FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

THIS IS THE BEGINNING OF MUR # 4026

DATE FILMED 3-20-95 CAMERA NO. 2

CAMERAMAN JMN

25043631558

CITIZENS COMMISSION ON ETHICS IN GOVERNMENT

a project of Legal Affairs Council

Freedom Center ■ 3554 Chain Bridge Road, Suite 301 ■ Fairfax, VA 22030

(703) 591-7767 ■ FAX 273-4514

PRESIDENT
Richard A. Delgaudio

July 12, 1994

Ms. Retha Dixon
Docket Chief
Federal Election Commission
999 E Street, N.W.
Washington, DC 20463

RECEIVED
FEDERAL ELECTION
COMMISSION
OFFICE OF GENERAL
COUNSEL

JUL 13 12 07 PM '94

Ref Citizens Commission complaint versus:

William Jefferson Clinton
1600 Pennsylvania Avenue
Washington, DC 20500

Rep. Dan Rostenkowski
Rostenkowski for Congress
4849 North Milwaukee
Chicago, IL 60630

Dear Ms. Dixon:

The purpose of this letter is to file an amended complaint in the above captioned matter in compliance with the specifications outlined in your June 30 communication (copy attached).

We believe that President Clinton's trip to Chicago, Illinois, on February 28, 1994, may have constituted a violation of the FEC Act. Specifically, we believe that the U.S. government (or more accurately, U.S. taxpayers) funding of this campaign trip may have constituted an unreported, in-kind campaign contribution by the federal government to the Rostenkowski for Congress campaign, in violation of 2 U.S.C.S. 434 and 11 CFRS 106.3.

President Clinton traveled to Chicago aboard Air Force One at taxpayer expense to campaign for Congressman Dan Rostenkowski.

The visit was 15 days before Congressman Rostenkowski's primary election. President Clinton claims that he was in Chicago on official business. But the facts show otherwise.

The Chicago Sun Times of February 28, 1994 reported:

Rep. Dan Rostenkowski (D-Ill.) says that during a recent White House visit, President Clinton asked how his re-election campaign was doing.

"He says, 'Can I be of any help?' I said, "I don't know.'

"And he said, 'Would you mind if I came out there?' I said, 'I'd appreciate it if you would.'"

...The trip was conceived as a political effort to help one of the president's most important and loyal congressional allies.

Furthermore, the Chicago Sun Times of February 26, 1994, reported that,

"Rostenkowsi and White House aides have ballyhooed the president's plans to give Rostenkowsi a boost in what polls indicate is a close contest."

The Chicago Tribune of February 16, 1994 further documented the political motive of the trip:

The parade of administration figures coming to Chicago on Rostenkowski's behalf is likely to culminate with an appearance by President Clinton, White House officials said.

2504363159

While the President generally stays out of primary fights, the exception for Rostenkowski is fueled by the intense loyalty Clinton feels toward the Illinois Democrat...

Joan Baggett, the President's polilitical director, said "If we go into Chicago, my expectation is that we'll be right in the middle of primary politics. My expectation would be that we would probably do something with him (Rostenkowski). I can't believe that we wouldn't be saying positive things about his reelection."

The Chicago Tribune of March 6, 1994 outlined the sinister efforts by Clinton aides to label the visit an official taxpayer funded trip whenin fact it was obviously a campaign function:

...His handlers layered on some last-minute events (they were searching for sympathetic doctors in appropriate lab coats to meet with Clinton as late as last weekend) and then allowed the President to deliver an address that ***might as well have been written by Rostenkowski's own campaign staff****. (emphasis added by the undersigned).*

White House press secretary (at the time of this writing) Dee Dee Myers further underscored the president's intention to help Rostenkowski while hoodwinking the American taxpayer into footing the bill for this political event:

"It's generally our position that we don't take sides in contested primaries. That is not to say that we wouldn't do a health care event in a Chicago blue collar, ethnic neighborhood in the next month."

Dee Dee Myers' contemptuous remarks constitute an admission, beyond the shadow of a doubt, that this was nothing more than a political visit with window dressing added to defraud the American taxpayer out of the cost of this trip.

The Chicago Tribune article of February 16, 1994-- which stated, *"The parade of administration figures coming to Chicago on Rostenkowski's behalf is likely to culminate with an appearance by President Clinton, White House officials said"* --demonstrated that the White House political office engaged in a calculated strategy of sending Administration officials to campaign for Rostenkowski at taxpayers' expense, in violation of the FEC Act.

Therefore, in addition to our complaint herein about Clinton and Rostenkowski, we further request that the FEC investigate whether campaign trips to Chicago by other Clinton administration officials including but not limited to Hillary Rodham-Clinton and Secretary of Labor Robert Reich were also violations of the Federal Election Campaign Act.

We look forward to your timely response.

Sincerely yours,

Richard A. Delgaudio, complainant,
President, Citizens Commission for
Ethics in Government,
a project of Legal Affairs Council

Richard A. Delgaudio, Known to me, signed this document on July 8, 1994.

Edward Paul Walter
Notary Public

My Commission Expires January 31, 1997

95043631560

FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

JULY 20, 1994

Richard A. Delgaudio, President
Citizens Commission on Ethics
in Government
Freedom Center
3554 Chain Bridge Road, Suite 301
Fairfax, VA 22030

Dear Mr. Delgaudio:

This is to acknowledge receipt on July 13, 1994, of your letter dated July 12, 1994. The Federal Election Campaign Act of 1971, as amended ("the Act") and Commission Regulations require that the contents of a complaint meet certain specific requirements. One of these requirements is that a complaint be sworn to and signed in the presence of a notary public and notarized. Your letter was not properly sworn to.

In order to file a legally sufficient complaint, you must swear before a notary that the contents of your complaint are true to the best of your knowledge and the notary must represent as part of the jurat that such swearing occurred. The preferred form is "Subscribed and sworn to before me on this _____ day of _____, 19__." A statement by the notary that the complaint was sworn to and subscribed before him also will be sufficient. We regret the inconvenience that these requirements may cause you, but we are not statutorily empowered to proceed with the handling of a compliance action unless all the statutory requirements are fulfilled. See 2 U.S.C. § 437g.

Enclosed is a Commission brochure entitled "Filing a Complaint." I hope this material will be helpful to you should you wish to file a legally sufficient complaint with the Commission.

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Please note that this matter will remain confidential for a 15 day period to allow you to correct the defects in your complaint. If the complaint is corrected and refiled within the 15 day period, the respondents will be so informed and provided a copy of the corrected complaint. The respondents will then have an additional 15 days to respond to the complaint on the merits. If the complaint is not corrected, the file will be closed and no additional notification will be provided to the respondents.

If you have any questions concerning this matter, please contact me at (202) 219-3410.

Sincerely,

Retha Dixon

Retha Dixon
Docket Chief

Enclosure

cc: President Bill Clinton
Janet Reno, Attorney General
Rostenkowski for Congress

2504363156 2

CITIZENS COMMISSION ON ETHICS IN GOVERNMENT

a project of Legal Affairs Council
Freedom Center v 3554 Chain Bridge Road, Suite 301 v Fairfax, VA 22030
(703) 591-7767 v FAX 273-4514

PRESIDENT
Richard A. Delgaudio

August 2, 1994

MUR 4026

RECEIVED
FEDERAL ELECTION
COMMISSION
OFFICE OF GENERAL
COUNSEL
AUG 8 9 37 AM '94

Ms. Retha Dixon
Docket Chief
Federal Election Commission
999 E Street, N.W.
Washington, DC 20463

Ref Citizens Commission complaint versus:

William Jefferson Clinton
1600 Pennsylvania Avenue
Washington, DC 20500

Rep. Dan Rostenkowski
Rostenkowski for Congress
4849 North Milwaukee
Chicago, IL 60630

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The visit was 15 days before Congressman Rostenkowski's primary election. President Clinton claims that he was in Chicago on official business. But the facts show otherwise.

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Rep. Dan Rostenkowski (D-Ill.) says that during a recent White House visit, President Clinton asked how his re-election campaign was doing.

"He says, 'Can I be of any help?' I said, "I don't know.'

"And he said, 'Would you mind if I came out there?' I said, 'I'd appreciate it if you would.'"

...The trip was conceived as a political effort to help one of the president's most important and loyal congressional allies.

Furthermore, the Chicago Sun Times of February 26, 1994, reported that,

"Rostenkowsi and White House aides have ballyhooed the president's plans to give Rostenkowsi a boost in what polls indicate is a close contest."

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The parade of administration figures coming to Chicago on Rostenkowski's behalf is likely to culminate with an appearance by President Clinton, White House officials said.

9504363156 3

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Therefore, in addition to our complaint herein about Clinton and Rostenkowski, we further request that the FEC investigate whether campaign trips to Chicago by other Clinton administration officials including but not limited to Hillary Rodham-Clinton and Secretary of Labor Robert Reich were also violations of the Federal Election Campaign Act.

We look forward to your timely response.

Sincerely yours,

Richard A. Delgaudio, complainant,
President, Citizens Commission for
Ethics in Government,
a project of Legal Affairs Council

Subscribed and sworn to before me on this 2nd day of August, 1994

My Commission Expires 1/31/97

Edward P. Waters Notary Public

25043631564

FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

AUGUST 15, 1994

Richard A. Delgaudio, President
Citizens Commission on Ethics in Government
3554 Chain Bridge Road, Suite 301
Fairfax, VA 22030

RE: MUR 4026

Dear Mr. Delgaudio:

This letter acknowledges receipt on August 8, 1994, of your complaint alleging possible violations of the Federal Election Campaign Act of 1971, as amended ("the Act"). The respondent(s) will be notified of this complaint within five days.

You will be notified as soon as the Federal Election Commission takes final action on your complaint. Should you receive any additional information in this matter, please forward it to the Office of the General Counsel. Such information must be sworn to in the same manner as the original complaint. We have numbered this matter MUR 4026. Please refer to this number in all future communications. For your information, we have attached a brief description of the Commission's procedures for handling complaints.

Sincerely,

Mary L. Taksar

Mary L. Taksar, Attorney
Central Enforcement Docket

Enclosure
Procedures

25043631585

FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

AUGUST 15, 1994

The President
The White House
Washington, D.C. 20500

RE: MUR 4026

Dear Mr. President:

The Federal Election Commission received a complaint which indicates that you may have violated the Federal Election Campaign Act of 1971, as amended ("the Act"). A copy of the complaint is enclosed. We have numbered this matter MUR 4026. Please refer to this number in all future correspondence.

Under the Act, you have the opportunity to demonstrate in writing that no action should be taken against you in this matter. Please submit any factual or legal materials which you believe are relevant to the Commission's analysis of this matter. Where appropriate, statements should be submitted under oath. Your response, which should be addressed to the General Counsel's Office, must be submitted within 15 days of receipt of this letter. If no response is received within 15 days, the Commission may take further action based on the available information.

This matter will remain confidential in accordance with 2 U.S.C. § 437g(a)(4)(B) and § 437g(a)(12)(A) unless you notify the Commission in writing that you wish the matter to be made public. If you intend to be represented by counsel in this matter, please advise the Commission by completing the enclosed form stating the name, address and telephone number of such counsel, and authorizing such counsel to receive any notifications and other communications from the Commission.

25043631566

If you have any questions, please contact Alva E. Smith at (202) 219-3400. For your information, we have enclosed a brief description of the Commission's procedures for handling complaints.

Sincerely,

Mary L. Taksar

Mary L. Taksar, Attorney
Central Enforcement Docket

Enclosures
1. Complaint
2. Procedures
3. Designation of Counsel Statement

2504363156 7

FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

AUGUST 15, 1994

Leo V. Magrini, Treasurer
Rostenkowski for Congress Committee
1349 North Noble Street
Chicago, IL 60622

RE: MUR 4026

Dear Mr. Margrini:

The Federal Election Commission received a complaint which indicates that the Rostenkowski for Congress Committee ("Committee") and you, as treasurer, may have violated the Federal Election Campaign Act of 1971, as amended ("the Act"). A copy of the complaint is enclosed. We have numbered this matter MUR 4026. Please refer to this number in all future correspondence.

Under the Act, you have the opportunity to demonstrate in writing that no action should be taken against the Committee and you, as treasurer, in this matter. Please submit any factual or legal materials which you believe are relevant to the Commission's analysis of this matter. Where appropriate, statements should be submitted under oath. Your response, which should be addressed to the General Counsel's Office, must be submitted within 15 days of receipt of this letter. If no response is received within 15 days, the Commission may take further action based on the available information.

This matter will remain confidential in accordance with 2 U.S.C. § 437g(a)(4)(B) and § 437g(a)(12)(A) unless you notify the Commission in writing that you wish the matter to be made public. If you intend to be represented by counsel in this matter, please advise the Commission by completing the enclosed form stating the name, address and telephone number of such counsel, and authorizing such counsel to receive any notifications and other communications from the Commission.

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If you have any questions, please contact Alva E. Smith at (202) 219-3400. For your information, we have enclosed a brief description of the Commission's procedures for handling complaints.

Sincerely,

Mary L. Taksar

Mary L. Taksar, Attorney
Central Enforcement Docket

Enclosures
1. Complaint
2. Procedures
3. Designation of Counsel Statement

25043631569

FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

AUGUST 15, 1994

Representative Dan Rostenkowski
1372 West Evergreen Avenue
Chicago, IL 60622

RE: MUR 4026

Dear Mr. Rostenkowski:

The Federal Election Commission received a complaint which indicates that you may have violated the Federal Election Campaign Act of 1971, as amended ("the Act"). A copy of the complaint is enclosed. We have numbered this matter MUR 4026. Please refer to this number in all future correspondence.

Under the Act, you have the opportunity to demonstrate in writing that no action should be taken against you in this matter. Please submit any factual or legal materials which you believe are relevant to the Commission's analysis of this matter. Where appropriate, statements should be submitted under oath. Your response, which should be addressed to the General Counsel's Office, must be submitted within 15 days of receipt of this letter. If no response is received within 15 days, the Commission may take further action based on the available information.

This matter will remain confidential in accordance with 2 U.S.C. § 437g(a)(4)(B) and § 437g(a)(12)(A) unless you notify the Commission in writing that you wish the matter to be made public. If you intend to be represented by counsel in this matter, please advise the Commission by completing the enclosed form stating the name, address and telephone number of such counsel, and authorizing such counsel to receive any notifications and other communications from the Commission.

25043631570

If you have any questions, please contact Alva E. Smith at (202) 219-3400. For your information, we have enclosed a brief description of the Commission's procedures for handling complaints.

Sincerely,

Mary L. Taksar

Mary L. Taksar, Attorney
Central Enforcement Docket

Enclosures
1. Complaint
2. Procedures
3. Designation of Counsel Statement

2504363157 1

FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

AUGUST 15, 1994

Robert B. Reich
Secretary of Labor
Department of Labor
200 Constitution Avenue, NW
Washington, DC 20210

RE: MUR 4026

Dear Mr. Secretary:

The Federal Election Commission received a complaint which indicates that you may have violated the Federal Election Campaign Act of 1971, as amended ("the Act"). A copy of the complaint is enclosed. We have numbered this matter MUR 4026. Please refer to this number in all future correspondence.

Under the Act, you have the opportunity to demonstrate in writing that no action should be taken against you in this matter. Please submit any factual or legal materials which you believe are relevant to the Commission's analysis of this matter. Where appropriate, statements should be submitted under oath. Your response, which should be addressed to the General Counsel's Office, must be submitted within 15 days of receipt of this letter. If no response is received within 15 days, the Commission may take further action based on the available information.

This matter will remain confidential in accordance with 2 U.S.C. § 437g(a)(4)(B) and § 437g(a)(12)(A) unless you notify the Commission in writing that you wish the matter to be made public. If you intend to be represented by counsel in this matter, please advise the Commission by completing the enclosed form stating the name, address and telephone number of such counsel, and authorizing such counsel to receive any notifications and other communications from the Commission.

25043631572

If you have any questions, please contact Alva E. Smith at (202) 219-3400. For your information, we have enclosed a brief description of the Commission's procedures for handling complaints.

Sincerely,

Mary L. Taksar

Mary L. Taksar, Attorney
Central Enforcement Docket

Enclosures
1. Complaint
2. Procedures
3. Designation of Counsel Statement

2504863157 3

FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

AUGUST 15, 1994

Hillary Rodham Clinton
The White House
Washington, DC 20500

RE: MUR 4026

Dear Mrs. Clinton:

The Federal Election Commission received a complaint which indicates that you may have violated the Federal Election Campaign Act of 1971, as amended ("the Act"). A copy of the complaint is enclosed. We have numbered this matter MUR 4026. Please refer to this number in all future correspondence.

Under the Act, you have the opportunity to demonstrate in writing that no action should be taken against you in this matter. Please submit any factual or legal materials which you believe are relevant to the Commission's analysis of this matter. Where appropriate, statements should be submitted under oath. Your response, which should be addressed to the General Counsel's Office, must be submitted within 15 days of receipt of this letter. If no response is received within 15 days, the Commission may take further action based on the available information.

This matter will remain confidential in accordance with 2 U.S.C. § 437g(a)(4)(B) and § 437g(a)(12)(A) unless you notify the Commission in writing that you wish the matter to be made public. If you intend to be represented by counsel in this matter, please advise the Commission by completing the enclosed form stating the name, address and telephone number of such counsel, and authorizing such counsel to receive any notifications and other communications from the Commission.

25043631574

If you have any questions, please contact Alva E. Smith at (202) 219-3400. For your information, we have enclosed a brief description of the Commission's procedures for handling complaints.

Sincerely,

Mary L. Taksar

Mary L. Taksar, Attorney
Central Enforcement Docket

Enclosures
1. Complaint
2. Procedures
3. Designation of Counsel Statement

9504363157 5

OLDAKER, RYAN & LEONARD
ATTORNEYS AT LAW
818 CONNECTICUT AVENUE, N.W.
SUITE 1100
WASHINGTON, D.C. 20006

(202) 728-1010
FACSIMILE (202) 728-4044

August 25, 1994

Alva E. Smith
Office of the General Counsel
Federal Election Commission
999 E Street, N.W.
Washington, D.C. 20463

RE: MUR 4026
Representative Dan Rostenkowski, and
Leo V. Magrini, Treasurer

Dear Ms. Smith:

I am writing this letter on behalf of Lyn Utrecht, the designated counsel in the above-referenced matter (forms will be submitted as soon as we obtain signatures). We are requesting an extension of time to respond to this complaint. Lyn Utrecht is currently on vacation and will not be returning until September 7, 1994. The notification was received by the Respondents on August 18, making a response due on September 2. We are requesting an additional 20 days from this date, making a response due on September 22.

We appreciate your assistance in this matter.

Sincerely,

Marianne Koepf

Marianne Koepf
Law Clerk to Lyn Utrecht

2504363157 6

FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

September 6, 1994

Marianne Koepf
Law Clerk to Lyn Utrecht
Oldaker, Ryan & Leonard
818 Connecticut Avenue, N.W.
Suite 1100
Washington, D.C. 20006

RE: MUR 4026
Representative Dan Rostenkowski
Leo V. Magrini, Treasurer
Rostenkowski for Congress Committee

Dear Ms. Koepf:

This is in response to your letter dated August 25, 1994, requesting an extension until September 22, 1994 to respond to the complaint filed in the above-noted matter. After considering the circumstances presented in your letter, the Office of the General Counsel has granted the requested extension. Accordingly, your response is due by the close of business on September 22, 1994.

If you have any questions, please contact Alva E. Smith at (202) 219-3400.

Sincerely,

Mary L. Taksar

Mary L. Taksar, Attorney
Central Enforcement Docket

25043631577

FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

August 26, 1994

Janet Reno, Attorney General
Department of Justice
Office of the Attorney General
Tenth Street and Constitution Avenue, N.W.
Washington, D.C. 20530

RE: MUR 4026

Dear Ms. Reno:

The Federal Election Commission received a complaint which indicates that the United States Government may have violated sections of the Federal Election Campaign Act of 1971, as amended ("the Act"). A copy of the complaint is enclosed. We have numbered this matter MUR 4026. Please refer to this number in all future correspondence.

The Commission previously sent you an improper complaint filed by the Citizens Commission on Ethics in Government. Due to administrative oversight, the proper complaint later filed by this organization was not sent to you earlier. Under the Act, you have the opportunity to demonstrate in writing that no action should be taken against the United States Government in this matter. Please submit any factual or legal materials which you believe are relevant to the Commission's analysis of this matter. Where appropriate, statements should be submitted under oath. Your response, which should be addressed to the Office of the General Counsel, must be submitted within 15 days of receipt of this letter. If no response is received within 15 days, the Commission may take further action based on the available information.

This matter will remain confidential in accordance with 2 U.S.C. § 437g(a)(4)(B) and § 437g(a)(12)(A) unless you notify the Commission in writing that you wish the matter to be made public. If you intend to be represented by counsel in this matter, please advise the Commission by completing the enclosed form stating the name, address and telephone number of such counsel, and authorizing such counsel to receive any notifications and other communications from the Commission.

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If you have any questions, please contact Alva E. Smith, the staff member assigned to this matter, at (202) 219-3400. For your information, we have enclosed a brief description of the Commission's procedures for handling complaints.

Sincerely,

Mary L. Taksar

Mary L. Taksar, Attorney
Central Enforcement Docket

Enclosures
1. Complaint
2. Procedures
3. Designation of Counsel Statement

25043631579

U.S. Department of Labor

Solicitor of Labor
Washington, D.C. 20210

RECEIVED
FEDERAL ELECTION
COMMISSION
OFFICE OF GENERAL
COUNSEL

AUG 30 1994

AUG 31 9 39 AM '94

Mr. Lawrence M. Noble
General Counsel
Federal Election Commission
Washington, D.C. 20463

Dear Mr. Noble:

This is in response to the August 15, 1994, letter of Mary L. Taskar to Secretary of Labor Robert Reich regarding FEC case MUR 4026. Ms. Taskar enclosed a letter from Richard A. Delgaudio which alleges a violation of the Federal Election Campaign Act. As a preliminary matter, I note that neither Mr. Delgaudio's letter nor that of Ms. Taskar contains any specific allegations regarding Secretary Reich. The only statement in the Delgaudio letter regarding Secretary Reich is a request that the FEC investigate whether "campaign trips to Chicago" by Clinton Administration officials, specifically citing Secretary Reich, "were also violations of the Federal Election Campaign Act." Although no specific allegations relating to the Secretary have been made nor did Ms. Taskar's letter require a response from the Secretary, we are providing you with the following information that clearly demonstrates that Secretary Reich did not participate in an election campaign event in violation of the Act as is alluded to by Mr. Delgaudio in the last paragraph of his letter.

The primary election in Illinois occurred on March 15, 1994. Our records indicate that, prior to that date, in 1994 Secretary Reich was in Chicago, Illinois on only one occasion for an official government trip on February 15. That stop was part of a larger trip to four cities to discuss the Administration's proposal entitled the Reemployment Act of 1994 (REA) which the Secretary had made a very high priority for the Department of Labor. Four of the five stops on this particular cross-country trip -- Chicago, San Jose, San Francisco, and Los Angeles -- were chosen because they were considered to provide excellent opportunities for the Secretary to promote the REA because they were experiencing significant unemployment, contained a large media market, and most had an example of a successful reemployment program involving a partnership between business and the training center. The fifth stop on the trip was San Diego where the Secretary promoted the Administration's health care proposal.

The Secretary's schedule indicates that he flew from Washington to Chicago by commercial carrier on February 15 and remained there from approximately 10:00 AM to 4:00 PM (CST) during which he made two visits. In the morning he conducted a "Town Meeting" at the Parker House Hotel which was attended by

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approximately 300 Department of Labor employees. The Secretary had made a commitment to visit each Department of Labor regional office early in his tenure. The "Town Meeting" is a forum that the Secretary uses which provides an opportunity for the healthy exchange of thoughts and ideas. As is his custom, Secretary Reich made a few introductory remarks, and then responded to numerous questions and comments from the audience primarily concerning Department of Labor programs, practices, and personnel policies.

After this Town Meeting the Secretary visited the Chicago Manufacturing Institute (CMI). CMI is a training institute which prepares workers for employment in the steel spring coil industry. It is an excellent example of a successful reemployment program involving a partnership between a business and a training center which results in high placement rates. At CMI the Secretary visited the coiling operations and participated in a discussion with students, employers and re-trained workers employed at the site. The Secretary's remarks at the event focused on the successes of the CMI training and placement program.

As is the usual practice when the Secretary makes such an appearance, the mayor, the local Members of Congress, and the two Senators from the state were informed of the event. CMI is located in Congressman Rostenkowski's Congressional district. Only the Congressman and Chicago Mayor Richard Daley attended the event. The Secretary indeed publicly recognized the support the Congressman and the Mayor had provided to the program. This was totally appropriate and proper. However, the Secretary did not advocate or endorse the Congressman's reelection.

We are aware that Mayor Daley did advocate Congressman Rostenkowski's reelection, but Secretary Reich did not know or expect that Mayor Daley was going to make such remarks and did not endorse or affiliate himself with those remarks. After the official event had concluded, the members of the press who were present surrounded the Mayor, Congressman Rostenkowski, and Secretary Reich. The Secretary separated himself from Mayor Daley and Congressman Rostenkowski. It appears that Mayor Daley's comments about Congressman Rostenkowski's reelection were made at this time. While the Mayor was making his comments, Secretary Reich was elsewhere talking with other reporters. He answered a few questions, but he steered all his answers towards the work of CMI and the substance of the REA. Upon leaving the CMI site, he went directly to Chicago O'Hare Airport for his flight to the next stop of the trip in San Jose, California.

It is acknowledged that much of the news coverage of the event focused on Chairman Rostenkowski's reelection campaign rather than on the job training program, the REA, or the Secretary's substantive comments. The Department cannot control

the emphasis placed by the news media on a given event, nor can it control what other participants may say. The controlling fact is that the Secretary's trip to Chicago was planned as part of a series of visits to job training sites across the country to promote the Reemployment Act. The Secretary's actions and remarks while in Chicago were fully consistent with that purpose. The setting, the audience, and the context of the Secretary's participation underscore the official nature of trip. Thus, the trip was properly treated as an official trip for which Department of Labor appropriated funds were properly expended.

Enclosed is Secretary Reich's executed "Statement of Designation of Counsel." If there is any further information I can provide you with regard to this matter, please do not hesitate to let me know.

Sincerely,

Thomas S. Williamson, Jr.

Thomas S. Williamson, Jr.

Enclosure

2504363158 2

STATEMENT OF DESIGNATION OF COUNSEL

MUR 4026

RECEIVED
FEDERAL ELECTION
COMMISSION
OFFICE OF GENERAL
COUNSEL

AUG 31 9 41 AM '94

NAME OF COUNSEL: Thomas S. Williamson, Jr.

ADDRESS: Solicitor of Labor
200 Constitution Ave. NW
Washington, DC 20210

TELEPHONE: (202) 219-7675

The above-named individual is hereby designated as my counsel and is authorized to receive any notifications and other communications from the Commission and to act on my behalf before the Commission.

AUG 18 1994
Date

Robert B. Reich
Signature

RESPONDENT'S NAME: Robert B. Reich

ADDRESS: Secretary of Labor
200 Constitution Ave. NW
Washington, DC 20210

TELEPHONE: HOME( )
BUSINESS(202) 219-8271

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RECEIVED
FEDERAL ELECTION
COMMISSION
OFFICE OF GENERAL
COUNSEL
AUG 32 9 48 AM '94

THE WHITE HOUSE

WASHINGTON

August 31, 1994

Mary Taksar, Esq.
Attorney, Enforcement Division
Federal Election Commission
Washington, D.C. 20463

Re: MUR 4626

Dear Ms. Taksar:

I am writing to designate the Counsel to the President (and individuals in the Counsel's Office) as my counsel for the matter referenced above. The Counsel (and his designees) is authorized to receive any notifications and other communications from the Commission and to act on my behalf before the Commission.

The address of the White House Counsel's Office is 1600 Pennsylvania Avenue, N.W., Washington, D.C. 20500. The telephone number is (202) 456-7900. Please contact the Counsel's Office with regard to this matter if you have any questions.

Thank you for your assistance.

Sincerely,

Hillary Rodham Clinton

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COUNSEL
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STATEMENT OF DESIGNATION OF COUNSEL

MUR: 4026

NAME OF COUNSEL: Lynn Dondzin

ADDRESS: Oldaker, Ryan & Leonard
818 Connecticut Avenue, NW #1100
Washington, DC 20006

TELEPHONE: (202) 728-1010

The above-named individual/individuals is/are hereby designated as my counsel and is authorized to receive any notifications and other communications from the Commission and to act on my behalf before the Commission.

8/29/94
Date

Leo V. Magrini
Signature

RESPONDENT'S NAME: Leo V. Magrini

ADDRESS: Rostenkowski for Congress Committee
1349 N. Noble Street
Chicago, IL 60622

BUSINESS PHONE:

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FEDERAL ELECTION COMMISSION
OFFICE OF GENERAL COUNSEL
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STATEMENT OF DESIGNATION OF COUNSEL

MUR: 4026

NAME OF COUNSEL: Lyn Utrecht

ADDRESS: Oldaker, Ryan & Leonard
888 Connecticut Avenue, NW 20100
Washington, DC 20006

TELEPHONE: (202) 728-1000

The above-named individual/individuals is/are hereby designated as my counsel and is authorized to receive any notifications and other communications from the Commission and to act on my behalf before the Commission.

8-27-94
Date

Signature

RESPONDENT'S NAME: Representative Dan Rostenkowski

ADDRESS: 1372 West Sunnyside Avenue
Chicago, IL 60622

BUSINESS PHONE: (312) 226-6000

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RECEIVED
FEDERAL ELECTION
COMMISSION
OFFICE OF GENERAL
COUNSEL

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THE WHITE HOUSE

WASHINGTON

September 2, 1994

Alva Smith, Esq.
Enforcement Division
Federal Election Commission
Washington, D.C. 20463

Re: MUR 4026

Dear Ms. Smith:

We are writing in response to your letter of August 15, 1994, regarding Mrs. Hillary Rodham Clinton; we received this letter on August 18, 1994. In accordance with the provisions of the procedures outlined in your letter, we are responding within 15 days of our receipt of the letter.

The complaint by the Citizens Commission on Ethics in Government states that Clinton administration officials may have travelled in support of Representative Rostenkowski's primary election bid. Mrs. Clinton is referred to in the complaint only in the last paragraph, in particular, "whether campaign trips to Chicago by other Clinton administration officials including but not limited to Hillary Rodham-Clinton (sic) and Secretary of Labor Robert Reich were also violations of the Federal Election Campaign Act."

It is our understanding that Representative Rostenkowski filed as a candidate for the Democratic nomination to Congress from the 5th District of Illinois on December 6, 1993. The primary was held on March 15, 1994. Mrs. Clinton did not travel to Chicago during this time period. We have enclosed a sworn statement to that effect. See attached Affidavit.

We have reviewed Mrs. Clinton's event schedules for the past year. Since September 2, 1993, Mrs. Clinton has travelled to Chicago on three occasions: October 21, 1994, April 4, 1994, and June 17, 1994. In the interest of being overinclusive, we have also included copies of her event schedule for each of these trips, though they occurred outside of the primary election period.

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We gladly will provide you with any other information or documentation that you may need prior to forwarding your recommendation on this matter to the Commission for a decision.

I look forward to hearing from you soon.

Sincerely,

Cheryl Mills
Associate Counsel to the President

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FEDERAL ELECTION
COMMISSION
OFFICE OF GENERAL
COUNSEL

Citizens Commission on Ethics in Government	)	
v.	)	**MUR 4026**
William Jefferson Clinton, et. al.	)	

AFFIDAVIT OF MICHAEL LUFRANO

1. My name is Michael Lufrano. I am the Deputy Director for Advance for the White House Office. I have held this position since January 20, 1993.

2. As part of my responsibilities as Deputy Director for Advance I have access to the public event schedules of the President and First Lady.

3. In response to a request by the White House Counsel's Office, I have searched the First Lady's public event schedules from September 2, 1993, to date. My search revealed that during this time period, Mrs. Clinton travelled to Chicago on three occasions: October 21, 1993, April 4, 1994 and June 17, 1994.

4. I travelled on the October 21, 1993 trip to Chicago. Representative Rostenkowski, who was listed on the schedule as tentative for the Children's Memorial Hospital event, did not attend.

5. My search of the records did not disclose any trips to Chicago by the First Lady between December 6, 1993 and March 15, 1994.

6. I swear to the best of my knowledge that the above facts are true and accurate.

Michael R. Lufrano
Michael Lufrano

Subscribed and sworn to before me on this 2nd day of September, 1994. My Commission Expires May 14, 1995.

Cheryl A. Poole
Notary Public (type or print)
District of Columbia

Cheryl A. Poole
Signature

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THE WHITE HOUSE

WASHINGTON

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COMMISSION
ADMIN

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September 2, 1994

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COMMISSION
OFFICE OF GENERAL
COUNSEL

Mary Taksar, Esq.
Attorney, Enforcement Division
Federal Election Commission
Washington, D.C. 20463

Re: MUR 4026

Dear Ms. Taksar:

On August 30, 1994, we received your letter dated August 15, 1994 to President Clinton regarding a complaint by the Citizens Commission on Ethics in Government. The President currently is out of town; he is not expected to return until September 7, 1994. Accordingly, the President will not designate a counsel in this matter until after this date.

We are writing to acknowledge receipt of your letter. If you require any other information about this matter prior to the President's return to Washington, D.C., please contact this office.

Thank you for your assistance.

Sincerely,

Cheryl Mills
Associate Counsel to the President

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THE WHITE HOUSE

WASHINGTON

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September 8, 1994

Mary Taksar, Esq.
Attorney, Enforcement Division
Federal Election Commission
Washington, D.C. 20463

SEP 12 10 06 AM '94

RECEIVED
FEDERAL ELECTION
COMMISSION
OFFICE OF GENERAL
COUNSEL

Re: MUR 4026

Dear Ms. Taksar:

I am writing to designate the Office of the Counsel to the President as my counsel for the matters referenced above. The Counsel and members of the White House Counsel's Office staff are authorized to receive any notifications and other communications from the Commission and to act on my behalf before the Commission.

I also wish to designate the Office of the Counsel to the President as my counsel for any future complaints that may arise during 1994. Additionally, to ensure that these matters receive prompt attention, in the future please provide the Counsel with a separate copy of any complaints related to my activities during my tenure as President.

The address of the White House Counsel's Office is 1600 Pennsylvania Avenue, N.W., Washington, D.C., 20500. The telephone number is (202) 456-7900. Please contact the Counsel's Office with regard to these matters, or any others that arise during 1994, if you have any questions.

Thank you for your assistance.

Sincerely,

Bill Clinton

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THE WHITE HOUSE

WASHINGTON

September 9, 1994

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COMMISSION
OFFICE OF GENERAL
COUNSEL
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Alva Smith, Esq.
Attorney, Enforcement Division
Federal Election Commission
Washington, D.C. 20463

Re: MUR 4026

Dear Ms. Smith:

I am writing to request an extension of time to respond to your letter conveying a complaint filed by the Citizens Commission on Ethics in Government with your agency. We received your letter referencing MUR 4028 on August 30, 1994; thus, our response is due on September 14, 1992. We request an extension of time until September 23, 1994.

The President and many of the White House staff have been on vacation during the past three weeks. Accordingly, those individuals with the requisite information to address the complaint have not been available. We anticipate that the requested extension date will provide our office with sufficient time to respond.

Thank you for your assistance.

Sincerely,

Cheryl Mills

Cheryl Mills
Associate Counsel to the President

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FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

SEPTEMBER 12, 1994

Cheryl Mills, Esq.
Associate Counsel to the President
White House Counsel's Office
1600 Pennsylvania Avenue, N.W.
Washington, D.C. 20500

RE: MUR 4026
President William Clinton

Dear Ms. Mills:

This is in response to your letter dated September 9, 1994, requesting an extension until September 23, 1994 to respond to the complaint filed in the above-noted matter. After considering the circumstances presented in your letter, the Office of the General Counsel has granted the requested extension. Accordingly, your response is due by the close of business on September 23, 1994.

If you have any questions, please contact Alva E. Smith at (202) 219-3400.

Sincerely,

Mary L. Taksar

Mary L. Taksar, Attorney
Central Enforcement Docket

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U.S. Department of Justice
Civil Division

Washington, D.C. 20530

RECEIVED
FEDERAL ELECTION
COMMISSION
OFFICE OF GENERAL
COUNSEL
SEP 22 12 32 PM '94

TCH:RRBrown

Telephone:
(202) 514-5751

September 20, 1994

VIA TELEFAX & UNITED STATES MAIL

Mary L. Taksar, Attorney
Enforcement Division
Office of the General Counsel
Federal Election Commission
999 E Street, N.W.
Washington, D.C. 20463

RE: MATTER UNDER REVIEW (MUR) 4026

Dear Ms. Taksar:

This letter notifies the Federal Election Commission that the Civil Division of the Department of Justice represents the Attorney General of the United States, the Honorable Janet Reno, in the above-referenced matter under review. A Statement of Designation of Counsel signed today by the Attorney General accompanies this letter. I will be the contact person at DOJ regarding this matter.

I will file a request for an enlargement of time to respond to the complaint tomorrow, September 21, 1994, seeking an enlargement of time through and including October 7, 1994. I will contact you by telephone tomorrow to discuss this matter.

Very truly yours,

RICHARD R. BROWN
Trial Attorney
U.S. Department of Justice
Civil Division, Room 952
901 E Street, N.W.
Washington, D.C. 20530

Enclosure

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STATEMENT OF DESIGNATION OF COUNSEL

MUR 4026

NAME OF COUNSEL: FRANK W. HUNGER
Assistant Attorney General

JOHN A. ROGOVIN
Deputy Assistant Attorney General

DENNIS G. LINDER
Branch Director
(202) 514-3314

THEODORE C. HIRT
Assistant Branch Director
(202) 514-4785

RICHARD R. BROWN (contact person)
Trial Attorney
(202) 514-5751

ADDRESS: U.S. Department of Justice
Federal Program Branch
P.O. Box 883
Washington, D.C. 20044

TELEPHONE: (202) 514-5751

The above-named individuals are hereby designated as my counsel and are authorized to receive any notifications and other communications from the Commission and to act on my behalf before the Commission.

Sept. 20, 1994
Date

Janet Reno
Signature

NAME: JANET RENO, Attorney General

ADDRESS: U.S. Department of Justice
Office of the Attorney General
10th Street & Constitution Ave., N.W.
Washington, D.C. 20530

TELEPHONE: (202) 514-2001

25044631595

U.S. Department of Justice
Civil Division

Washington, D.C. 20530

TCH:RRBrown
145-0-4126

Telephone:
(202) 514-5751

September 21, 1994

RECEIVED
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OFFICE OF GENERAL
COUNSEL
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VIA TELEFAX & UNITED STATES MAIL

Mary L. Taksar, Attorney
Enforcement Division
Office of the General Counsel
Federal Election Commission
999 E Street, N.W.
Washington, D.C. 20463

RE: MATTER UNDER REVIEW (MUR) 4026

Dear Ms. Taksar:

I write on behalf of the Attorney General to request an enlargement of time through and including October 7, 1994 in which to file a response to the complaint at issue in this MUR. Your letter to the Attorney General enclosing the complaint was received by the Department of Justice's Executive Secretariat on September 6, 1994, so that the 15-day period for filing a response with the Federal Election Commission ("FEC") would ordinarily expire today, September 21, 1994.

The requested enlargement of time is necessary to allow Department of Justice ("DOJ") attorneys sufficient time to analyze the allegations of the complaint and prepare an appropriate response. Because the FEC is prohibited from identifying the persons named as respondents in this MUR, DOJ must first independently attempt to determine which individuals serving in the Executive Branch may be respondents. In addition, DOJ must also assess the scope of the complaint, determine which federal agency (or agencies) should be consulted, and coordinate any response by DOJ with appropriate Executive Branch agencies and officials.

Thank you for your courtesy in confirming during our telephone conversation today that the Attorney General is not a

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respondent in this matter. Please contact me if you have any questions regarding this matter.

Very truly yours,

RICHARD R. BROWN
Trial Attorney
U.S. Department of Justice
Civil Division, Room 952
901 E Street, N.W.
Washington, D.C. 20530

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FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

September 23, 1994

Richard R. Brown, Esq.
U.S. Department of Justice
Civil Division, Room 952
901 E Street, N.W.
Washington, D.C. 20530

RE:MUR 4026
United States Government

Dear Mr. Brown:

This is in response to your letter dated September 20, 1994, requesting an extension until October 7, 1994 to respond to the complaint filed in the above-noted matter. After considering the circumstances presented in your letter, the Office of the General Counsel has granted the requested extension. Accordingly, your response is due by the close of business on October 7, 1994.

If you have any questions, please contact Alva E. Smith at (202) 219-3400.

Sincerely,

Mary L. Taksar

Mary L. Taksar, Attorney
Central Enforcement Docket

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OLDAKER, RYAN & LEONARD
ATTORNEYS AT LAW
818 CONNECTICUT AVENUE, N.W.
SUITE 1100
WASHINGTON, D.C. 20006

(202) 728-1010
FACSIMILE (202) 728-4044

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September 22, 1994

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COMMISSION
OFFICE OF GENERAL
COUNSEL
SEP 22 2 33 PM '94

Lawrence M. Noble, Esq.
General Counsel
Federal Election Commission
999 E Street, N.W.
Washington, D.C. 20463

Re: MUR 4026, Representative Dan Rostenkowski, Dan Rostenkowski for Congress Committee

Dear Mr. Noble:

This response is submitted on behalf of Representative Dan Rostenkowski, Dan Rostenkowski for Congress Committee, and Leo Magrini, as Treasurer, to the above-referenced complaint. This complaint, which alleges that President Clinton's February 28, 1994 trip to Chicago constituted a contribution by the Federal government to the Dan Rostenkowski for Congress Committee, does not set forth a violation of the Federal Election Campaign Act of 1971, as amended, 2 U.S.C. § 431 et seq. ("FECA" or the "Act"), and must be dismissed.

I. The complaint does not set forth a violation of the Act, since the Federal Government is not a "person" under the FECA.

If the complainant, Citizens Commission on Ethics in Government, had simply read the Act it would have realized that its complaint does not set forth a violation of the Act, since Congress specifically amended the law in 1979 to clarify that the Federal Government is not a "person" within the meaning of the FECA.

2 U.S.C. § 431(11) which defines "person", specifically excludes from that definition the Federal Government or any authority of the Federal government. In 1979, in addition to this clarification to the definition of "person", both the definitions of "contribution" and "expenditure" were amended to add the phrase "by any person". The reason for these amendments was spelled out clearly in the House Report on H.R. 5010 which states that "the phrase 'by any person' was added to the definition of expenditure to incorporate the Commission opinion that the use of appropriate [sic] funds of the Federal Government is not an expenditure. Misuse of appropriated

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funds is a violation of Federal law and subject to enforcement by other agencies." Copies of the relevant pages of the legislative history are attached.

Thus, no matter the circumstances of this trip, there could not have been any violation of law under the jurisdiction of the Federal Election Commission ("FEC" or "Commission").[1]

II. The February 28, 1994 trip was an official trip by the President of the United States and was not for the purpose of influencing an election.

Although the respondents are at a loss to understand how there could be a violation of the FECA, we believe that it is important to make clear that the February 28, 1994 trip by President Clinton was a proper official trip by the President and that the travel costs were properly defrayed from official funds. The President's visit to Chicago was for the purpose of getting his message to the people on the crucial issues then facing Congress (and the Ways and Means Committee) of crime, education, health care and welfare reform. On this trip, no funds were raised for Dan Rostenkowski for Congress Committee, the President did not advocate the election of Rostenkowski or the defeat of his opponent, and there was no campaign event. Thus, this trip was a proper official trip.

When the President's travel is political nature, the White House follows a standard procedure that requires payment for the President's travel in advance. This procedure includes guidelines defining what is political and campaign-related. This trip did not meet that definition and was properly treated as an official trip.

Thus, even though it would not constitute a violation of any statute within the jurisdiction of the FEC, it is also clear that there was no misuse of government funds in President Clinton's trip to Chicago.

For the foregoing reasons, this complaint should be dismissed immediately. If you have any further questions, please contact me.

Sincerely,

Lyn Utrecht

Lyn Utrecht

---

[1] Although the complaint makes no specific allegation concerning trips by other Administration officials, it requests that the Commission investigate whether other trips, including trips by First Lady Hillary Rodham-Clinton and Secretary of Labor Robert Reich may have resulted in contributions or expenditures by the Federal government. Although we have no specific information regarding such trips, for the reasons set forth above, this unsupported allegation sets forth no violation of the Act, and does not merit further response.

REPORT NO. 96-422
TO ACCOMPANY
H.R. 5010

COMMITTEE
ON
HOUSE ADMINISTRATION

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96TH CONGRESS 1st SESSION } HOUSE OF REPRESENTATIVES { REPORT No. 96-422

FEDERAL ELECTION CAMPAIGN ACT AMENDMENTS OF 1979

SEPTEMBER 7, 1979.—Committed to the Committee of the Whole House on the State of the Union and ordered to be printed

Mr. THOMPSON, from the Committee on House Administration, submitted the following

REPORT

[To accompany H.R. 5010]

The Committee on House Administration, to whom was referred the bill (H.R. 5010) to amend the Federal Election Campaign Act of 1971 to make certain changes in the reporting and disclosure requirements of such act, and for other purposes, having considered the same, report favorably thereon with an amendment and recommend that the bill, as, amended, do pass.

The amendment strikes out all after the enacting clause of the bill and inserts a new text which appears in italic type in the reported bill.

BRIEF BILL SUMMARY

The bill would amend the Federal Election Campaign Act of 1971 by simplifying the recordkeeping and reporting provisions, by increasing the role of state and local political parties, by reducing the procedural requirements of the enforcement process and by providing increased opportunity for the respondent to present his or her defense.

A substantial number of changes are made in the recordkeeping and reporting provisions of the Act. The number of candidates who will be required to file reports under the act will be reduced by a change in the definition of the term candidate. Currently, an individual becomes a candidate when he or she receives any contribution or makes any expenditure; the bill establishes a $5,000 threshold. A candidate who receives less than $5,000 or spends less than $5,000 will not incur a reporting obligation.

Under the bill, all of the financial activities of a campaign will be controlled and reported by the candidate's authorized committees; however, the candidate will be able to receive contributions and make expenditures as an agent of his or her authorized campaign committee or committees. Additionally, the name of the candidate must appear in

access is not considered a contribution by the candidate or committee to the political party. Party committees whose only Federal involvement is the receipt of these fees from Federal candidates will not be required to register and report under the Act.

(*xiv*) *Honorarian.* The current exempton for honoraria is maintained.

(9) (A) *Expenditure: General definition.* The provision in the current Act relating to "funds received by a political committee which are transferred to such committee from another political committee or other source" is deleted for the reasons discussed in the contribution section. The provision relating to legal and accounting services is moved to section (9) (B) (vii).

The phrase 'by any person' was added to the definition of expenditure to incorporate the Commission opinion that the use of appropriate funds of the Federal Government is not an expenditure. Misuse of appropriated funds is a violation of Federal law and subject to enforcement by other agencies.

(B) *Expenditure exemptions.* The corresponding exemptions for volunteer services, residential premises, vendor discounts, and travel expenses were deleted from the bill. Since all of these provisions are specific exemptions to the definition of contribution, exemptions from the expenditure definition are not necessary.

(*i*) *New story.* There is no change in this provision.

(*ii*) *Nonpartisan registration and get-out-the-vote.* There is no change in this provision. The current prohibition on the use of corporate or union treasury funds continues unless such drives are jointly sponsored by a corporation, union, or other organization subject to section 316 and an organization which does not endorse candidates or political parties. Drives using corporate or union treasury funds must be conducted by the organization which does not endorse candidates or parties. See *H. Conf. Report 1057*, 94th Congress, 2d Sess. pp. 63–64.

(*iii*) *Reporting of communication costs.* The bill adds reporting dates. Organizations which incur a reporting obligation under this section will be required to file quarterly reports in an election year and pre-general election reports.

(*iv*) *Slate card.* There is no change in this corresponding exemption.

(*v*) *Corporate/labor exemption.* There is no change in this provision.

(*vi*) *Fundraising cost.* There is no change in this provision.

(*vii*) Legal and accounting services, (*viii*) Buttons and bumper stickers, and (*ix*) Presidential registration and get-out-the-vote. These are exemptions which correspond to exemptions from the definition of contribution.

(*x*) *Party fees.* The transfer of party fees received from a candidate or authorized committee as a condition of ballot access to another party committee or to the appropriate State official is not considered an expenditure by the party committee making the transfer.

(10) *Commission.* There is no change in this provision.

(11) *Person.* The only change was the specific exclusion of the Federal Government from the definition.

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COMMISSION
OFFICE OF GENERAL
COUNSEL
SEP 23 5 15 PM '94

THE WHITE HOUSE

WASHINGTON

September 23, 1994

Lawrence Noble, Esq.
General Counsel
Federal Election Commission
999 E Street, NW
Washington, D.C. 20463

RE: 4026

Dear Mr. Noble:

We are writing in response to an August 15, 1994, letter from Ms. Mary Taksar regarding a complaint filed with the Federal Election Commission (FEC) by the Citizens Commission for Ethics in Government (Complainant) against President Bill Clinton. The Complainant alleges that President Clinton may have violated the Federal Election Campaign Act (the Act) by travelling for official purposes to Illinois on February 28, 1994, to attend events in which U.S. Representative Dan Rostenkowski was a participant. In particular, the Complainant states that,

> U.S. government . . . funding of this campaign trip may have constituted an unreported in-kind campaign contribution by the federal government to the Rostenkowski for Congress campaign, in violation of 2 U.S.C. § 434 and 11 C.F.R. § 1063.

Complaint at 1.

The Complainant's allegations with respect to the President's trip do not appear to state a violation of the Act, since "person" for the purposes of the term "contribution" does not include the Federal government (or any of its components). See, 2 U.S.C. § 431(11); see also, H.R. Rep. No. 4221, 96th Cong., 1st. Sess. at 7-8 (1979) (definitions of "contribution" and "expenditure" were amended "to incorporate the Commission opinion that the use of appropriate (sic) funds of the Federal Government is not an expenditure"). Nevertheless, we do want to take this opportunity to provide the facts related to the President's travel to Illinois.

I. President Clinton's Trip to Chicago was to Promote His Legislative Agenda.

On February 28, 1994, the President travelled to Chicago and Country Hills, Illinois. The purpose of the President's trip was

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to discuss various policies and initiatives pending before Congress, as well as to secure support for his legislative agenda.

The President participated in three events while he was in Illinois: he discussed crime and health care with doctors, police and community leaders at Wright Junior College in Chicago; he later addressed the students of Wright Junior College about the crime bill, education (school-to-work) bill, welfare reform and health care reform; and finally, he spoke to the Hillcrest High School students in Country Club Hills about the crime bill. See Attachment (itinerary). Representative Rostenkowski attended both Wright Junior College events.

The President did not campaign for, advocate the election of, or seek the defeat of the opponent of Representative Rostenkowski at any time during this trip. Rather, he discussed the need for Congress to act on his legislative agenda. See Attachment (Transcriptions of the President's speeches at Wright Junior College events and Hillcrest High School event).

II. Under Long-Standing Department of Justice Guidelines President Clinton's Chicago Trip is Official.

The White House evaluates all travel by the President to ensure that costs are allocated properly between federal and non-federal dollars. Before each trip, a trip is preliminarily categorized as official, political or mixed. After each trip, the President's schedule is reviewed to determine whether a trip was properly categorized in light of actual events. At that time, a final determination is made with respect to a trip's categorization as official, political or mixed and bills are paid pursuant to this decision. For official trips, appropriated funds are used; for trips designated as mixed or political, the political organization or candidate campaign committee must deposit with the Democratic National Committee, prior to the date of travel, funds sufficient to cover anticipated costs.

To determine whether a trip (or event) is properly categorized as official or political in nature, the White House follows guidelines established by the Department of Justice more than ten years ago. See 6 Ops. Office of Legal Counsel 214, Memorandum Opinion for the Counsel to the President, "Payment of Expenses Associated with Travel by the President and Vice President" (March 24, 1982).

These guidelines, which have been used by every administration since they were issued, provide that:

> Presidential and Vice Presidential travel should be considered "political" if its primary purpose involves their position as leaders of their political party. Appearing at party functions, fundraising and campaigning for specific candidates are the principal examples of travel that should be considered political. On the other hand, travel for inspections, meetings and non-partisan addresses, and the like ordinarily should not be considered "political" travel even though they [sic] may have partisan consequences or concern questions on which opinion is politically divided. The President cannot perform his official duties effectively without the understanding, confidence, and support of the public. Travel and appearances by the President and Vice President to present, explain, and secure public support for the Administration's measures are therefore an inherent part of the President's and Vice President's official duties.

Id. at 216.

Under the Justice Department's guidelines, the President's trip was official. The President's appearance was to explain and seek support for a number of his initiatives, including the then pending crime bill and health care reform, which is still pending in Congress. While the Complainant alludes to newspaper reports of statements purportedly made by Administration officials (prior to the actual travel) to suggest that the trip was a campaign trip, an evaluation of the events (and associated speeches) of the President's trip demonstrate that they were "to present, explain and secure public support for the Administration's measures" and therefore, official under the Department of Justice's guidelines.

In light of these facts, and the failure by the Complainant to state a violation of the Federal Election Campaign Act by the President, we request that your agency dismiss the President as a respondent in this matter (MUR 4026).

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Please contact me if you have any questions or need further information. We look forward to hearing from you soon.

Sincerely,

C. Mills

Cheryl Mills
Associate Counsel to the President

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THE WHITE HOUSE

Office of the Press Secretary

For Immediate Release February 28, 1994

PUBLIC SCHEDULE OF THE PRESIDENT
MONDAY, FEBRUARY 28, 1994

7:50 AM THE PRESIDENT BOARDS Marine One and departs the South Lawn, the White House enroute Andrews Air Force Base.

8:10 AM THE PRESIDENT BOARDS Air Force One and departs Andrews Air Force Base enroute Chicago, IL and Pittsburgh, PA.

9:45 AM THE PRESIDENT DISCUSSES crime and health care with doctors, police and community members at Wright Junior College, Chicago, IL.

11:15 AM THE PRESIDENT ADDRESSES students at Wright Junior College, Chicago, IL.

1:00 PM THE PRESIDENT ADDRESSES students at Hillcrest High School, Country Club Hills, IL. regarding crime.

5:00 PM THE PRESIDENT MAKES welcoming remarks, airport, Pittsburgh, PA.

11:35 PM THE PRESIDENT ARRIVES the South Lawn, the White House.

THERE ARE NO OTHER EVENTS ON THE PRESIDENT'S PUBLIC SCHEDULE FOR MONDAY, FEBRUARY 28, 1994.

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THE WHITE HOUSE

Office of the Press Secretary
(Chicago, Illinois)

For Immediate Release February 28, 1994

REMARKS BY THE PRESIDENT
IN DISCUSSION ON CRIME AND HEALTH CARE
WITH DOCTORS, POLICE AND COMMUNITY MEMBERS

Wright Junior College
Chicago, Illinois

9:45 A.M. CST

THE PRESIDENT: I'm glad to see all of you. I'm glad to also be back at Wright Community College where I first came in December of 1992, although congressmen and mayors, you will remember, it was in a different facility. This is much nicer and newer. It's good to be back here.

We're here to talk about two things that relate to one another -- crime and health care. It's appropriate that we're having this discussion today, because today the Brady Bill becomes law. It requires background checks on anyone who buys a handgun or gun and will help to keep guns out of the hands of criminal and people who are mentally unfit. It will prevent now, we know, based on research, thousands of handgun murders all across our country.

Here in Illinois, where you already have a tough law similar to the Brady Law, it will prevent people who should not have guns from buying guns in other states, using them here to commit crimes.

Before we begin, I'd like to talk with Jim Brady who made history with his heroic efforts, along with his wonderful wife Sarah, to pass this bill. They worked for seven long years to pass it. I want to say Congressman Rostenkowski has supported the bill all along the way, but there was surprisingly continuing opposition in Congress. It all melted away last year. I hope that our campaign and election had something to do with it. But for whatever reason we had a good, good, strong bipartisan measure of support for the Brady Bill. It's now the law as of today.

And I just wanted -- I've got Jim Brady on the phone, I think. And I wanted to congratulate him and thank him for his efforts. Jim, are you on the phone?

MR. BRADY: Good morning, Mr. President.

THE PRESIDENT: Is Sarah there?

MRS. BRADY: I'm right here, sir.

THE PRESIDENT: Well, it's nice to hear you both.

MRS. BRADY: Well, it's good to hear from you.

THE PRESIDENT: As you know, I'm here in Chicago with a lot of people who understand the importance of what you've done. I'm here with doctors and other health care professionals who treat gunshot victims and people who are recovering from wounds. So I'm sure they're all very grateful to you just as I am today.

MRS. BRADY: Well, we thank you for your leadership and for their support. It took a real team effort to get this passed, and we thank you very much for it.

THE PRESIDENT: I know that you believe this is just the beginning in our fight; and I know that you've got a lot of

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other objectives you want to try to achieve. I want you to know that we're going to be in there pulling for you and working with you.

MRS. BRADY: Well, thank you. We appreciate it.

MR. BRADY: We can't lose then.

THE PRESIDENT: Today, Secretary Bentsen is announcing that the Bureau of Alcohol, Tobacco and Firearms is taking an assault weapon called the Street Sweeper off the free market.

MR. BRADY: Yeah.

MRS. BRADY: That's a wonderful move, and we applaud that highly. (Applause.)

THE PRESIDENT: The weapon was originally developed for crowd control in South Africa. Several years ago, the U.S. government banned it from being imported, but it's still made and sold here. So today, the Bureau of Alcohol, Tobacco and Firearms is reclassifying the Street Sweeper, and another assault weapon, the USAS-12, as a destructive devices, increasing the taxes on manufacturers and dealers and requiring the buyers to take extraordinary measures. Starting tomorrow, if you want to buy one, you have to appear in person, provide a photo id with fingerprints and have a local law enforcement officer verify that the buyer can own it in his home state. And that, I think, will make a big difference.

So, we're going to keep working on these things; we're going to try to pass this crime bill including the assault weapons ban in it. I know you're going to help us. And I just want to say on behalf of Chairman Rostenkowski and Mayor Daley and myself and all these fine health professionals that are here, we appreciate you and we're grateful to you, and I hope you have a great celebration today.

MR. BRADY: Thank you, Mr. President.

MRS. BRADY: Thank you.

THE PRESIDENT: Thanks Sarah. Bye Jim.

MR. BRADY: Bye now.

THE PRESIDENT: Take care.

Well, glad we could take a little time to talk to them. You know, Jim Brady has paid a terrific price for the fact that we didn't have the Brady Bill when he was wounded. I think it's remarkable that he and his wife are continuing to work on these matters and are continuing to get out there.

Chairman Rostenkowski, I'm glad to see you here today. Glad to have a chance to talk about this crime issue which you've been interested in for a long time and how it relates to the health care bill that we're working on in Congress now. Mayor Daley, I'm glad you're here. I know that you were the State's Attorney before you were Mayor, and I know you've worked very hard on the community policing. And every time I've ever talked with you, we've started our conversation with a discussion of crime. So I'm glad that you joined us here today.

I'd like to talk a little bit about the crime bill that's before the Congress and then introduce the people here around the table, and then invite the rest of you who are here, if we have time, to make some comments, because I think it's very important that we see that this crime problem is being manifested as a public health problem, too; and that many of you who deal with the -- the cost and the human tragedy of this can speak very

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dramatically to why we need to change our laws and our policies.

Our crime bill does a number of things. It contains a three strikes and you're out provision written properly to really cover people who commit three consecutive violent crimes. It gives us 100,000 more police officers so that we can do more community policing. We know that that lowers the crime rate -- if you have properly trained police officers on the streets, in the communities who know the neighbors and know the kids. It bans assault weapons and it provides funds for things like drug treatment and alternative treatment for first-time young offenders, like community boot camps.

Today, I'm hoping that your presence here will help not only people in Chicago and Illinois, but people all across American learn more about how the crisis in crime and violence is linked to the health care crisis in America.

Last week physicians from Chicago area trauma centers had a news conference with the Cook County Medical Examiner, Dr. Edmund Donahue (phonetic). They reported that largely because of the proliferation of rapid-fire automatic and semi-automatic and assault weapons, gun violence has become one of the leading health problems in the Chicago area. More than 2500 people every year are treated for gunshot wounds in Chicago area emergency rooms; and caring for them in the emergency rooms costs $37 million in this one community. In 1987, at Cook County Hospital, gunshot wounds accounted for 15 percent of the total funds used for the care of trauma patients. By 1992, this number had increased from 15 percent to 35 percent.

At the Cook County Hospital Trauma Unit from 1987 to 1992, the number of admissions for gunshot wounds increased from 449 to 1220, and accounted for 70 percent of the overall increase in admissions. That is a stunning fact. And all across Illinois, 1992 was the first year in this state where more people were killed by guns than by auto accidents.

According to an article in the Journal of the American Medical Association, gunshot wounds have become the nation's leading cause of traumatic death this year. From 1987 through 1992, 850,000 armed attacks took place every year, and in 1991 and 1992 16,000 people were murdered with firearms each year. This adds about $4 billion a year to hospital costs, and too often, of course, when one of us is stuck with a bullet, the rest of us are stuck with the bill. About 80 percent of the patients who suffer firearm injuries aren't adequately insured or eligible for government medical programs like Medicaid. So public hospitals cover the costs of the uninsured. Private hospitals charge higher rates for those who can pay, so the rest of us pay higher hospital bills, higher insurance premiums and higher taxes.

This morning I want to talk with you and let you basically talk to me and tell me whatever's on your mind about what we need to do and what you have experienced. The mayor and Chairman Rostenkowski and I have decided we'd like to hear from you first and then we may want to ask you some questions. And I know there are some other very distinguished people here, too, in the audience who may want to say some things. But let's start with the Chicago Police Superintendent, Matt Rodriguez, a strong advocate of community policing; and I want to thank you, sir for working with our National Service Program to implement our summer of safety. We're going to have several thousand young people working with police forces all across America to try to reduce the crime rate and relate better to the neighborhoods of this country this year. I thank you for that, and I want to give you the microphone for whatever you might like to say.

MR. RODRIGUEZ: Thank you very much, Mr. President. First of all, I would like to say that I would hate to think about what our homicide rate would be were it not for the

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excellent medical professionals that we have represented here in this room. The other thing, Mr. President, during your State of the Union message you talked about getting tough and getting smart; and we like to think that our Chicago Alternative Policing Strategy -- CAPS is the acronym -- we like to think that that's what our strategy is and that's what our policy is. We intend to continue to fill the courtrooms and fill the jails, arrest the benders, but at the same time to look to prevention as really the long-range but the proper route for us to be taking. And we're talking about the area of narcotic use to look to treatment and those kinds of programs that were announced by Lee Brown. And we think that perhaps the strangest thing that's going on now -- and this is true across the country -- we just had a meeting of the major city chiefs, and there was a decrease in many of the major cities such as Chicago here, our homicide rate went down 9 percent last year, but yet this fear of crime was up; and this phenomenon is occurring across the country.

You might be interested to know, Mr. President, that the major city chiefs endorsed and sent a letter -- you'll be getting a copy -- endorsed the U.S. Conference of Mayors and their proposals to you, which goes back to the crime bill. But I think that we need to address it on a -- at the same time we address it on a long-range basis for prevention, we need to look at the fear of crime and see what we can do in that area.

THE PRESIDENT: I think one of the reasons that's happening is the numbers I just read off. While the overall crime rate is going down -- even the murder rate is dropping in many of our cities, especially where community policing strategies have been implemented; the violence among young people seems to be on the rise. And among young people who are shot with these semi-automatic weapons, a gunshot wound is more likely to end in death than it was just five or 10 years ago because you're likely to have more bullets in your body. I mean, there's a lot of evidence now to that effect.

So I think that we -- the law enforcement folks in this country are not getting the credit they deserve in many cities, being able to bring the crime rate down through community strategies. But a lot of it is the sheer violence of certain particular things. And I think the widespread use of these assault weapons in gang settings.

MR. RODRIGUEZ: The fastest growing segment of our criminal population are the young people. They're increasingly becoming the offenders. We find it again here in Chicago and across the country. That is the same indication I'm getting from other chiefs throughout the country.

THE PRESIDENT: Dr. Statter -- Dr. Mindy Statter is the Director of Pediatric Trauma at the University of Chicago Medical Center. Her unit is Level I, which means she gets the most intense and vulnerable trauma cases. Would you like to make a few comments?

DR. STATTER: Since I've been at Wyler, since 1992, I was aware of the increase in adolescent violence, but I wasn't aware that 10 percent of my patients were going to be victims of this violence.

Since I've been a pediatric trauma surgeon there, I've treated a child as young as one month of age -- single gunshot wound to the abdomen and died in the operating room. Most of our patients are -- 80 percent of our patients that are gunshot victims are young black males less than the age of 15 years of age.

I'd like to make one comment with regard to the monetary aspect of this. You pointed out that the money -- tax dollars go to to take care of these victims. I think it's very, very important to keep the consideration -- what happens to these

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children once we pay for their -- (inaudible). A lot of these children become paraplegics, and they're lost from the work force; and not to mention the child that may just sustain a graze injury -- the psychologic trauma may significantly affect his performance iboscheoand point and the subsequent effects of these injuries is also very important to take into consideration.

THE PRESIDENT: Do you have any -- how long have you been doing this work?

DR. STATTER: I've been at Wyler for two years.

THE PRESIDENT: Let me just say this: One of the most controversial parts of the crime bill, as you know, Mr. Chairman, in the House will be whether we can get the assault weapons ban that passed in the Senate passed in the House. I just sort of wanted to ask your opinion as a medical professional. We have a lot of police officers tell us that this is very important, not only because it winds -- without doing something on assault weapons you wind up often with the police in effect outgunned by people who have these weapons; but that it actually has increased the level of mortality from gunshot wounds because of the transfer from handguns -- regular handguns to assault weapons.

Have you seen that?

DR. STATTER: Not specifically. In the past few years, in 1992 we had 55 children that were gunshot victims, most of them males, young men; and there were five deaths. In '93 we had a similar number -- 55 gunshot victims and eight deaths.

I think the important point is with children, since they don't have the same body mass as an adult; and we're seeing children being struck at close range in classrooms. A simple gunshot wound can to significant damage and damage multiple organ systems in the body. It doesn't take a multiple gunshot to kill a child. It can be a single injury from a single bullet.

Simply, in answer to your question, I don't have demographics regarding -- children dying from assault weapons versus --.

THE PRESIDENT: Barbara Schwaegerman is a trauma nurse at Cook County Hospital, who works in an emergency room and cares for hundreds of victims of violence every year. Would you like to make a few comments about your experience and what you --

MS. SCHWAEGERMAN: Well, Mr. President, I'd like to say that the accessibility and the availability of these semi-automatic and automatic weapons has caused a great deal of problem in our unit. In the last 10 years we have seen a 350 percent increase in deaths from multiple gunshot wounds. I've been there for 14 years. When I started we would see single gunshot wounds. Now it's very common to see multiple gunshot wounds with the semi-automatic weapons. And yes, our mortality has increased; the patients' stay has increased; and everybody loses here. Even if you haven't suffered personal loss, we all pay for this. Whether it's a personal loss or whether it's paying for their hospital stay, their rehabilitation, their disability.

Just for instance, I'm also concerned about that we have a generation here that's coping mechanisms are just not there. And I just want to give you a for instance. Last week, I took care of a 24-year-old gentleman who came in with a gunshot wound to his head. The story was that he was watching TV at his parents' house, and he had an argument with his brother over the channel that they were watching on television. And rather than

communicate and work out a settlement together, the younger brother went in and got a gun and shot him fatally in the head.

It was very difficult to tell the wife that her husband was dead over a television channel. They have three children. What she did was grab me by the arms and say, "How am I going to tell my three children he's dead?"

We have to do something about the accessibility of these guns. Because people find it easier to grab a handgun and solve their problems that way, then to sit down and communicate and solve their problems that way.

THE PRESIDENT: Thank you.

Perhaps the most important person sitting around this table today on this subject is Carol Ridley, who is an anti-crime activist because her 22-year-old son was killed by gunfire in 1992. She is an active member of the Illinois Council Against Handgun Violence and the Coalition to Stop Handgun Violence.

Carol.

MRS. RIDLEY: Thank you, Mr. President. I'd like to agree with Barbara. We have to do something to channel the energy of the young people. My son was murdered by a friend of his, also. These two boys had grown up together since age of 12. They've had many arguments, but due now to the easy accessibility of guns and this young gentleman wanting an instant answer, or something instant to resolve the situation or the argument, he killed my son. And to make matters worse, at the time of sentencing, Mr. President, the young man told the judge, "You know, I dream constantly about Pool." That's what we called my son. "Because he was my best friend and I miss him totally. I didn't mean to do it, but because guns is an instant answer and you want to resolve a situation, you do this."

What we need to do to help our children is to channel their energies elsewhere. Start preventive measures like playgrounds and social activities to have something to do after school that's structured and supervised. We don't need to leave our kids open on the streets like it has been because that's what happens. They walk on the street and they get shot because there are guns on the street.

I'd like to comment also on the fear that's going through our children's minds. They hear constantly about gunshot victims. They also know people that's in their family that are victims. They've seen their friends murdered. So they have a constant fear that they live in. They can't concentrate on education because it takes all of their energies for survival. We have got to do something about this gun problem; because we are arming ourselves in America more and more, but the crime isn't going down. So guns is not that answer.

THE PRESIDENT: One of the things that -- first of all let me thank you for being here, and thank you for having the courage to keep fighting this.

One of the things that I have seen some success with around the country that unfortunately is just being done kind of on a case by case basis with no consistency, is an effort in our schools to literally teach young people who may not learn it at home or in other community settings, how to resolve their differences; to really try to work through and force kids to come to grips with their aggressions, their angers, and how they deal with this.

I don't know how many encounters I've had in the last three years with people talking about shooting occurring in schools that mostly are just impulse things. And it's something I think maybe we ought to give some thought to and make sure in

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the crime bill that comes out that some of this money for alternatives includes the ability -- these things aren't very expensive to have these courses in the schools where these kids are actually taught how people, sensible people, resolve their differences, because I think it's a real problem.

??: Mr. President, we have such a statute here in the State of Illinois. It's not funded, however. And so I think you're correct that conflict resolution is a very important thing to be addressing to our young people.

More importantly I think there is this pall, or this despair over most of the community. And I think it's an excellent opportunity for you, as the leader of this country, and I think you've taken the bull by the horns so far; and I think it's very, very important that people have some hope. And I think it's perhaps the worst thing we can do is just to have a feeling of despair -- that we have no control at all. I think that whatever effort we make, when you put these things together in a comprehensive fashion, they will make a difference; and I think we can turn this thing around -- and if I didn't, I wouldn't be in this job that I'm in. And I think that's important -- to convey hope to people.

THE PRESIDENT: Congressman.

CONGRESSMAN ROSTENKOWSKI: Mr. President, I think the city of Chicago has probably one of the most restrictive handgun ordinances in the country. There's no question about the fact it is a national problem. If you can go across the state border and buy weapons and bring them into the city of Chicago or into the county of Cook or into the state of Illinois, the problem is there. And what Matt said is absolutely right -- we need presidential leadership in this, and if you had not at your practical swearing-in ceremony said, I will sign the Brady Bill, I don't think that the initiative would have been there.

There are those of us that have been fighting over a long period time, recognizing that the availability of the violent weapon is more the impulse exhibition than anything else. And we've just got to be consistent about where we're going nationally with respect to the availability not of assault weapons, but weapons generally. And I think I'd be remiss if I didn't mention the fact that t.v. violence is what basically the younger element in our society is exposed to. And unless we can get cooperation from the media to do something about the kind of movies or shows that they're playing, I just don't think that we're going to get our handle on it.

And finally, Mr. President, crime is community participation. The police officer, whether there's one or 20, is handcuffed if he hasn't got the interested citizen willing to call him and identify what the problem is and who created the problem. And I think what we've got to do is work on an educational program for the people in our community. The gangs are better organized than the parents are -- they know each other and the minute the young person is exposed to the gangs in the street, they take -- they almost take over the parenthood of the child.

On assault weapons, Mr. President, I've been supporting this before you were President because I honestly believe that we've got to view this on a national scale. But as Superintendent Rodriguez has pointed out, if there's somebody in the White House that wants to do something about this, people out there will react -- 435 members of Congress cannot do what the President of the United States can do.

THE PRESIDENT: Well, I don't think there's any question that, as you said, this has been one of those issues where the people were ahead of those elected officials, or at

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least elected officials as a whole. They've been out there for a long time wanting us to do something.

Mayor.

MAYOR DALEY: Well, I want to thank you, Mr. President -- regard to many years we've had a lot of talk about being tough on crime or try to understand the crime problem. But you as President, you have provided the leadership, not just -- speech, but I really understand the problem. You have talked about prevention, treatment and enforcement. And here this morning you have Superintendent Rodriguez and the five district commanders that deal with community policing. They know it works, as the Congressman pointed out. When you get the community involved -- once you get the community involved, you're going to have the police; you're going to reduce crime; you're going to have awareness programs. And that's what the community's all about.

That's why it's so important, the crime package that you have presented -- you have talked about to the American public that we need this passed immediately. At the same time, we understand the repercussions for the families and for the victims. It's a total problem for the community. And you talk about -- as the doctor pointed out and the nurse pointed out -- it is -- the victim -- the death of a victim or the injury of victim. And then what happens to the victim when they're five years old or seven years old, as each year they get older and older.

And so I want to thank you and the Congressman for providing the leadership -- here in Chicago -- Congressman Rostenkowski -- but yourself, not just talking about this; you met with people; you signed the Brady Bill; Sarah and Jim Brady and what they went through; and educating the American public. I think that's what we're doing -- you're doing. You're really educating the American public. And I think we appreciate that.

THE PRESIDENT: Thank you.

Anybody else want to say something? Would you stand up and just identify yourself.

DR. FANTUS: -- I'm a trauma surgeon at Illinois Masonic Medical Center on the North Side of Chicago. And I've been the Director of Trauma there for the past seven years. And I've seen the number of gunshot wound victims quadruple. And there's been a shift from single gunshot to multiple gunshot. And now we're up to about 35 percent of the gunshot victims we see have multiple gunshot wounds from either assault weapons or semiautomatic weapons.

And just this past Friday night I was on call. And when I got home Saturday morning, my six-year-old asked me, "Daddy, what did you do last night?" I had to tell him that I was there sewing the holes in a heart -- boy who was shot in the back multiple times in school. And I had to explain this to him. And this is a significant public health -- gunshot wound -- fighting a war. And I hope we can take care of this before I have to send him to school in a flak jacket.

DR. ADAMS: Stephen Adams from Northwestern Memorial Hospital. From a public health point of view, if bullet wounds were caused by an infectious disease, we would find people clamoring for an antibiotic cure for this epidemic. And I think that's what we need to do with this society -- find a cure for the infectious disease caused by bullets.

DR. ZARET: My name is Phil Zaret. I'm the Director of Trauma at Mount Sinai Hospital here in Chicago on the West Side. And I think that the thread that kind of connects all of these bullets and crime together is education, and the lack of

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education. And I don't mean reading, writing and arithmetic, I mean in moral and ethical values. There's such a lack of it on the West Side of Chicago -- life is so cheap.

I think that the best way we can teach this type of education, this moral and ethical education, is by -- example. And thank you, Mr. President, for the wonderful example which you set. And thank God that you're here today to go the high school later, which you're going to be doing and set the very finest example for our people here in Chicago, for our young people. But we need more -- we need people going out and setting an example, a good example for the young people in Chicago. They just don't have it. It's the drug dealers; it's the pimps and pushers that are on the street that are their good example, and it's just not working out. We've got to set good role models for them.

DR. MELLER: My name is Janet Meller. I'm Director of Pediatric Surgery and Cook County Hospital.

I'd like to say that for the past seven years, the amount of penetrating injuries to children now accounts for one-third of our --. And we've seen that public awareness and legislation can have an impact on -- (inaudible). In fact, since the -- (inaudible) -- falling out of windows, have come into -- there has been a great decrease in the amount of falls.

And think that if you can expend some of -- energy to the issue of penetrating trauma we can decrease the -- start to work on the decreasing the penetrating trauma in children, which is really becoming significant this year in the pediatric population.

DR. SHAH: My name is Manoj Shah. I'm a Trauma Director at Lutheran General Hospital. (Inaudible) -- inner city kind of population; I'm in a suburban hospital. And even in a suburban hospital, we have seen an increase in --. Even though we are not seeing the injuries in assault -- gang-related kind of injuries, the kind of injuries we are seeing is self-inflicted or suicide kind of injuries. (Inaudible) -- talking about, we have seen an almost 60 percent increase in the number of victims that come to us for those reasons. And most of those people have an easy access to the weapon and use that to solve their problems.

DR. CHRISTOFFEL: I'm Katherine Christoffel. I represent Children's Memorial Hospital. We've seen a tenfold increase in the number of gunshot victims that -- in the last decade. I also represent the handgun -- (inaudible) -- or health network of concerned professionals. And we are working among organizations and individuals in the health field and related fields across the country to address this the way we would any epidemic. More children adolescents died from firearm injuries in 1991 than died from the polio epidemic, of all ages, at its peak. More than 10 times as many Americans died from firearms in 1991 as died from Polio at its peak.

The handgun is the main problem. Semi-automatic pistols kill far more people now than assault weapons. You have to prevent the assault weapons from killing more. I agree with banning them. But we've got to focus on the handgun as the main contingent in this horrible epidemic. And I hope that you will focus increasing energy on the handgun -- that one consumer product is killing our kids.

DR. MERLOTTI: Gary Merlotti, trauma surgeon from Christ Hospital. And I'd like to emphasize -- (inaudible) -- general impression throughout our city -- (inaudible) -- most gunshot wounds are drug- and gang-related. Better than 50 percent of our gunshot wounds -- we figure about 450 of them in 1993 -- were domestic violence. They are the solution to the argument -- it's too easy to pull a gun out.

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I think what Congressman Rostenkowski pointed out, that part of it is a general desensitization of the population to the gunshot wound, or to the use of the handgun in that it's become an enabler, if you will. That is, it allows people to be more ready to pull a gun out -- (inaudible) --. I think that we really need to put pressure on t.v. to get violence out of the media in order to -- (inaudible) -- and get people back to considering that a gun may be something you want to do about and not use.

DR. LAZAR: Mr. President, I'm Richard Lazar from the Schwab Rehabilitation Hospital, and unlike some of these physicians, we take care of the survivors over the long term. I'm very sensitive to some of the issues that Mr. Rostenkowski brought up about sensitivity in the television. We're very concerned about that, as well. I mean, if we can ban cigarette advertisement from television, why should we allow the media to broadcast people killing one another left and right all the time as a matter of six or eight hours a day of television by our children?

We now have children in our hospital that are patients that are survivors of gunshot wounds, whose parents and grandparents were gunshot wound patients at our hospital. They already know what physical therapy is, they know all about it. They know all about wheelchairs, crutches, the whole shootin' match. So, I think that this is really a testimony to your leadership that you're willing to really examine our social fabric in this way, and try to make some very critical changes; and I applaud you for that.

THE PRESIDENT: Thank you. Is Dr. John May here?

DR. MAY: Yes.

THE PRESIDENT: You're the senior physician at the Cook County Jail, is that right?

DR. MAY: Correct.

THE PRESIDENT: I understand that you have done some violence prevention workshops with your people in the prison, in the jail. Would you talk a little about that?

DR. MAY: We have almost 10,000 detainees at the Cook County Jail and I'll go in and give presentations as a health issue like we do maybe about HIV or smoking and so on, but we talk about gunshot wounds. And I start by asking, how many in the crowd have ever been shot before? And almost a third will raise their hand. I ask, how many of you have ever seen someone shot? And almost everyone will raise their hand. And I've done this outside of the jail at the high schools, and more than half the kids in high school actually see someone on the street shot. So it's not just the violence on t.v. that we need to be concerned about, but the violence that is witnessed in real life. How does someone process that?

I had an 18-year old patient just last week who -- this was in the jail -- had been shot three times before: once when he was 15, once 16 and once 17. I thought to myself, is it any wonder he's here in the jail? And we need to recognize this not just as a criminal justice issue, so I thought we need to see this as a public health issue. If we can work on prevention, we can begin to reduce some of this -- help someone overcome the psychological burden of witnessing violence or experiencing violence. I think we can teach conflict resolution and that might have some success. And yet, despite all those desperate efforts, young people and adults will get into conflicts and will fight and if the handgun is there, unfortunately, that conflict becomes lethal. So we need national attention to get rid of the guns.

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THE PRESIDENT: Is Reverend Roosevelt McGee here? Reverend McGee is the Executive Director of the Chicago Chapter of the Southern Christian Leadership Conference. What are your observations about what you've heard today, and what can we do to prevent some of these things from happening in the first place? What can I do? What can the rest of us do?

REVEREND MCGEE: First, Mr. President, I would like to thank you and the Justice Department for your -- Initiative across the United States. Here in Chicago, -- (inaudible) -- Council Project. And you've allowed SCLC to come in in partnership with you on that. And it's an effort that you're punching and -- (inaudible) -- that you have targeted. And our program -- (inaudible). It enables us to get out in the community and build coalition with a lot of these individuals that are here, to address the issue as to what we can do. And we're going to hold a meeting tomorrow night to talk about these things. The medical community is coming together, community organizations -- and what we want to do is to build at the grass roots level a safety net to enable us to catch these people; to change their minds; change their attitudes; and then offer an alternative to gangs and drugs and to the life of crime; and to teach them about nonviolent conflict resolution.

It's been a great effort. We met January 17th, and communities are coming together -- organizations, social service organizations. Taking resources that we have, putting them together so that we can make a good safety net, sir, to offer alternatives and then change attitudes.

THE PRESIDENT: Thank you.

DR. GEWERTZ: Bruce Gerwertz, Chairman of Surgery at the University of Chicago. And on behalf of our faculty and the faculty around the city, I just want to thank you again for your leadership.

I don't have to tell you that there are many conflicts and controversies in the organization of health care, but this is one in which every health professional, from physician to nurse, strongly supports this movement. And I just would like to echo what Dr. Shah said, is that there is no escaping this. This goes far beyond any socio and economic boundaries and profound for all of Americans. And your leadership on this is greatly appreciated.

THE PRESIDENT: Thank you. I guess this would be an appropriate time to make an observation that all the medical professionals here will immediately identify with. You know, one of the big debates we're having in Washington over the health care plan now is that Americans spend about 14.5 percent of our total income on health care. The next most health care expensive country is Canada where they spend ten percent; Germany and Japan are slightly under 9 percent of their income, even though their health outcomes, their indicators, are as good or better than ours in almost every major area. And they cover everybody, unlike the United States, which doesn't cover everybody.

And in the health care debate, we're examining how much that is due to the way we finance health care; how much of that is due to the enormous administrative burden on hospitals and doctors clinics and in insurance offices. But if we're going to be perfectly candid, we have to admit that some of the difference is what you all deal with every day. As long as we have more people who are cut up and shot and victims of violence, we're going to have a more expensive health care system than our competitors. And it has enormous economic consequences for the country. The human consequences are by far the most important, I don't want to minimize them. But I think it's important that we acknowledge here that no matter how successful Chairman Rostenkowski and I might be working on this health care thing when we go back, and even if we can get everybody in the world to

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agree on it -- which seems somewhat less than likely (laughter) -- we will still have a system that costs more than all our major competitors as long as we are a more violent society than all our major competitors because no matter how you cut it, you will have to be there doing what you do and that's expensive.

I want to call on just a couple of other people. First, one of your officers. Is Officer Charles Ramsey here?

OFFICER RAMSEY: Here, sir.

THE PRESIDENT: Could you say a little bit about -- Officer Ramsey heads up -- he's the deputy chief of police and he's the head of the community policing program here.

Could you say a little bit about what you think is the potential of the community policing program to actually reduce the crime rate and help maybe to begin to change patterns of behavior that we're talking about today?

OFFICER RAMSEY: Well, sir, I think in the long term it will have a definite impact on crime in Chicago -- working together along with the community, trying to identify the causes of crime, trying to take a more holistic approach to law enforcement. What we've learned is that simply locking people up is not the solution -- it doesn't really help us in the long term. We can talk about our statistics going down, but chances are in a year or two, they'll go up. We have to start taking a more holistic approach; we have to get involved with health care professionals. Up until now, our relationship with health care professionals has been basically to drop off gunshot wound victims, make a report, hit the street and wait for the next one to come in. We need to start communicating and talking about prevention now.

I thought that Congressman Rostenkowski's comments about the media were very, very appropriate. We have to look at the real causes of crime. We deal with the aftermath of crime as police and, basically, as health care professionals. But what's causing it? I have a seven-year old son and Saturday morning he's watching cartoons and I felt relatively good about that because I mean, what harm could there be watching cartoons; until I sat and watched the cartoon. They are incredibly violent -- far more violent than some of the things you see during prime time programming. We are not sensitive to violence anymore in this country. People dying -- when you watch a news broadcast, if there's not enough violence in Chicago, they'll show you a murder that occurred in Buffalo, New York. I mean, what has that got to do with what's going on here in Chicago? But it's this thirst for violence that is really fueling, in my opinion, this whole outbreak of violence in our society. And we have to make some very hard choices.

Representatives from the entertainment industry ought to be right here, right now. They've got to be held accountable as well as everybody else, because unless we work together -- police, health care professionals, media, everybody -- then we're not going to solve this problem and we'll be back here in this room talking about the same issue.

THE PRESIDENT: Is Gina Benavides here?

Gina was in her car with a girlfriend when she was the victim of random gunfire. And since that time, she's spoken out publicly against gun violence, and I thought I would give her a chance to say something here today.

MS. BENAVIDES: Well, I agree with Mayor Daley about --(inaudible)-- is the teachers and police officers in the community. If this police officer can teach --(inaudible)-- in another area, in another suburb. They're not so involved with

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their own people because their neighbors are the ones that -- (inaudible)--.

THE PRESIDENT: It's a very interesting thing -- several weeks ago in Washington, D. C., there was a national meeting on violence in which Jesse Jackson and a number of other people were involved. And one of the principle ideas that came out of that, interestingly enough, was that local and state governments should consider giving special tax incentives or low-cost mortgages or something else to encourage police officers and teachers to actually live in the communities in which they work.

That's very perceptive that you would say that.

Steven Estrada, are you here? Steven was a former mid-level management professional who was shot in the back and robbed for $9, and I appreciate your coming here and I was wondering if you'd like to say anything?

MR. ESTRADA: It's kind of hard to talk about sometimes, so I don't know what to say. --(inaudible)-- when you're in a situation like that, you don't know what the answer is. All I know is that I've got to move on. I can't sit here and feel sorry for myself. I've got to move on and pick up and go on. And so, I don't know, Mr. President, I'm not an expert in handguns like all these other people here today--(inaudible)--. All I know is one thing -- that I do have a family. I have two younger brothers that I almost lost them, and I'm just grateful to be alive and to be here. So, I'm just going to move on.

THE PRESIDENT: Thank you. Yes sir, Chief.

OFFICER RODRIGUEZ: Steve is walking with a cane. He hasn't been employed -- this is how long the victimization goes on -- he hasn't been employed for well over a year and a half since this occurred; he lost his job. We talked a little earlier about the National Service Corps as an alternative, but we're looking to see if we can help him.

But the victimization is not just at the moment of the gunshot. It is a long, long, healing process for many victims. I might add, Mr. President, you heard so much about the random use of firearms, handguns beginning with Chairman Rostenkowski bringing it up. The Children's Defense Fund, which indicated that 50,000 children were killed by handguns since 1979; also indicated that about half of those -- half that number were killed as a result of suicide or accidental shootings. I think that we emphasize all that was said -- (inaudible).

THE PRESIDENT: Anything else? Anyone else want to be heard?

Tell us your name.

MR. WALLER: -- I'm a gunshot victim. Everyone's always talking about banning assault weapons. But what I think is -- (inaudible) -- assault weapons is that what they're used for is assaulting somebody. So instead of always talking about just banning assault weapons or semi-automatic weapons, why can't we just start -- just ban everything -- (inaudible). -- stiff penalties, go to jail -- (inaudible). -- his friend tells him, my brother just went to jail; well, what did he get caught with? A gun. Well, how long's he going to be in jail? A certain length -- amount of time, a real long time -- it's in a kid's mind that if I get caught with a gun, I'm going to be in jail -- it's going to be a stiff penalty for it; but not just start with assault guns -- all guns. If all -- got shot with a revolver, it's not automatic, but I would have still been in the same situation. You know what I mean?

THE PRESIDENT: Yes, sir. Thank you, young man.

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MR. WATSON: Commander Ronnie Watson from the -- district. Conflict resolution is needed. We've got to have -- not only for the children but for the parents. We find out -- parents -- (inaudible) -- a lot of our children's problems. I agree with the congressman about media and tv. But we're leaving out video games -- the most violent contact children have is with video games. That's where they learn how to shoot is through video games. They get instant gratification from the points -- 5,000 points every time I kill somebody. And this thing -- this whole thing, even though my homicides went down in my community, the level of violence is still at the same point because people still have that violent -- that prone for violence.

I agree with the lady here when she said we have to have other programs. We've got to have constructive programs. Until we got our community involved in -- our crime led the city every year. Once the families got involved because these are their children that we're losing, our drive-by shootings went down 70 percent, and we went 66 days without a homicide.

So once we get the community into what we're doing, I think that's --. We've got to have those programs. Either we're going to treat them after or we're going to treat them before --.

THE PRESIDENT: Thank you.

Mayor.

MAYOR DALEY: -- a lot of things I found out -- crime lab a couple weeks ago -- there's a gun manufactured in Tennessee, it looked like handgun, it was about that big, that fired a shotgun shell, was manufactured in Tennessee. It's basically going to be sold to drug dealers, gang bangers, anybody who wants it. THe thing that has surprised me after we talked about this kind of weapon they're seeing on the streets is that how many guns are manufactured overseas. But the people in those countries can't buy it. Only America can buy it. It's like -- only America can buy drugs -- we can only buy guns that are manufactured in foreign countries for their sale -- here. They can't sell them in Europe. They can't sell them in Russia to their own citizens, but they can sell them here in this country. We're becoming the dumping ground for drugs and weapons. And when you put the two of them together, you'll see how violence, that it keeps increasing.

What everyone has pointed out, you're the educator, and that's who you're educating the American public about this. You're giving the facts. You're really telling them the truth about it -- not afraid, not ashamed to do it. And you listen to everyone. That's the thing that I think we appreciate in Chicago.

THE PRESIDENT: Thank you. Let's take one more and then I think we better wrap up. Then Congressman, we'll hear from you at the end.

DR. ZUN: I'm Leslie Zun, Chairman of Emergency Medicine at Mount Sinai. Mount Sinai, Mr. President, is one of the -- is the hospital in one of the poorest communities, and most violent communities in Chicago. On a typical Friday or Saturday night, we have dozens of victims from violence. Not only that, but a number of these patients that come in that are victims of violence, have been victims on multiple occasions. We take care of teenagers and young adults who have been shot once that come again and have been shot again. The cost to our society is tremendous. I applaud your initiative, and Mount Sinai applauds your initiative in health care reform.

We spend thousands of dollars on our trauma patients. They are some of our sickest patients and our most

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costly patients. We need to protect our communities and our children.

THE PRESIDENT: We also need to remember that every one of these hospitals with a big trauma bill also treats lots of other patients for lots of other things and it imposes an enormous financial burdens on the hospitals, which is another thing that -- one reason this health care reform thing is so important to big city hospitals with large trauma units is that it will help to even out the flow of payments so you will be able to continue to treat these other folks and not risk bankruptcy, which I think is very important. A lot of people have overlooked that connection -- that all these other people that are going to these hospitals.

Mr. Chairman, you want to wrap up?

CONGRESSMAN ROSTENKOWSKI: Yes, Mr. President. I think that this has been most rewarding. And it's really the center of attention because you're sitting there. And I applaud you for that.

But I'd like to make one or two observations. Trauma centers in the city of Chicago have been closing. I don't know if there are more than six now in the city of Chicago when five years ago there must have been 25 or 30. Why is that happening? Because we don't have a health reform policy and that's important. We've got to work on that; on health care reform.

What that young lady said back there -- I lived in a community that was -- (inaudible) --. It went through transition areas. When teachers lived there they were concerned with the school across the street, and they were educating those children in that school. When policemen lived there, they were concerned with somebody drag racing down the street because their children were playing in those streets. What that young lady said is absolutely a fact, and I don't know whether we can get a tax incentive to do it, or whether we should start restricting people. I know that that it's a constitutional infraction if you make the policemen live in the city of Chicago. But when you have the leaders in the community living in the community, their children living there, it's amazing how easily you can organize that community to make it function and be vital.

I agree with both these police officers. The media ought to be here as well, because they have a responsibility with which -- with what they're displayed in my home, with children and your children.

I think that -- I applaud you because you're not afraid to take it -- and this is a tough one. Thank you very much, Mr. President --

THE PRESIDENT: It is a tough one, but I want to thank you, Carol, and thank you, Barbara, and thank you, Mindy Statter, and thank you Chief Rodriguez, and that all of you for the work you do everyday. And I particularly want to thank those of you who have been victimized in some way or another for having the courage to come up here and do this and to continue your interest in this.

I think the American people are ready to move on this. I believe they are. And I think maybe the rest -- those of us who can help are getting the message. And your presence here today will certainly help --.

Thank you very much. We're adjourned. (Applause.)

END 10:41 A.M. EST

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THE WHITE HOUSE

Office of the Press Secretary
(Chicago, Illinois)

For Immediate Release February 28, 1994

REMARKS BY THE PRESIDENT
IN ADDRESS TO THE STUDENTS OF WRIGHT JUNIOR COLLEGE

Wright Junior College
Chicago, Illinois

11:16 A.M. CST

THE PRESIDENT: Thank you very much. Thank you. Thank you very much, Chairman Rostenkowski, for that fine introduction. Thank you, Mayor Daley. Thank you, President LeSevour. It's nice to be back here at Wright Community College.

I was here in December of 1992, and I asked the president, I said, now how many of these people were here back in '92 when I was here? And he said, not many, we were in the old place and we only had 200 people in the room. So, I congratulate you on your beautiful new digs here. I like being here in this place. (Applause.)

The city of Chicago and this state have been very good to me, personally, and to our administration. The best thing that Chicago ever did for me was Hillary, who's from here. (Applause.) And yesterday, we celebrated our daughter's 14th birthday, the three of us, and we had a wonderful time. (Applause.) I was thinking back over her whole life and looking ahead to what her life might become, and to what your life might become; and trying to resolve again on that special day to spend every day that I have been given to be your President working on those issues -- on the big things that really affect people's lives and their future; and not be diverted by the little things that so often swallow up our politics, make us less than we ought to be and keep us from facing our responsibilities to the future. And that's really what I want to talk to you about today.

I'm honored to be here because I think these community colleges all across our country represent our responsibilities to the future -- the chance of people to learn for a lifetime, without regard to their racial or ethnic or income backgrounds; the chance for people to make the most of their lives. I'm glad to be here because I think your mayor is an extraordinary leader who has taken on the tough issues here and tried to do these things. (Applause.)

And I'm glad to be here in Dan Rostenkowski's congressional district because had it not been for his leadership last year, we would not have done the things we have done which have got this economy on the right course and are moving into the future; and we would not be able to do the things that we have to do to meet our obligations to the future in this coming year in health care, welfare reform and many other areas. So, I am honored to be here, here, here in this congressional district and here to tell you what you already know -- that last year, when I became President, we had a deficit that had quadrupled the national debt, that had quadrupled in 12 years; we had four years of very slow job growth; we had very low economic growth; we had low investment. And I determined that we were going to have to make some tough decisions that would not be popular in the short run, decision for which we would be attacked and decisions which would be misrepresented to the American people, to get an economic implant in place that would reverse the track we were on; that would begin to bring down the deficit; that would bring down interest rates, keep inflation down, and get investment and jobs and growth up. And I proposed that economic plan to the

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Congress, and in spite of the fact that there were billions of dollars of spending cuts in it, and the taxes all went to reduce the deficit, and only the top 1.2 percent of the American people paid higher income taxes, 16.5 percent of the people -- as they will find out on April 15th -- got a tax cut, lower income working people who deserve it because they are doing their best to raise their kids and educate them -- (applause) -- in spite of that fact, many members of Congress were quaking in their boots to vote for the bill. They were afraid to vote for it, they knew it was the right thing for America because they were so terrified of the rhetoric of the last decade.

We were going to be paralyzed with the thought that the American people would not even support us raising taxes on the top 1.2 percent of our people and putting all of the money into deficit reduction to pay our obligations to the future. And that bill passed the United Stated Congress by one vote in both Houses. And I am telling you, if it hadn't been for the leadership of the Chairman of the House Ways and Means Committee, it would not have happened, and this economy today would not be on the right path it's on if we had not done it. That is a fact. (Applause.)

It is not up to me to know or to make judgments about all the things that are of concern to the people of Chicago, the people of this neighborhood. But I can tell you, as your President, I know that for a fact. I also know that we have a lot of challenges before us. We have just begun to do what we need to do. Even though our economy last year produced nearly 2 million jobs -- more than in the previous four years -- even though most of those jobs were private sector jobs, whereas for the last ten years or more, more and more of our jobs have been government jobs and the private sector has not been producing those new jobs, you know we have a long way to go. There are still too many people in Chicago who want a good job, who don't have it or can't find one. There are still too many people who work harder and harder every year without an increase in their incomes. There are still too many people who get out of high school without the education and training and skills they need. There are still too many people who ought to be, at least, in a community college who aren't there.

Let me tell you, we have just done a study of this and I released it last week -- you may have seen it in the news when we were talking about our education program. But here is what we know: We know that in 1992, high school dropouts had an unemployment rate over 11 percent. High school graduates had an unemployment rate of just over 7 percent. People with two years of a community college had an unemployment rate of 5 percent. People who had four-year college degrees had an unemployment rate of 3.5 percent. We live in a world where what you earn depends on what you can learn. And until we fulfill our responsibilities to make those opportunities available to all Americans, not just when they're young, but for a lifetime -- the average age at this community college is 31 years of age -- until we do that, we will not have done our job for the future of this country.

We know that the earnings of high school graduates are, on average, more than $4,000 higher than the earnings of high school dropouts. That the earnings of people who have at least two years of post-high school education are, on average, more than $4,000 higher than the earnings of people who graduate from high school. We know these things, and we still have a lot to do. We know that we cannot restore order and harmony to our cities until we can free our young people of the scourge of crime and the fear of violence.

When 160,000 young people stay home from school every day because they are afraid they are going to be shot or cut up or beat up; when even in cities where the crime rate is going down, often the death rate among young people from gunshot wounds is going up, we know that. And we know, as those fine

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medical professionals that the mayor and chairman [illegible] and I met with just a few moments ago told us, and they are here in the crowd today with the law enforcement officers and the community leaders, that unless we do something to reclaim our young people, and to free them of the scourge of crime and violence, that the explosion in costs of our health care system will continue to drive up the cost of all Americans' health care and make it more and more difficult for people here in the city of Chicago and other places around the country even to keep their trauma units open because of the exploding costs of health care.

And so I say to you, my fellow Americans, we are moving this country in the right direction. You can see it from the passage of the economic program and the results of it. You can see it from the passage of NAFTA and the opening of trade. You can see it from our making high-tech goods available for international trade. You can see it from the passage of the Brady Bill, which becomes law today. Today. (Applause.)

You can see it in these actions. We are moving in the right direction. I also want to announce just in connection with that -- what the Brady Bill does is to make nationwide the requirement of a five-day waiting period during which time a background check will be done. We now know from actual studies that this will save thousands of lives a year.

Today, the Bureau of Alcohol, Tobacco and Firearms in Washington is also taking an assault weapon called the "street sweeper" off the open market. This weapon was developed for crowd control in South Africa, not for hunting or sporting purposes. Several years ago we banned its import, but we allowed it to be made in this country. Today, the Bureau of Alcohol, Tobacco and Firearms is reclassifying the "street sweeper" and another assault weapon as destructive devices, increasing the taxes on manufacturers and dealers, and requiring extraordinary measures before those weapons can be sold. We will make it a safer America if we keep doing these things. (Applause.)

But as we begin a new week of work in the Congress, even though we are pleased by those measures and others that I haven't mentioned -- the Family and Medical Leave Law; the Motor Voter Bill, which makes it easier for young people to vote; a lot of other good things which were done last year to rebuild a sense of common purpose and community in our country. We know we have a lot still to do.

And there are four major pieces of legislation in the Congress today I want to mention to you because each of them, in a different way, affects you.

The first two which are being considered right now are the crime bill and the education bill. The crime bill will put 100,000 more police officers on the street to help make the mayor's community policing initiative work -- so that people will know their neighbors, know the kids. Police officers will walk the streets. And they won't just catch criminals, they'll work to keep crime from happening in the first place. We know this brings crime down. It is already beginning to work. In Chicago it will work dramatically if we can give the men and women who are working on our streets the support they need. The crime bill will do that -- 100,000 more police officers on the street -- and we need to pass it as soon as possible. (Applause.)

The crime bill will do some other things. It will ban assault weapons -- 28 different kinds -- if it passes in the form it passed the Senate. (Applause.) It will have a very clearly worded three strikes and you're out provision, which basically says if you commit three violent crimes which are seriously damaging to people, you are not eligible for parole anymore. A small percentage of the people commit a high percentage of the crime. (Applause.) And it will give many more young people and people who are already incarcerated and who have

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a chance to put their lives right something to say yes to. There is more in there for drug treatment; there is more in there for community recreational activities; there is more in there for boot camps for first-time nonviolent offenders.

We need to recognize that a lot of the kids that are getting in trouble have grown up in neighborhoods where there is no longer a strong sense of community, where their own families are not able to support them and where there is not very much work. And when you have neighborhoods in which you lose family, community and work, you're in a world of hurt. And we have to give those kids something to say yes to, and that is also something we're trying to do in the crime bill. (Applause.)

The second legislation now pending in the Congress that is important to all of you, particularly the students here for your future, are the education bills. Our Goals 2000 bill, which will help mostly our elementary and secondary students because it establishes world-class standards for our schools, encourages grass roots reforms and changes to meet those standards, and gives the support we need to state and to local school districts to do that; including all kinds of experimentation that the federal government has never before clearly embraced.

The second bill is called the school-to-work bill, which attempts to create more students like you. It recognizes that the United States is the only major country that does not have a system for taking all the high school graduates who aren't going on to four-year colleges and at least getting them two years of further training. It recognizes that there's an artificial distinction between what is vocational and practical on the one hand and what is academic on the other hand. The average 18-year old will change work eight times in a lifetime -- there is no clear dividing line between learning and work, between the academic and the practical, they are one in the same. And we have to set up a system so that all high school graduates are given the chance to get further education even as they work so that eventually all Americans who need it will be flooding into institutions like this not just once, but as many as three and four and five times in a lifetime, so they will always be employable, always eligible to get better and better and better jobs. (Applause.)

And finally, on the education package, we have to change the unemployment system. I don't know how many people are here who have ever been on unemployment, but employers pay a tax -- an unemployment tax; and then when you're on unemployment, you get a check that comes out of the fund where the tax receipts go. And the check is always for less than you were making, and hopefully enough for you to just squeak by on. And that used to be a system that worked when people were temporarily unemployed and then brought back to their old job. That's what unemployment used to be.

But today, unemployment is very different. Today unemployment normally means that job is gone forever and you have to go find another job. So we need to scrap the unemployment system and create a reemployment system so that from day one when somebody is unemployed, they can immediately begin, while they're drawing that unemployment check, to undergo retraining, to develop new skills, to look for new jobs and not wait and not delay. (Applause.)

The next two great challenges we hope to embrace this year are welfare reform and health care reform. Let me say a word about welfare reform. I am sure I have spent more time with people on welfare than anybody who's ever been the President of the United States. I am sure of that, because when I was Governor I made it my business to find out as much as I could about the welfare system. Why do people stay on welfare generation after generation? Why do they do it? I'll tell you

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one thing, for the overwhelming majority, it's not because they like welfare very much. The people who hate this system the worst are the people who are trapped in it. Why do people stay on welfare? Is it because the checks are generous? No, it's because overwhelmingly the people on welfare are younger women with little children and little education and little employability; and if they take a job, it's a low-wage job; they lose Medicaid for their kids; they have to figure out how to pay for the child care, so it becomes an economic loser.

What we have to do is to end welfare as we know it; to make it a second chance, not a way of life; to give people education and training and support for their kids and medical coverage and then say, after two years of this, there will be a job there and you must take it. You must go to work, but there will be a job there. (Applause.)

Finally, and most importantly, let me tell you that none of the long-term problems of this country can be adequately addressed until we have the courage to reform our health care system. We are the only advanced nation in the world spending 14.5 percent of our income every dollar on health care. No other country spends more than 10 percent -- that's Canada. Japan and Germany, our major competitors for the future, spend just under nine cents of every dollar on health care. And yet all of these other countries provide health care to everyone. And yet every year of our 255 million Americans -- every year at some point during the year, 58 million Americans have no health insurance. At any given time, 37 to 39 million will have no health insurance. Small businesses and self-employed people pay 35 to 40 percent more for their health insurance coverage and have less coverage than those of us who work for government or who are in bigger businesses.

The cost of health care has gone up at two and three times the rate of inflation. Most Americans have lifetime limits on their health insurance policies, so if anybody in their family really gets sick, they can run out of the limit and not have any insurance at all. An enormous number of Americans -- over 80 million -- have someone in their family who has what is called a pre-existing condition. They've been sick before, which means that either they can't get insurance; or their premiums are higher than they ought to be; or they're stuck in their job they're in because if they ever try to change jobs, their new employer won't insure them. All this is because -- not because we have bad health care providers -- we have the best doctors, nurses, health care facilities in the world -- it is because of the way we finance health care. It is wrong and we ought to change it.

These trauma units are in hospitals that have to take care of a lot of other people. They have to recover the costs of all these people coming in with gunshot wounds and other wounds into the trauma unit and pass the cost on to somebody else. And if they can't do it, they run the risk of going broke. This is not a good system. It is the financing that is messed up. It is the unfairness of it. It is the fact that as older people stay in the work force, their insurance premiums get higher, even though older people are the fastest growing group of Americans. It isn't fair for them, just because of their age, to have to pay higher insurance premiums. This system does not work. We have to have the courage to change it.

If we don't, let me tell you what's going to happen. By the end of the decade, we'll be spending 19 or 20 percent of our income on health care. None of our competitors will be over 12 percent. How are we going to compete with them? If we don't, by the end of the decade, all the new money you pay in taxes will go to health care and it'll go to pay more for the same health care.

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This budget I have presented, I've heard all -- people have talked for years and years and years about cutting the deficit and cutting spending. Let me tell you something. The budget I have given to Congress cuts defense and cuts discretionary domestic spending -- that is, non-Social Security, non-health care payments -- we cut that by billions of dollars, not adjusted for inflation; I mean real money for the first time since 1969.

So I don't want to hear people talk to me about cutting spending, but you know what's going up? Health care costs, in this budget, at two and three times the rate of inflation. And it's more money for the same health care. If you don't fix the health care system by the end of the decade, when you come to the federal government and you say, we need another expressway in Chicago, like Congressman Rostenkowski used to get us money for, we'll say, I'm sorry, there's no money for the expressway. We're spending it all on health care. You'll come and say, we need money for another environmental technology program, like Congressman Rostenkowski used to get us money for; and we'll say, oh, I'm sorry, there's no money for this. It's all going to the same health care.

I'm tell you, we're going to choke this budget off if we don't do something about health care. It is complicated. People have different ideas. If this were easy, it would have been done years ago. For 60 years the national government has tried to come to grips with the fact that we do not provide health care coverage to all Americans.

But I'm telling you something, my fellow Americans, if you want me to be able to be an effective President, so that we can compete in the global economy; so that we can enough tax money to invest in education and training and new technologies; so that we can bring this deficit down; and so that we can deal with the health care problems of the country, we have got to address this problem and we must do it now. (Applause.)

Just as I said before, just as it was true that last year, if it hadn't been for the Ways and Means Committee and the leadership of the Chairman, there would have been no economic plan and no North American Free Trade Agreement; remember this: Welfare reform and health care have to come through the Ways and Means Committee and have to go through the kind of terrible rhetorical divide you have been seeing filling your airways with all kinds of misinformation, trying to scare people off of dealing with health care. If we're going to cool down our rhetoric and stiffen our spines and open our minds and heart, we have got to have leadership in the Congress from people who are willing to take the tough stands, make the tough decisions and make the right kind of future. This whole business is about getting people together and getting things done.

Five years, 10 years, 20 years from now, do you realize that 90 percent of what we are so obsessed with in the moment, no one will ever be able to remember. What this is about is getting people together and getting things done. And this is a city that understands that. That's the kind of mayor you have. That's what this community college is all about -- getting things done. And if you want me to get things done, you have to say to the members of Congress, act. The one person you don't have to say it to is Dan Rostenkowski. It's in his bones and he will do it, too. Thank you. (Applause).

Now let me say -- let me just say one thing in closing. Sometimes I think Chicago works better than some other cities because you are instinctively, I think, maybe better organized. You understand community roots, and deep ties and binds. I look around here and I see these health care professionals, I see these fine police officers in their uniforms -- you know, there are a lot of things we have to face in this

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Teachers still teach kids in classrooms a long way from Washington. Police officers walk beats on streets a long way from Washington. There is nothing I can do except to try to help you have the opportunity -- those of you who are students here -- to have a better education and the opportunity to have the jobs if you get the education. You still have to seize it.

And so the last thing I wish to say to you is, if we are going to meet our obligations to the future, every one of us has got to ask ourselves, what do we have to do as citizens to keep these kids alive, to give them a better future, to make sure that the education is there, to invest in the areas that we have run off and left, to build a better future? We have serious obligations. We are coming to the end of a century; we are coming to the end of a millennium; we are going into a whole new era in world history. And we, we have to meet our obligations if we're going to keep the American dream alive in that era. I'm going to do my best, and I hope you will too.

Thank you and God bless you. (Applause.)

END 11:44 A.M. CST

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THE WHITE HOUSE

Office of the Press Secretary

For Immediate Release February 28, 1994

REMARKS BY THE PRESIDENT
TO STUDENTS OF HILLCREST HIGH SCHOOL

Hillcrest High School
Chicago, Illinois

1:15 P.M. CST

THE PRESIDENT: Thank you very much. It's wonderful to be here. I thank you for your warm reception -- and I do mean warm reception. (Laughter.) I'm sorry it's so warm, but they had to put the lights up so that the cameras will put you all on the news tonight. (Laughter.) So, see, it's not so bad now, is it, when you think about that. (Laughter.)

I want to thank my good friend, Congressman Mel Reynolds, for arranging for me to come here and to be with you today, and for the leadership that he is already displaying in his career in Congress. He is a great credit to all of you here, and I think you would be very proud of the work that he does in Washington.

I want to thank your principal, Gwendolyn Lee, for inviting me here and for the comments she made. She told me that her mother made dinner for Martin Luther King when she was 11 years old. And she said her mother sent me a plate that he had dinner off of, so she sent me into a little room out here to have a snack off the same plate. (Laughter.) So, you see, even when you grow up you've got to try to do what your mama wants. (Laughter.) I've spent most of my life doing that myself.

I want to thank Starr Nelson for being here with us. I thought she was very well-spoken. We knew exactly what she had to say and she was brief. That makes you very popular if you're a speaker. (Laughter.)

I also want to say I've heard good things about your music program here, so I hope before I leave I get to hear the band play. You guys have got to play a little for me. (Applause.)

I also want to thank anybody in this whole student body who was responsible for putting together that statement up there, that letter for me. (Applause.) If every one of you believes that and lives by it, then I don't need to be here, I need to be somewhere else today. It's a very impressive statement and a real credit to your school.

I came here today, as I think all of you know, to talk about the problem of crime and violence in our land and especially as it affects our young people. As the Congress comes back to work this week, it will be considering some very important education bills and some very important crime legislation. We know as a practical matter that we can never really be what we ought to be as a people until we are not only free of the scourge of violent crime, but free of the fear of it. For the very fear of crime keeps 160,000 young people just like you home from school every day. Every day that's how many people we estimate don't go to school because they're afraid that if

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they do go, either at school or going to school or coming from school, they'll be shot or knifed or beat up or hurt in some way.

I know that you understand that because last November two teens were shot and wounded within a week right outside your school. This kind of thing is happening all across the country, and we have got to do what we can to stop it -- you and I together.

The number of teens murdered by guns has doubled just since 1985. You think of that. We've been a country for over 200 years, and the number of our teenagers murdered by guns has doubled in less than 10 years. One in 20 high school students carries a gun to school each day somewhere in America. I hope not here. But it happens. Some do it for protection. Some do it for the wrong reasons.

More and more of our young people find themselves caught up in a cycle of violence. I just left the Wright Community College here in Chicago where I met a woman whose 22-year-old son was murdered by his best friend in just a fight over nothing -- over nothing they were fighting. And she said when the young man was arraigned in court he said he missed his friend every day.

I had another medical professional tell me that she looked into the face of a woman who had just lost her husband because his younger brother went in another room and got a gun and shot him down because they were fighting over which channel they were going to watch on television. And the guy had two little children. People dying over nothing.

I was in California a few months ago, and I did a town meeting. I'm going to that in a minute here -- get rid of this microphone and just let you ask me questions. And I was in Sacramento, California, but we were hooked into three or four other towns and people all over the state could ask me questions. And this young man stood up and told a story of how he and his brother didn't want to be in a gang, didn't want to have any guns, didn't want to cause any trouble. And their school was unsafe, so they went to another school they thought was safer. And while they were standing in line to register at this safer school, some half-crazy person came into school and shot his brother standing right there in front of him in the line.

These things are happening all over the country. Today, the Brady Bill becomes law. It's a bill that will save some lives. It's a bill that will require that no place in America can anybody buy a gun until they've been checked for criminal background or mental health history. And we know that it will keep thousands and thousands of people from getting guns who would otherwise get them, commit crimes and maybe even kill with them.

We have done our best to deal with the problems, the special problems of assault weapons. We have a lot of evidence now that more and more people are hurt more grievously by guns when semiautomatics or assault weapons are involved because they're likely to have more bullets in their body.

Today we banned an assault weapon called a "street sweeper" that was developed for crowd control in South Africa, to enforce apartheid in South Africa -- to repress blacks in South Africa. That's what this gun was developed for -- now not used anywhere, but manufactured in America so that people can get it and repress each other with it. No sporting purpose; no hunting purpose in this country.

But we have more to do. Congress is also considering, as I said, the crime bill. Let me tell you a little bit about what it

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does, and then I'll open the floor and you can tell me what else you think we can do.

The crime bill now before Congress would permit us to train and hire, working with cities, another 100,000 police officers to work not just to catch criminals, but to walk the streets, to know the neighborhoods, to go into the schools, to meet and become friends and neighbors with the young people in the schools. Last month, as Mayor Welch reminded me, Country Club Hills received a grant for three new police officers from our Justice Department to do this kind of thing.

We have seen evidence all across America, even in tough neighborhoods and big cities that if there are enough police that are really walking the streets, knowing the families, knowing the young people, working with them, that a crime rate can go down by just creating an environment in which people don't commit crimes and feel that there is somebody secure and supportive there.

So that's the first thing that this bill does. The second thing the bill does is to ban about 28 kinds of assault weapons. The third thing it does is to have a safe schools provision which provides money to help provide security measures in schools, but also to try to help young people resolve their differences in different ways. We forget at least -- I say, "we" -- not you, but me -- those of us who are older who grew up in a different time and who stayed busy all day doing other things -- we forget that there are a lot of people who see people resolve their differences hours and hours and hours a day on television programs where the differences are always resolved with a fight or a shooting; and where there may not be someone else saying there's another way to do this. And so we're doing our best through this crime bill to give the schools and the communities of our country the means to bring -- get the people in, to work with young people about how to resolve their differences, how to deal with anger, how to deal with frustration.

Let me tell you something: We all feel anger. We all feel frustration. We all feel like we're being thwarted. There are always things that happen to all of us that we wish wouldn't happen and where we want to double up our fist or pick up a stick or something. But we learn not to do that. You have to learn not to do that in a society where you're really going to be civilized and recognize one another's rights. That's what we're struggling for in Bosnia today. That's what we hope for the people of all those countries in Africa which are embroiled in civil wars. And that's what we have to hope for our own people, that we can decide that we can do that. And in the end, that's what the people of the troubled Middle East are going to have to decide -- if they can resolve their differences without killing each other.

So this is a big deal. And this is what is in the crime bill. The crime bill has tougher punishment. It recognizes that most of the really serious crimes are committed by a small number of people, so if you commit three serious violent crimes that hurt people, sequentially, you won't be eligible for parole anymore.

But most people who are in prison are going to get out. And most people can be helped before they commit crimes. So we try to find ways to deal with all these other issues.

I can't help saying one thing about drugs that I think is important, and that is that we see some evidence now that drug use, after going down among young people for several years, may now be on the rise again. And I just have to tell you that one of the things that I learn every day as President is to be a little humble about what I can do. That is, I get up every day and I try to do what I can to make the future better for you. My job really is about guaranteeing the future for America, preparing America for the 21st

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century, trying to keep the American Dream alive for you. I've lived most of my life, and I hope more than I can say that none of you have lived most of your lives. I hope the vast majority of your life is still out there ahead of you. But I know that there is a limit to what even the President can do.

The President can't keep anybody off drugs. The President can't keep anybody from getting in trouble with the law. The President can't keep anybody from resorting to violence. These are decisions you have to make.

And so I came here to this school today on the first day the Brady Bill is effective -- a bill for which people fought for seven years to give you a better chance to be free of violence -- to tell you that we're going to keep on fighting against violence. We're going to fight for more police. We're going to fight to have them be friends of the community. We're going to fight for tougher penalties. But we're going to fight for better chances, for young people to have things to say yes to.

But in the end, what matters more than all of that is whether you believe what's up there on that wall. And if I do my part and the Congressman does his, and the teachers and the administrators do theirs, and all these parents and others who are here today do theirs, in the end what still counts is whether you believe what's on that wall. But if we, your parents and your grandparents, will assume our responsibility to deal with these tough problems now, and you will believe what's on that wall, then I believe that you will grow up in the most exciting time this country has ever known. And if we don't -- if we don't do our part and you don't do yours -- then what you saw here when those people were shot outside this school a few months ago is the beginning of just how bad it can be.

The choice is yours. The choice is ours. I'm going to make my choice for your future. And that's the choice I want you to make, too. Thank you very much. (Applause.)

Now, where are the microphones out here? One, two, three. Just make sure everybody can see. One, two, three. So if you have a question or a comment, get it to the microphone.

Q I'm a sophomore here at Hillcrest High School. I was just wondering if I were a graduating senior who planned to work full-time next year, what should I expect to pay in general medical expenses under your health care reform program? (Applause.)

THE PRESIDENT: Good question. Good question. You should expect to pay, again, depending on how much you make -- you should expect to pay about two percent of your payroll out of your pocket if you work for someone else. And your employer would pay somewhere between just under four percent and just under eight percent of your payroll, depending on how big your workplace is and what the average payroll of the people working there is.

Now, having said that, let me get in a little plug. I just had some statistics given to me that I'll give back to you that relate not so much to health care but to your decision to go to work after you get out of high school. In 1992, the unemployment rate among high school dropouts nationwide was over 11 percent, and that included people 40 and 50 years old. For younger people it was much, much higher. Okay? The unemployment rate for high school graduates was 7.2 percent. The unemployment rate for people that had had at least two years of a community college or further training was 5.2 percent. And the unemployment rate for college graduates was 3.5 percent.

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In 1992, the average high school graduate made $4,000 a year more than the average high school dropout; and the average person who had a high school diploma and at least two years of further training made another $4,000 more.

So my answer is, if you go to work when you get out of high school, enroll in a community college at night or something else and get further education and training so you can get your income up. Then you won't mind paying for health care. (Laughter.)

And the good news is that right now, under the system we have now, you might or might not get health care. It just depends on the accident of whether your employer provides it. Under our plan, everybody will get it for the first time in the history of the country, and no one will lose it, even if somebody in their family has been sick.

That's the biggest problem now -- almost everybody in America is at risk of losing their health insurance if something happens to somebody in their family.

Q I'm a junior. And I'd like to know if I was interested in becoming a CIA or FBI or national security agent, what would I have to do as far as education, what are would I still have to do to get there? (Applause.)

THE PRESIDENT: That's a good question. I think one of my Secret Service agents should talk to you when this is over. You come down here when this is over; I'll introduce you to one of the Secret Service agents and they can tell you about it, okay? (Laughter.) What do you think? (Applause.)

But wait, wait, I'm going to answer the question. The answer to your first question is, though, as an absolute minimum you have to go to college and finish a four-year college degree. And a lot of the -- particularly in the FBI, depending on what they're doing, have further education over that. And a lot of people in Secret Service were once in other kinds of law enforcement. But it's not necessary for you to have a particular degree in law enforcement. A lot of them have done different things. But what I would suggest you do is to literally talk to one of my agents after it's over. But what I suggest you do -- go to college, get the best education you can, do well, and keep up with what the requirements for joining these various federal law enforcement agencies are, so that as you move toward the end of your college career, you can do what it takes to qualify. And if you have to do something else for a year or two before you get in, then that's all right as well.

But it's important that you keep up because, for example, suppose you decide to go do some other kind of law enforcement work first; under our national service proposal, you might be able to start when you're a junior in college working with law enforcement in the summertime, so you get a little leg up on that. (Applause.)

Q I'm a junior here at Hillcrest High School. And I would like to know, Mr. President, why is the government cutting the cost for college education? (Applause.)

THE PRESIDENT: Wait a minute -- Why are we -- why aren't we cutting the cost, or why are we?

Q Why are you cutting the funding.

THE PRESIDENT: Well, we're not. You may be doing it in Illinois, and at the national level -- I don't know that you are. I'm not accusing anybody or anything. (Laughter.) But let me tell you this: For several years student aid levels were frozen at the

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national level, so that, in effect, they were being cut because inflation meant that the money didn't go as far anymore.

This year I have asked the Congress to put more money into the Pell Grant Program, which is the college scholarship program for low-income kids that comes out of the federal government -- (applause) -- and also -- did you give up on your question? And also, also, we have reorganized the college loan program.

This is very important. I want you all to listen to this. We have reorganized the college loan program so that now you can borrow money at lower interest rates and you can pay it back, no matter how much you borrow, as a percentage of what you earn after you go to work. Now, a lot of people quit, drop out of school because they worry about the cost of it and they worry about the burden of paying the loans back. So now we are giving everybody who wants it an option. You can pay your loan back basically on a regular loan repayment schedule. But suppose you want to do something that doesn't pay a lot of money, at least when you begin? Suppose you want to become a schoolteacher in the beginning, and you know you're not going to be a millionaire. You could pay your loans back, but you can't pay a whole lot at once. Under our new proposal, you can borrow the money at lower interest rates and you can pay it back over a longer period of time, a smaller amount every year based on your income.

So there will never be a reason not to go to college. In addition to that, this year 20,000 young Americans, and three years from now, 100,000 young Americans will be able to earn several thousand dollars in scholarship money by participating in our community service program.

So I am trying to make it easier for people to go to college, because it makes a huge difference -- as I just quoted to you the numbers -- in your employability and your income.

Go ahead.

Q Hi, I'm a senior here at Hillcrest. My question is, besides giving money to the city of Country Club Hills, in the future do you foresee giving money to the less fortunate communities in the city of Chicago, such as Cabrini Green -- (applause) -- so that they as well can fight against drugs and gang activities?

THE PRESIDENT: Yes --

Q And if so, how do you go about completing --

THE PRESIDENT: Yes --

Q -- so that we as people can work together instead of working against one another.

THE PRESIDENT: Give her a hand. (Applause.) First of all, in this last round of grants for law enforcement, where this small community got $238,000, Chicago got $4 million to hire more police officers. (Applause.)

But let me just tell you, there are two or three things that are quite important here. If our crime bill passes, then a lot more money will come to Chicago not only for police officers, but also for drug treatment and for alternative activities for young people. And in addition to that, the Secretary of the Department of Housing and Urban Development Henry Cisneros, which has jurisdiction over the big public housing projects, has a major new initiative to try to work with the homeless, especially homeless young people, to try to deal with that on a more permanent basis and to try to improve security and reduce drugs in public housing projects.

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You know, you've had some remarkable success in Chicago, actually, cleaning out public housing projects and making them safe and providing jobs for people who live in the projects to work to help to keep them drug-free and free of violence. And the truth is that we've not provided enough money nationwide to do in every housing project in the country what has been done in some housing projects here in Chicago.

So in this new round of our budget, through those two areas -- through the crime bill and through the Housing and Urban Development Department -- we're going to try to give the people of Chicago and in cities like that all across America the tools they need to do the job.

And that was a good question, great question. (Applause.)

Q Mr. President, before I begin with the question, I'd like to thank you for sending my brother who was in Somalia home. I'd like to thank you from my family. (Applause.)

THE PRESIDENT: Well, I'd like to thank him, and through him, through your family, for the work they did over there. We have -- we can't stay forever and solve all the problems of Somalia. We can't run the country. But what we did do was to save hundreds of thousands of people from starvation, to organize life again and to give them at least a chance to work out their own problems. If they don't do it, they'll have to take responsibility for it. But at least we've given that country a chance to survive. And your brother can be proud of the service he rendered, and I appreciate that. (Applause.)

Q Welcome, President Clinton. I would like to know -- I'm a senior. I would like to know how do you plan to improve the public educational system so that it's equal throughout Illinois and throughout the states? (Applause.)

THE PRESIDENT: I'm going to tell you what I'm going to do and then I'm going to be honest with you on the front end and tell you it's not enough -- okay? Because let me say -- most public education in America, over 90 percent of it, is funded from state taxes and local taxes, so that the President and the Congress provide a very small percentage of the money that comes to this school district. That's the way it's always been.

I don't know what the numbers are for Illinois, but if I were guessing, I would guess that probably 55 percent of the total cost of public education probably is paid for at the local level. Is that about right? Most of it comes from the state? No, most of it -- well, anyway, take my word for it, over 90 percent comes from the state and the local level in some relationship.

Some states pay a big percentage of it. Hawaii, for example, pays almost all; there's almost no local taxes in Hawaii. Some states pay almost nothing, and it's all local property taxes. New Hampshire is the most extreme. All the other states -- Illinois, New York, everybody else is somewhere in between.

Whenever you use local property taxes to fund schools there will be unequal funding. Why? Because some school districts have more valuable property than others -- right? So at any given tax rate -- I mean, if you've got -- you're going to have that. That is the fundamental problem with inequality in America.

Now, at the national level, we have certain programs designed to help low income districts and low income kids or kids from disadvantaged backgrounds, like special education programs, or

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Chapter I programs. What we are doing with our money this year is to put some more money into programs directed toward low income children, like the Headstart program; and to change -- I'm asking the Congress to change the way we give the money out to give more money to the poorer school districts so that we can equalize the funding.

But the reason I tell you it's not enough is if you put up 90 cents and I put up a dime, I can redistribute my dime, but it still may not overcome your 90 cents. You see what I mean? So what that means is that, in Illinois, if you think it's a real problem and you think a lot of your schools are not being properly funded and it's unequal, you have to solve a lot of this problem at the state level with the state legislature in Springfield. We'll do as much as we can, and I have asked the Congress to do more, but there's a limit to how much we can do. (Applause.)

Q Hello. I'm a sophomore, and I was wondering, how do you justify millions of dollars being spent on space exploration when there are millions of homeless people in our country? (Applause.)

THE PRESIDENT: Well, for me, it's not a hard justification, but it's a very good question. The way I justify it is this: I think it's important for us to continue our lead in space because I think it helps our national security to be out there first and to always be in a position to shape developments in space; because space has given us a way to cooperate after the Cold War with the Russians, the Japanese, the Europeans, and the Canadians -- we're all working on the space station together -- because it creates new high-tech jobs for scientists and for engineers, and they create a lot of wealth for the rest of us; and because in space technology, a lot of things are found out that may have a lot of benefits for us right here on Earth.

I'll just give you just one example. I was down at the headquarters for the American space program in Houston, Texas, the other day. And I saw a motor that was used to pump water in space where it's gravity-free, so the motor obviously has to be very powerful to pump water and make it move where there's no gravity. And they discovered that the exact same technology could be used as a heart pump here on Earth to keep people alive, and it's lighter and better and cheaper to produce than what had been the case here.

I also saw cancer cultures growing in space in gravity-free environments where the cells will grow differently, in ways that will enable all kinds of medical research to be done that may keep a lot of us alive when they get cancer here on Earth.

So I think a nation like ours has to take some of its money and invest it in the future, even though you know it may not work out, even though you can't justify every penny based on immediate benefit. It's like investing in education in a way. If I invest in your education, I think you're going to come out better. It may be seven or eight years down the road, and yet every dollar I spend on education is a dollar we don't spend on the homeless or feeding the hungry or some other problem.

So I don't believe we're spending enough on the homeless, by the way. And under my budget we're going to spend more. So I can't defend that. But I think that if you were in my position, every one of you, one of the hardest decisions you would have to make is how much money am I going to spend taking care of problems today, and how much money am I going to spend investing in the future so we'll have fewer problems, more jobs, higher incomes, better opportunities. It's one of the hardest decisions I have to make. And like I said, I -- by the way, a lot of people in Congress don't agree with me. A lot of people in Congress every year vote to cut the space program and put more money into problems just like you

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said. And if you were there, you might make the same decision. But as President, I always have to keep one eye on the future and one eye on the present and try to balance the needs in a proper way.

That was a great question. Give him a hand. It was a good question. (Applause.)

Q Hello. I'm a junior at Hillcrest High School. Mr. President, I would like to know why is it that the U.S. gives and helps other countries while we have our own people starving, no way -- we have crime, no jobs, people on welfare, and gangs? Why don't we start helping our own country and not others? And how is it that you're going to change this around whether we'll become a more industrial country and not where Taiwan and Korea and Japan are beating us in industrial ways? (Applause.)

THE PRESIDENT: Good question. Good question. First of all -- that's a real good question, don't you think? (Laughter.) Good question. First of all, that's exactly what I ran for president to do, to get us to take care of our problems at home first, because my belief is if you're not strong at home you can't be strong abroad. So I believe that, okay? (Applause.)

Now, I believe that. And as a result of that, in the last year, we have changed the economic course of the country; we're bringing our deficit down; we're seeing more investment and more jobs coming into this economy; we're opening up opportunities to sell American products around the world, so we can compete with these other countries.

But you need to know that last year, our economy grew more rapidly than the economy of Europe and the economy of Japan, and that we are starting to come back. We are creating more jobs than they are and we are beginning to really compete again. And that is my first and most important job and the overwhelming priority that we have.

Now, let me say also, though, we spend a smaller percentage of our income on foreign aid than the Europeans or the Japanese do. The Japanese give more money in foreign aid than we do now. The foreign aid is not a big problem; indeed, even though we're the strongest country in the world, we haven't even -- I haven't been able to persuade Congress yet to appropriate the money we owe just to pay our past-due bills to the United Nations.

And we have to spend -- it's like the question this young man asked me about the space program. It's hard to -- there is no easy dividing line here between at home and abroad in the sense that now a big percentage of our income depends on our ability to sell products and services overseas because we live in a global economy.

The next time you go in a store, just pay attention to everything you buy. The next time you buy some clothes, for example, just see where all it's made, and you just see what a global economy we live in.

So if the United States wants to be able to lead the world and preserve the peace and avoid a war, and not have a lot of people like the lady with the microphone's brother going all over the world getting -- to fight major wars, we have to maintain some leadership in the world. And that requires us to invest some money. And I think we should invest some money. But the overwhelming priority should be on the problems here at home, and that's what I'm trying to do. But we can't run away from our responsibilities abroad. We just have to put the folks at home first.

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And I totally agree with you that we have not invested enough in education, and jobs, and curing the problems of the homeless, especially in the distressed inner city areas. If we had the same policy on getting foreign investment into inner city America that we have in getting American investment overseas, we could cure a lot of these problems. And that's what I'm trying to do as President. (Applause.)

I'll take -- we've got to quit. They're trying to get me to quit. Two more.

Q I'm a junior here at Hillcrest. I was informed that the money that was granted to us was to use for gun control. Now, if we could use that money for education, to educate the people to give them a choice, not to go into gun control, why can't we do that? Not to go to gangs or to drugs.

THE PRESIDENT: You mean the money that you got -- that the city got to hire the police officers?

Q Yes, the money that was granted to the city --

THE PRESIDENT: You used that to hire police officers. that money was used just to hire police officers. But the money in the crime bill -- you know, I talked about the bill that's now pending in the Congress -- there will be money in that bill that can be used in this community and in this school to do just what you said. In other words, I don't want to mix apples and oranges. I think it's important to hire more law enforcement officers, too, because I know if they're in the community and tied to the folks in the community, they can reduce crime. But I agree that there also has to be money spent to do the things you said.

If this crime bill passes in anything like the form we're talking about, there will be money for that purpose. And I perfectly agree with you.

That was a good question. Give her a hand. (Applause.)

Q I'm a junior here at Hillcrest. I was wondering, as we see, in the United States there's an increasing amount of homelessness. And I was wondering why have there been cuts in welfare. (Applause.)

THE PRESIDENT: Well, to the best of my knowledge, unless you've done something here in Illinois I don't know about, I don't know that there have been cuts in welfare unless there was a state program that got cut. At the national level, there's been no cut in welfare, but the welfare check has not kept up with inflation. However, that's not the primary problem with homelessness. One of the things that we find is, increasingly, you've got families that are out of work that are homeless, as well as people who have some terrible problem in their lives. And what I think we've got to do is not only improve the welfare system, which I want to do -- that is, I want to spend -- people on welfare I believe should be required to work, but only after they've had education and training and until their children are supported with health care. Then I think you can require them to work. (Applause.)

So I think that is very important. But the homeless problem is a different one. One of the things that I'm most proud of about my government now is that the person in charge of this, Henry Cisneros, who used to be the mayor of San Antonio, has really spent an enormous amount of time trying to figure out all the different reasons people are homeless and why getting homeless people off the street involves a lot more than just building shelters where people come in and spend a night or two, and then they're homeless again.

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And what we're trying to do this year is take an approach to the homeless problem which will really give us a chance to go in and, family by family, person by person, examine why are these people homeless, what would it take to put them in control of their own lives again, and what do we have to do to do it. And I believe that within a year or so, you will be able to see some real results from our efforts with the homeless.

I keep telling our Cabinet, if we could just do one thing, just one thing that would make America feel better about itself, it would be to get these folks off the street and into a constructive life. People in our country want that, I think. I think all kinds of Americans want that. I think it breaks America's heart to see all these folks trapped in a life that they can't really seriously want to live forever. And we're going to do our best to do better. I'm glad all of you care so much about that. Thank you. (Applause.)

They say we've got to go. I'm on my way to Pittsburgh. It's an interesting story. You talked about the rest of the world -- I'm supposed to meet with the Prime Minister of Britain tonight, Great Britain. His grandfather worked in a steel mill in Pittsburgh. And his father was a circus performer in the United States. Just shows you what a small world it is.

I really have loved being here. I wish I could stay all day and answer your questions. You asked great questions, those of you who asked questions, and I wish we could have taken some more.

Please remember what I said. If you have other questions like this, you ought to bring these concerns to your Congressman -- that's what he's here for, to bring them to me in Washington. I feel a lot better about the young people of the country just being here with you and listening to you ask these questions and knowing how much you care. And I will say again -- I'll try to do the best I can on the issues we've talked about today. And you do the best you can to stick with what's on the wall. And we're going to do fine.

Thank you. Good luck. God bless you. (Applause.)

END 2:55 P.M. CST

2504363161

U.S. Department of Justice
Civil Division

TCH:RRBrown
145-0-4126

Washington, D.C. 20530

Telephone:
(202) 514-5751

October 7, 1994

VIA HAND DELIVERY

OCT 7 3 29 PM '94
RECEIVED
FEDERAL ELECTION
COMMISSION
OFFICE OF GENERAL COUNSEL

Lawrence Noble, Esquire
General Counsel
Federal Election Commission
999 E Street, N.W.
Washington, D.C. 20463

Attn: Mary L. Taksar, Esquire

RE: MATTER UNDER REVIEW (MUR) 4026

Dear Mr. Noble:

This letter responds to an August 26, 1994 letter from Ms. Mary Taksar of your staff to the Attorney General regarding the complaint filed with the Federal Election Commission ("FEC") by the Citizens' Commission on Ethics. That complaint alleged that the United States Government funded President Clinton's trip to Chicago, Illinois on February 28, 1994, which "may have constituted an unreported in-kind campaign contribution by the federal government," in violation of the Federal Election Campaign Act ("the Act"). As demonstrated below, the United States Government has not violated the Act and, therefore, no action should be taken against the United States Government in this matter.

In 1979, the statutory definitions of "contribution" and "person" contained in the Act were amended by the Federal Election Campaign Act Amendments of 1979, Pub. L. No. 96-187, to emphasize that the use of appropriated funds by the Federal Government does not constitute a "contribution" within the meaning of the Act. Specifically, the definition of "contribution" was narrowed by adding the phrase "by any person," see 2 U.S.C. § 431(8), to ensure that only a "person" can make a campaign contribution as defined in the Act. At the same time, the Act's definition of "person" was explicitly narrowed to provide that the "term [person] does not include the Federal Government or any authority of the Federal Government." See 2 U.S.C. § 431(11).

Since only persons, as defined in the Act, may make campaign contributions, and the Federal Government is not a "person" within the meaning of the Act, the expenditure of appropriated

funds by the United States Government cannot constitute a political campaign contribution within the meaning of the Act. See H. Rep. 96-422, 96th Cong., 1st Sess. at 7-8 (1979), reprinted in 1979 U.S.C.C.A.N. 2860, 2866 (explaining that the definitions of "contribution" and "person" within the Act were amended to "incorporate the [Federal Election] Commission opinion that the use of appropriated funds of the Federal Government is not a [campaign] contribution").

Therefore, since the United States Government cannot make a campaign contribution, as defined in the Act, it has not violated the Federal Election Campaign Act.

Respectfully submitted,

RICHARD R. BROWN
Trial Attorney
Federal Programs Branch
Civil Division
U.S. Department of Justice
P.O. Box 883
Washington, D.C. 20044

(202) 514-5751

cc: Seth P. Waxman
John A. Rogovin

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RECEIVED
FEDERAL ELECTION
COMMISSION
SECRETARIAT
2005 JUN 2 AM 10:05

BEFORE THE FEDERAL ELECTION COMMISSION

SENSITIVE

In the Matter of) Enforcement Priority
)
)

GENERAL COUNSEL'S MONTHLY REPORT

I. INTRODUCTION

This report is the General Counsel's Monthly Report to recommend that the Commission no longer pursue the identified lower priority and stale cases under the Enforcement Priority System.

II. CASES RECOMMENDED FOR CLOSING

A. Cases Not Warranting Further Pursuit Relative to Other Cases Pending Before the Commission

A critical component of the Priority System is identifying those pending cases that do not warrant the further expenditure of resources. Each incoming matter is evaluated using Commission-approved criteria and cases that, based on their rating, do not warrant pursuit relative to other pending cases are placed in this category. By closing such cases, the Commission is able to use its limited resources to focus on more important cases.

Having evaluated incoming matters, this Office has identified 22 cases which do not warrant further pursuit relative to the other pending cases.[1] A short description of

1. These matters are: PM 305; MUR 3976; MUR 4023; MUR 4026; MUR 4031; MUR 4032; MUR 4036; MUR 4050; MUR 4051; MUR 4052; MUR 4055; MUR 4056; MUR 4058; MUR 4063; MUR 4068; MUR 4072; MUR 4073; MUR 4075; MUR 4078; MUR 4081; MUR 4082; and MUR 4083.

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each case and the factors leading to assignment of a relatively low priority and consequent recommendation not to pursue each case is attached to this report. See Attachments 1-22. For the Commission's convenience, the responses to the complaints for the externally-generated matters and the referral for the internally-generated matter are available in the Commission Secretary's office.

B. Stale Cases

Investigations are severely impeded and require relatively more resources when the activity and evidence are old. Consequently, the Office of General Counsel recommends that the Commission focus its efforts on cases involving more recent activity. Such efforts will also generate more impact on the current electoral process and are a more efficient allocation of our limited resources. To this end, this Office has identified 9 cases that have remained inactive and assigned to the Central Enforcement Docket for one year and which it believes do not warrant further investment of significant Commission resources.[2] Since the recommendation not to pursue the identified cases is based on staleness, this Office has not prepared separate narratives for these cases. However, for the Commission's convenience, the responses to the complaints for the externally-generated matters and the referrals for the internally-generated matters are also available in the

2. These matters are: MUR 3828; MUR 3829; RAD 93L-73; RAD 93L-75; RAD 93L-78; RAD 93L-83; RAD 93L-84; RAD 93L-88; and RAD 93L-91.

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Commission Secretary's office.

This Office recommends that the Commission exercise its prosecutorial discretion and no longer pursue the cases listed below effective February 21, 1995. By closing the cases effective February 21, 1995, CED and the Legal Review Team will respectively have the additional time necessary for preparing the closing letters and the case files for the public record for these cases.

III. RECOMMENDATIONS

A. Decline to open a MUR and close the file effective February 21, 1995 in the following matters:

1) RAD 93L-73
2) RAD 93L-75
3) RAD 93L-78
4) RAD 93L-83
5) RAD 93L-84
6) RAD 93L-88
7) RAD 93L-91

B. Decline to open a MUR, close the file effective February 21, 1995 and approve the appropriate letter in PM 305.

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C. Take no action, close the file effective February 21, 1995, and approve the appropriate letter in the following matters:

1) MUR 3828
2) MUR 3829
3) MUR 3976
4) MUR 4023
5) MUR 4026
6) MUR 4031
7) MUR 4032
8) MUR 4036
9) MUR 4050
10) MUR 4051
11) MUR 4052
12) MUR 4055
13) MUR 4056
14) MUR 4058
15) MUR 4063
16) MUR 4068
17) MUR 4072
18) MUR 4073
19) MUR 4075
20) MUR 4078
21) MUR 4081
22) MUR 4082
23) MUR 4083

2/13/95
Date

Lawrence M. Noble
General Counsel

95043631647

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of	)	
	)	Agenda Document
Enforcement Priority	)	#X95-14

CERTIFICATION

I, Marjorie W. Emmons, recording secretary for the Federal Election Commission executive session on February 28, 1995, do hereby certify that the Commission took the following actions with respect to Agenda Document #X95-14:

1. Decided by votes of 6-0 to

   A. Decline to open a MUR and close the file effective February 28, 1995 in the following matters:

      1) RAD 93L-75
      2) RAD 93L-78
      3) RAD 93L-84

   B. Take no action, close the file effective February 28, 1995, and approve appropriate letters in the following matters:

      1) MUR 3828
      2) MUR 4026
      3) MUR 4031
      4) MUR 4032
      5) MUR 4056
      6) MUR 4058

(continued)

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7) MUR 4068
8) MUR 4083

Commissioners Aikens, Elliott, McDonald, McGarry, Potter, and Thomas voted affirmatively on the decision with respect to each of these matters.

2. Decided by a vote of 5-1 to decline to open a MUR and close the file effective February 28, 1995 with respect to RAD #93L-91.

Commissioners Aikens, Elliott, McGarry, Potter, and Thomas voted affirmatively for the decision; Commissioner McDonald dissented.

Attest:

3-2-95
Date

Marjorie W. Emmons
Marjorie W. Emmons
Secretary of the Commission

9504363116649

FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

March 6, 1995

Richard A. Delgaudio, President
Citizens Commission on Ethics in Government
3554 Chain Bridge Road, Suite 301
Fairfax, VA 22030

RE: MUR 4026

Dear Mr. Delgaudio:

On August 8, 1994, the Federal Election Commission received your complaint alleging certain violations of the Federal Election Campaign Act of 1971, as amended ("the Act").

After considering the circumstances of this matter, the Commission has determined to exercise its prosecutorial discretion and to take no action against Presdient William Clinton, Hillary Rodham Clinton, Rostenkowski for Congress Committee and Leo V. Magrini, as treasurer, Representative Dan Rostenkowski, Robert B. Reich, and the United States Government. See attached narrative. Accordingly, the Commission closed its file in this matter on February 28, 1995. This matter will become part of the public record within 30 days.

The Act allows a complainant to seek judicial review of the Commission's dismissal of this action. See 2 U.S.C. § 437g(a)(8).

Sincerely,

Mary L. Taksar (HRS)

Mary L. Taksar
Attorney

Attachment
Narrative

25043631660

MUR 4026
ROSTENKOWSKI FOR CONGRESS

The Citizens Commission for Ethics in Government filed a complaint alleging that President Clinton's trip to Chicago, Illinois on February 28, 1994, on Air Force One constituted an in-kind campaign contribution by the federal government to the Rostenkowski for Congress Committee. The complainant also alleges that campaign trips to Chicago by other Clinton administration officials, including but not limited to Hillary Rodham Clinton and Secretary of Labor Robert Reich, constituted in-kind contributions.

In response to the complaint, the Rostenkowski for Congress Committee states that President Clinton's February 28, 1994, trip was an official trip by the President of the United States for the purpose of delivering his message on crucial issues then facing the Ways and Means Committee and Congress regarding crime, education, health care, and welfare reform. The Committee states that no funds were raised, President Clinton neither advocated the election of Mr. Rostenkowski nor the defeat of his opponent, and no campaign events took place.

The federal government responds that the definitions of contribution and person were amended in 1979 to emphasize that the use of appropriated funds by the federal government does not constitute a contribution. The federal government states that since it is not a person within the meaning of the Act, the use of appropriated funds by the United States Government cannot constitute a political contribution.

Robert B. Reich, Secretary of the Department of Labor, responds that his trip to Chicago was planned as part of a series of visits to job training sites across the country to promote the Reemployment Act and that his actions and remarks while in Chicago were fully consistent with that purpose. The response states that the trip was properly treated as an official trip for which Department of Labor appropriated funds were properly expended and that he did not participate in an election campaign event for Mr. Rostenkowski.

Hillary Rodham Clinton's response states that in regard to the allegation that Clinton administration officials traveled in support of Mr. Rostenkowski's primary election bid, she did not travel to Chicago from the time when Mr. Rostenkowski filed as a candidate for the 5th District of Illinois on December 6, 1993 and the primary held on March 15, 1994. Her response states that since September 2, 1993, she traveled to Chicago on three occasions, October 21, 1993, April 4, 1994, and June 17, 1994. An affidavit submitted by the Deputy Director of Advance for the White House states that Mr. Rostenkowski was listed as tentative on the schedule for the Children's Memorial Hospital event on October 21, 1993 but that he did not attend.

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MUR 4026 (cont'd)

President Clinton's response states that his trip to Chicago was to discuss various policies and initiatives pending before Congress as well as to secure support for his legislative agenda and that he did not not campaign for, advocate the election of, or seek the defeat of the opponent of Mr. Rostenkowski at any time during his trip. The response states that in order to ensure that travel by the President is allocated properly between federal and nonfederal dollars, each trip is preliminarily categorized as official, political, or mixed and the schedule for each trip is reviewed after the trip to determine if it was properly categorized in light of the actual events. According to the response, appropriated funds are used for official trips and for trips designated as mixed or political, the political organization or candidate committee must deposit with the Democratic National Committee funds sufficient to cover anticipated costs prior to the date of travel. The response indicates that the White House uses guidelines established by the Department of Justice, "Payment of Expenses Associated with Travel by the President and Vice President" (March 24, 1982) to determine whether a trip is properly categorized as official or political in nature. According to the response, an evaluation of events of the trip in question demonstrate that they were "to present, explain and secure public support for the Administration's measures" and therefore, official under Department of Justice guidelines.

This matter is less significant relative to other matters pending before the Commission.

25043631652

FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

March 6, 1995

Cheryl Mills, Esquire
Associate Counsel to the President
White House Counsel's Office
1600 Pennsylvania Avenue
Washington, DC 20500

RE: MUR 4026
President William Clinton
and Hillary Rodham Clinton

Dear Ms. Mills:

On August 15, 1994, the Federal Election Commission notified your clients of a complaint alleging certain violations of the Federal Election Campaign Act of 1971, as amended. A copy of the complaint was enclosed with that notification.

After considering the circumstances of this matter, the Commission has determined to exercise its prosecutorial discretion and to take no action against your clients. See attached narrative. Accordingly, the Commission closed its file in this matter on February 28, 1995.

The confidentiality provisions of 2 U.S.C. § 437g(a)(12) no longer apply and this matter is now public. In addition, although the complete file must be placed on the public record within 30 days, this could occur at any time following certification of the Commission's vote. If you wish to submit any factual or legal materials to appear on the public record, please do so as soon as possible. While the file may be placed on the public record prior to receipt of your additional materials, any permissible submissions will be added to the public record when received.

If you have any questions, please contact the Central Enforcement Docket at (202) 219-3400.

Sincerely,

Mary L. Taksar (HSB)

Mary L. Taksar
Attorney

Attachment
Narrative

95043631653

MUR 4026
ROSTENKOWSKI FOR CONGRESS

The Citizens Commission for Ethics in Government filed a complaint alleging that President Clinton's trip to Chicago, Illinois on February 28, 1994, on Air Force One constituted an in-kind campaign contribution by the federal government to the Rostenkowski for Congress Committee. The complainant also alleges that campaign trips to Chicago by other Clinton administration officials, including but not limited to Hillary Rodham Clinton and Secretary of Labor Robert Reich, constituted in-kind contributions.

In response to the complaint, the Rostenkowski for Congress Committee states that President Clinton's February 28, 1994, trip was an official trip by the President of the United States for the purpose of delivering his message on crucial issues then facing the Ways and Means Committee and Congress regarding crime, education, health care, and welfare reform. The Committee states that no funds were raised, President Clinton neither advocated the election of Mr. Rostenkowski nor the defeat of his opponent, and no campaign events took place.

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Robert B. Reich, Secretary of the Department of Labor, responds that his trip to Chicago was planned as part of a series of visits to job training sites across the country to promote the Reemployment Act and that his actions and remarks while in Chicago were fully consistent with that purpose. The response states that the trip was properly treated as an official trip for which Department of Labor appropriated funds were properly expended and that he did not participate in an election campaign event for Mr. Rostenkowski.

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MUR 4026 (cont'd)

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This matter is less significant relative to other matters pending before the Commission.

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FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

March 6, 1995

Lyn Utrecht
Oldaker, Ryan & Leonard
818 Connecticut Avenue, N.W.
Suite 1100
Washington, DC 20006

RE: MUR 4026
Representative Dan Rostenkowski,
Rostenkowski for Congress Committee and
Leo V. Magrini, as treasurer

Dear Ms. Utrecht:

On August 15, 1994, the Federal Election Commission notified your clients of a complaint alleging certain violations of the Federal Election Campaign Act of 1971, as amended. A copy of the complaint was enclosed with that notification.

After considering the circumstances of this matter, the Commission has determined to exercise its prosecutorial discretion and to take no action against your clients. See attached narrative. Accordingly, the Commission closed its file in this matter on February 28, 1995.

The confidentiality provisions of 2 U.S.C. § 437g(a)(12) no longer apply and this matter is now public. In addition, although the complete file must be placed on the public record within 30 days, this could occur at any time following certification of the Commission's vote. If you wish to submit any factual or legal materials to appear on the public record, please do so as soon as possible. While the file may be placed on the public record prior to receipt of your additional materials, any permissible submissions will be added to the public record when received.

If you have any questions, please contact the Central Enforcement Docket at (202) 219-3400.

Sincerely,

Mary L. Taksar (MKS)

Mary L. Taksar
Attorney

Attachment
Narrative

2504363163656

MUR 4026
ROSTENKOWSKI FOR CONGRESS

The Citizens Commission for Ethics in Government filed a complaint alleging that President Clinton's trip to Chicago, Illinois on February 28, 1994, on Air Force One constituted an in-kind campaign contribution by the federal government to the Rostenkowski for Congress Committee. The complainant also alleges that campaign trips to Chicago by other Clinton administration officials, including but not limited to Hillary Rodham Clinton and Secretary of Labor Robert Reich, constituted in-kind contributions.

In response to the complaint, the Rostenkowski for Congress Committee states that President Clinton's February 28, 1994, trip was an official trip by the President of the United States for the purpose of delivering his message on crucial issues then facing the Ways and Means Committee and Congress regarding crime, education, health care, and welfare reform. The Committee states that no funds were raised, President Clinton neither advocated the election of Mr. Rostenkowski nor the defeat of his opponent, and no campaign events took place.

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MUR 4026 (cont'd)

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This matter is less significant relative to other matters pending before the Commission.

2504363168

FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

March 6, 1995

Richard R. Brown, Esquire
U.S. Department of Justice
Civil Division, Room 952
901 E Street, N.W.
Washington, DC 20530

RE: MUR 4026
United States Government

Dear Mr. Brown:

On August 26, 1994, the Federal Election Commission notified you of a complaint alleging certain violations of the Federal Election Campaign Act of 1971, as amended. A copy of the complaint was enclosed with that notification.

After considering the circumstances of this matter, the Commission has determined to exercise its prosecutorial discretion and to take no action against the United States Government. See attached narrative. Accordingly, the Commission closed its file in this matter on February 28, 1995.

The confidentiality provisions of 2 U.S.C. § 437g(a)(12) no longer apply and this matter is now public. In addition, although the complete file must be placed on the public record within 30 days, this could occur at any time following certification of the Commission's vote. If you wish to submit any factual or legal materials to appear on the public record, please do so as soon as possible. While the file may be placed on the public record prior to receipt of your additional materials, any permissible submissions will be added to the public record when received.

If you have any questions, please contact the Central Enforcement Docket at (202) 219-3400.

Sincerely,

Mary L. Taksar (HRB)

Mary L. Taksar
Attorney

Attachment
Narrative

95043631659

MUR 4026
ROSTENKOWSKI FOR CONGRESS

The Citizens Commission for Ethics in Government filed a complaint alleging that President Clinton's trip to Chicago, Illinois on February 28, 1994, on Air Force One constituted an in-kind campaign contribution by the federal government to the Rostenkowski for Congress Committee. The complainant also alleges that campaign trips to Chicago by other Clinton administration officials, including but not limited to Hillary Rodham Clinton and Secretary of Labor Robert Reich, constituted in-kind contributions.

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MUR 4026 (cont'd)

President Clinton's response states that his trip to Chicago was to discuss various policies and initiatives pending before Congress as well as to secure support for his legislative agenda and that he did not not campaign for, advocate the election of, or seek the defeat of the opponent of Mr. Rostenkowski at any time during his trip. The response states that in order to ensure that travel by the President is allocated properly between federal and nonfederal dollars, each trip is preliminarily categorized as official, political, or mixed and the schedule for each trip is reviewed after the trip to determine if it was properly categorized in light of the actual events. According to the response, appropriated funds are used for official trips and for trips designated as mixed or political, the political organization or candidate committee must deposit with the Democratic National Committee funds sufficient to cover anticipated costs prior to the date of travel. The response indicates that the White House uses guidelines established by the Department of Justice, "Payment of Expenses Associated with Travel by the President and Vice President" (March 24, 1982) to determine whether a trip is properly categorized as official or political in nature. According to the response, an evaluation of events of the trip in question demonstrate that they were "to present, explain and secure public support for the Administration's measures" and therefore, official under Department of Justice guidelines.

This matter is less significant relative to other matters pending before the Commission.

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FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

March 6, 1995

Thomas S. Williamson, Jr.
Solicitor of Labor
Department of Labor
200 Constitution Avenue, N.W.
Washington, DC 20210

RE: MUR 4026
Robert B. Reich,
Secretary of Labor

Dear Mr. Williamson:

On August 15, 1994, the Federal Election Commission notified your client of a complaint alleging certain violations of the Federal Election Campaign Act of 1971, as amended. A copy of the complaint was enclosed with that notification.

After considering the circumstances of this matter, the Commission has determined to exercise its prosecutorial discretion and to take no action against Robert B. Reich. See attached narrative. Accordingly, the Commission closed its file in this matter on February 28, 1995.

The confidentiality provisions of 2 U.S.C. § 437g(a)(12) no longer apply and this matter is now public. In addition, although the complete file must be placed on the public record within 30 days, this could occur at any time following certification of the Commission's vote. If you wish to submit any factual or legal materials to appear on the public record, please do so as soon as possible. While the file may be placed on the public record prior to receipt of your additional materials, any permissible submissions will be added to the public record when received.

If you have any questions, please contact the Central Enforcement Docket at (202) 219-3400.

Sincerely,

Mary L. Taksar (HRS)

Mary L. Taksar
Attorney

Attachment
Narrative

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MUR 4026
ROSTENKOWSKI FOR CONGRESS

The Citizens Commission for Ethics in Government filed a complaint alleging that President Clinton's trip to Chicago, Illinois on February 28, 1994, on Air Force One constituted an in-kind campaign contribution by the federal government to the Rostenkowski for Congress Committee. The complainant also alleges that campaign trips to Chicago by other Clinton administration officials, including but not limited to Hillary Rodham Clinton and Secretary of Labor Robert Reich, constituted in-kind contributions.

In response to the complaint, the Rostenkowski for Congress Committee states that President Clinton's February 28, 1994, trip was an official trip by the President of the United States for the purpose of delivering his message on crucial issues then facing the Ways and Means Committee and Congress regarding crime, education, health care, and welfare reform. The Committee states that no funds were raised, President Clinton neither advocated the election of Mr. Rostenkowski nor the defeat of his opponent, and no campaign events took place.

The federal government responds that the definitions of contribution and person were amended in 1979 to emphasize that the use of appropriated funds by the federal government does not constitute a contribution. The federal government states that since it is not a person within the meaning of the Act, the use of appropriated funds by the United States Government cannot constitute a political contribution.

Robert B. Reich, Secretary of the Department of Labor, responds that his trip to Chicago was planned as part of a series of visits to job training sites across the country to promote the Reemployment Act and that his actions and remarks while in Chicago were fully consistent with that purpose. The response states that the trip was properly treated as an official trip for which Department of Labor appropriated funds were properly expended and that he did not participate in an election campaign event for Mr. Rostenkowski.

Hillary Rodham Clinton's response states that in regard to the allegation that Clinton administration officials traveled in support of Mr. Rostenkowski's primary election bid, she did not travel to Chicago from the time when Mr. Rostenkowski filed as a candidate for the 5th District of Illinois on December 6, 1993 and the primary held on March 15, 1994. Her response states that since September 2, 1993, she traveled to Chicago on three occasions, October 21, 1993, April 4, 1994, and June 17, 1994. An affidavit submitted by the Deputy Director of Advance for the White House states that Mr. Rostenkowski was listed as tentative on the schedule for the Children's Memorial Hospital event on October 21, 1993 but that he did not attend.

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MUR 4026 (cont'd)

President Clinton's response states that his trip to Chicago was to discuss various policies and initiatives pending before Congress as well as to secure support for his legislative agenda and that he did not not campaign for, advocate the election of, or seek the defeat of the opponent of Mr. Rostenkowski at any time during his trip. The response states that in order to ensure that travel by the President is allocated properly between federal and nonfederal dollars, each trip is preliminarily categorized as official, political, or mixed and the schedule for each trip is reviewed after the trip to determine if it was properly categorized in light of the actual events. According to the response, appropriated funds are used for official trips and for trips designated as mixed or political, the political organization or candidate committee must deposit with the Democratic National Committee funds sufficient to cover anticipated costs prior to the date of travel. The response indicates that the White House uses guidelines established by the Department of Justice, "Payment of Expenses Associated with Travel by the President and Vice President" (March 24, 1982) to determine whether a trip is properly categorized as official or political in nature. According to the response, an evaluation of events of the trip in question demonstrate that they were "to present, explain and secure public support for the Administration's measures" and therefore, official under Department of Justice guidelines.

This matter is less significant relative to other matters pending before the Commission.

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FEDERAL ELECTION COMMISSION
WASHINGTON D.C. 20463

THIS IS THE END OF MUR # 4026

DATE FILMED 3-20-95 CAMERA NO. 2

CAMERAMAN JMN

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