Murphy - Chairman, Capital Cities/ABC

Howard Stringer - President, CBS Broadcast Group

Warren Littlefield - President, NBC Entertainment

George Pradenburg - Fox, Inc.

Frank Biondi - Viacom

Scott Sassa - President, Turner Broadcasting Group

David Kenin - USA Network

10:00 AM Senate Committee on Commerce, Science, and Transportation

Topic:

Federal Financial Programs that Affect United States Fisheries

1:30 PM Senate Committee on Finance

International Trade Subcommittee

Topic:

Super 301 Trade Provisions

2:30 PM Senate Committee on Appropriations

Foreign Operations Subcommittee

Topic:

Fiscal Year 1994 Appropriations for Foreign Aid Focusing on Transnational

Issues: Population, Environment, Health, Narcotics, and Anti

-Terrorism

Scheduled Witnesses:

Tim Wirth - Counselor, Department of State

2:30 PM Senate Committee on Energy and Natural Resources

Topic:

Nominations of William White to be Deputy Secretary of Energy, Archer

Durham to be Assistant Secretary of Energy for Human Resources and

Administration, and William Taylor III to be Assistant Secretary of

Energy for Congressional, Intergovernmental and International Affairs

June 9

8:00 AM Senate Committee on Appropriations

Defense Subcommittee

Topic:

Fiscal Year 1994 Appropriations for the North Atlantic Treaty Organization
and Peacekeeping Activities

9:30 AM Senate Committee on Armed Services

Topic:

Fiscal Year 1994 Defense Authorization Request and Future Years Defense

Program, Focusing on the Defense Conversion and Reinvestment Program

Scheduled Witnesses:

Dr. William J. Perry - Deputy Secretary, Department of Defense

9:30 AM Senate Committee on Environment and Public Works

Clean Water, Fisheries and Wildlife Subcommittee

Topic:

National Wildlife Management Refuge Management

9:30 AM Senate Committee on Foreign Relations

Terrorism, Narcotics, and International Operations Subcommittee

Topic:

Fiscal Year 1994 Foreign Aid Authorization, United Nations Peacekeeping
and Management

Scheduled Witnesses:

Madeline Albright U.S. Ambassador to the United Nations

9:30 AM Senate Committee on the Judiciary

Topic:

Nomination of Anne Bingaman to be Assistant Attorney General, Anti

-Trust

Division, Department of Justice

9:30 AM Senate Committee on Energy and Natural Resources

Topic:

Pending Calendar Business

10:00 AM Senate Committee on Appropriations

Treasury, Postal Service, General Government Subcommittee

Topic:

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Fiscal Year 1994 Appropriations for the United States Customs Service and the Internal Revenue Service

10:00 AM Senate Committee on the Judiciary
Juvenile Justice Subcommittee
Topic:
Children and Guns

2:00 PM Senate Committee on Armed Services
Nuclear Deterrence, Arms Control and Defense Intelligence Subcommittee
Topic:
Fiscal Year 1994 Defense and Future Years Defense Program Authorization;
Strategic Defense Initiative
Scheduled Witnesses:
Major General Malcolm O'Neil - Acting Director, Strategic Defense
Initiative Organization, Department of the Army
Edward Gerry - Systems Architect, Strategic Defense Initiative
Organization

2:00 PM Senate Committee on Foreign Relations
African Affairs Subcommittee
Topic:
U.S. Policy Toward Liberia, Togo and Zaire

3:00 PM Senate Committee on Foreign Relations
Topic:
Nomination of Jean Kennedy Smith to be Ambassador to Ireland

June 10

9:30 AM Senate Committee on Governmental Affairs
Topic:
General Accounting Office Report on the Cost

-Effectiveness of U.S.
Strategic Nuclear Forces in the Air, on Land and Sea (TRIAD)

10:00 AM Senate Committee on Appropriations
VA, HUD, and Independent Agencies Subcommittee
Topic:
Fiscal Year 1994 Appropriations for the National Aeronautics and Space
Administration

10:00 AM Senate Committee on Appropriations
Defense Subcommittee
Topic:
Fiscal Year 1994 Appropriations for the Department of Defense. Focusing on
Intelligence Programs

10:00 AM Senate Committee on Veterans' Affairs
Topic:
Legislation to Improve Veterans Reemployment Rights

10:00 AM Senate Committee on Foreign Relations
Topic:
The Strategic Arms Reduction Treaty with the Former Soviet Union, START II
(Treaty Doc. 103)

-1)
Scheduled Witnesses:
Lawrence Eagleburger - Former Secretary of State

10:00 AM Senate Committee on Appropriations
Commerce, Justice, State, The Judiciary, and Related Agencies Subcommittee
Topic:
Fiscal Year 1994 Appropriations for Small Business Administration and the
International Trade Commission
Scheduled Witnesses:
Erskine Bowles - Administrator, Small Business Administration
Don Newquist - Chairman, International Trade Commission

11:00 AM Senate Committee on Foreign Relations
Topic:
Budget Reconciliation

2:30 PM Senate Committee on Energy and Natural Resources
Public Lands, National Parks and Forests
Topic:
Pending Public Lands Legislation

June 11

2:00 PM Senate Committee on Indian Affairs
Topic:
Fiscal Year 1994 Budget Request for the Bureau of Indian Affairs;
Administration for Native Americans