

Withdrawal/Redaction Sheet

Clinton Library

DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION
001. memo	To Hillary Clinton from Ann Henry re: Lafarge Board (5 pages)	04/01/1992	Personal Misfile

COLLECTION:

Clinton Presidential Records
First Lady's Office
Melanne Verveer
OA/Box Number: 20036

FOLDER TITLE:

HRC Boards

2013-0534-S

ry1570

RESTRICTION CODES

Presidential Records Act - [44 U.S.C. 2204(a)]

Freedom of Information Act - [5 U.S.C. 552(b)]

P1 National Security Classified Information [(a)(1) of the PRA]
P2 Relating to the appointment to Federal office [(a)(2) of the PRA]
P3 Release would violate a Federal statute [(a)(3) of the PRA]
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P5 Release would disclose confidential advice between the President and his advisors, or between such advisors [(a)(5) of the PRA]
P6 Release would constitute a clearly unwarranted invasion of personal privacy [(a)(6) of the PRA]

C. Closed in accordance with restrictions contained in donor's deed of gift.

PRM. Personal record misfile defined in accordance with 44 U.S.C. 2201(3).

RR. Document will be reviewed upon request.

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Clinton's wife served on board of LaFarge

Among the directors of the cement firm — which has a Whitehall Twp. plant — was Hillary Clinton.

By PATRICK COLLIER
The Express-Times

8/13/92

Hillary Clinton, the wife of Democratic Presidential hopeful Bill Clinton, sat on the board of directors of LaFarge Corp. for two years before resigning this spring.

LaFarge Corp., a subsidiary of the French corporation LaFarge Coppee, runs 16 cement plants in North America, six of which burn hazardous waste. LaFarge Corp. spokeswoman Katrina Farrell said.

LaFarge owns a plant with 150 employees in Whitehall, Pa. Plant officials say that plant will never burn hazardous waste, but the plant does plan to burn tires as an alternative fuel.

About 25 percent of the cement plants in the U.S. burn hazardous waste as an alternative fuel to coal or natural gas. The process is controversial: Environmentalists say it leads to air emissions of

heavy metals and dioxins; residents in Midlothian, Texas, say the process is noticeably harming their health; and a number of communities have resolved not to purchase cement made with hazardous waste.

Cement industry officials say the process is a safe way of solving another environmental quandary — what to do with the tons of hazardous waste produced each year by industries ranging from dry cleaning to newspaper publishing.

Mrs. Clinton took a seat on LaFarge's board of directors in 1990, Farrell said. Her duties were "like those of any other director of a publicly-held company ... to watch out for the interests of the stockholders," Farrell said.

Mrs. Clinton received a \$25,000 annual salary, a \$2,000 stipend for serving on committees, and an expense account covering compa-

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Clinton: Served on board

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ny-related travel and lodging, Farrell said.

LaFarge doesn't own any plants in Arkansas, where Hillary Clinton practices law. The company's U.S. headquarters is about 15 minutes from downtown Washington.

"Mrs. Clinton comes from one of the top 100 law firms in the U.S., and we're a Fortune 500 company, so it was a good match," Farrell said. The directors chose Clinton in part because of her in-

terest in child care issues, which were a priority for her predecessor on the board, Farrell said.

Clinton resigned in May to campaign for her husband full-time.

Clinton's press office did not return several phone calls about her relationship with LaFarge Wednesday.

Debating a political wife's role

Lawyer Hillary Clinton forces the question into focus

By Tom Hamburger
Washington Bureau Correspondent

Little Rock, Ark.
Was Hillary Clinton insensitive to ethical concerns as she pursued her career with a blue-chip Arkansas law firm? Or is the question unfair to ask of a professional woman, even if her husband is a prominent politician?

The debate about the proper role for a political wife will haunt the Clinton campaign through November, in part because Hillary Clinton — outspoken in every sphere — is so different from First Lady Barbara Bush.

The controversy reflects the changing role of women in two-career American families, and it's as much a sign of the times as questions about Bill Clinton's draft record.

"No question, there's a generation gap here," said Paul Light, associate dean of the Humphrey Institute of Public Affairs at the University of Minnesota and an expert on politics and ethics. "We have to understand that Bill and Hillary Clinton are from a new generation of political leaders in which the spouse does not tie herself to her husband's career."

Light contends that it's inappropriate to criticize candidate Bill Clinton for judgments Hillary Clinton made in her own professional life.

In any case, Hillary Clinton and officials of her husband's campaign deny any ethical transgressions. They say she has taken extraordinary steps to avoid conflicts of interest during her husband's tenure as governor of Arkansas. But a review of her business decisions over the years appears to crack that pristine image.

Lafarge Corp.

Some environmentalists say Clinton should resign her \$31,000-a-year directorship of Lafarge Corp., a Pennsylvania-based subsidiary of a French firm seeking permission in several states to burn hazardous waste.

The firm, which uses the waste to fuel cement kilns, has not been active in Arkansas. The company says that it recycles hazardous products and that its environmental record is good. Nonetheless, Greenpeace and other organizations have said that



To what extent is Hillary Clinton the wife of Bill Clinton and to what extent is she her own self?

Campaign workers for Jerry Brown have questioned the propriety of Clinton's position on the Lafarge board, and they say it's an appropriate campaign issue.

"Hillary has said that if we elect Bill Clinton, we get her," Brown's Texas coordinator, Robert Jones, said recently. "So I think it's the duty of the press to look into these things."

When she joined the board in 1990, Clinton "was aware that questions have been raised about Lafarge's practice of using hazardous waste as a fuel in cement kilns," a campaign official said. "She has made it a point to obtain information from the company on the steps it takes to ensure safety."

The company has been cited for violating EPA regulations in several states in the past but has not been cited for violating any state or federal rules during the time Clinton was on the board.

Clinton said she accepted the invitation to join the board to learn about basic industries and rebuilding the country's infrastructure, the campaign official said, adding: "She also welcomed the opportunity to be the first woman director in the company's history."

Wal-Mart Stores Inc.

Bill Becker, the head of Arkansas'

Wal-Mart is usually not an active political player at the Arkansas Capitol, but Becker said a company executive lobbied the legislature the year before Hillary Clinton's appointment in an effort to weaken Arkansas' workers' compensation rules.

In addition, Becker said, Wal-Mart receives millions from Arkansas each year as part of a state tax-rebate program for companies that pay early.

Becker and the AFL-CIO leadership now support Clinton, but last month he was overtly critical of Clinton's Wal-Mart position. "I see it as something of a conflict," he said.

Rubbish, said Betsey Wright, Gov. Clinton's longtime aide. Hillary Clinton was appointed to the board after working during the early 1980s with Sam Walton and other Wal-Mart executives on state education reform.

"She was appointed because they had observed her and admired her abilities," Wright said. "I think it's terrific that somebody whose priority focus is on women and children gets to be on corporate boards."

Clinton, 44, a Yale Law School graduate, has said in previous interviews that the country may not be ready for a first lady who has her own career. She has said that she found the career path of Marilyn Quayle, a lawyer who never practiced, unacceptable.

"I suppose I could have stayed home, baked cookies and had teas," she said on the eve of the Michigan and Illinois primaries. "But what I decided was to fulfill my profession, which I entered before my husband was in public life."

She also points out that she declined to share in any state funds that have gone to her law firm (\$235,000 since 1985) and that she has not represented a client before the state — with one apparent exception.

Madison Guaranty S&L

In 1985, Madison Guaranty was under pressure from federal regulators to increase its ratio of capital to assets. Madison Guaranty's principal shareholder, Jim McDougal, was an old friend of the Clintons' who had brought the couple into a real estate partnership several years earlier.

prove the S&L's plan to issue stock, and Hillary Clinton was listed as one of two lawyers to contact. She received a letter of approval from the commissioner, who recently had been appointed by her husband.

Campaign officials denied that Clinton sought the Madison Guaranty business, saying she had "no substantive involvement" in the case.

Officials at the Rose Law Firm have acknowledged that Clinton did some work for Madison Guaranty but insist that it was minor.

Clinton's law firm is one of a few powerful Little Rock firms that represent the state's powerful businesses, including Wal-Mart and Tyson Foods Inc., the country's largest poultry producer.

Hillary Clinton's supporters say it would be impossible for her to pursue a high-powered legal career in Arkansas without encountering the state's biggest industrial players.

A different model

Stories on Hillary Clinton's potential conflicts are especially galling to Wright and other campaign officials because they imply that the Clintons were pursuing deals out of personal greed. "If there were any kind of conflict of interest here that was self-serving, the Clintons would have more to show for it," Wright said.

The Humphrey Institute's Light contends that Hillary Clinton should be criticized only if any other lawyer would be subject to similar criticism. "People are trying to apply a model of spouse behavior to Hillary that ... [is] not a model that applies for most spouses in the Clintons' generation."

Amitai Etzioni, an ethics expert and editor of The Responsive Community Journal, said the press scrutiny, whether of the Clintons or the Bush family, has gotten out of hand.

"We have tightened the standards to such a point that the only person who could run for office is Mother Teresa, and I'm not sure she would qualify," Etzioni said.

William Beecher

is on vacation

PHOTOCOPY
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Issue at Cement plant

The LaFarge Cement Corp. in Cementon wants to burn old tires for fuel.

PATRICK COLLIER
The Express-Times

WHITEHALL TWP., Pa. — The LaFarge Cement Corp. plant, whose towers dominate the landscape of the tiny village of Cementon, is planning its economic fu-

Hillary Clinton recently served on LaFarge's board of directors. /B-1

tion on a proposal to burn old tires as fuel.

It's a process only a bit less controversial than use of hazardous waste in cement kilns — a practice LaFarge flirted with in the early '80s, but scrapped in the face of technical problems and community opposition.

The company has totally given up on the prospect of burning hazardous waste and turned its attention to tires, which are burned in a number of kilns in the United States, plant spokesman Terry Dengler said.

"We don't see the Whitehall plant burning hazardous waste at any time in the future," he said. "We did some test burning back in '83, but we had some process problems that made it hard to work from a technical standpoint. And the community raised the issue of trucks full of hazardous waste driving through town," Dengler said. "We backed away from burning hazardous waste) basically isn't right for this plant."

LaFarge burned tires for eight days in a test last December. Company officials are waiting for the state Department of Environmental Resources to review a report on the test results before ap-

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Tires: Burning desire

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plying for a permit to burn tires.

Tires could eventually comprise about 30 percent of the plant's fuel — and beef up the company's revenues, which have sagged in recent years along with most cement manufacturers' Dengler said.

Federal regulators and the cement industry say tires are a safer fuel than coal — the traditional fuel for cement kilns. Dengler said the plant's emission of air pollutants will decrease when the company starts substituting tires for coal.

As with the hazardous waste issue, environmentalists differ sharply with the industry's position, and scientists tend to fall clearly on one side or the other in the debate.

"Our position is, it's unsafe," said Joe Thornton, a researcher for Greenpeace, the international environmental group. "The company line is always that the substitute fuel is safer than coal. That's what they'll say every time they want to burn something that's bad for you."

Thornton said tires have higher concentrations of heavy metals — which are either emitted as air pollution or boiled down into the cement product — and chlorinated chemicals — which can produce the carcinogenic compounds known as dioxins.

Greenpeace believes natural gas is the safest fuel for cement kilns, Thornton said.

LaFarge's Dengler said the plant's "pre-heating" process, which performs a natural scrubbing that will clean gases before they reach the plant's smokestack. In pre-heating, fuel and raw materials are dropped through a series of stages, while being heated up in each stage, before they reach the kiln.

Department of Energy indicating that heavy metal and dioxin emissions do not increase when tires are burned, along with coal, in cement kilns.

Greenpeace says EPA's reputation on cement kilns has been sullied, because cement industry executives had too much input on government rules on hazardous waste drafted last year.

Linda Snyder, a Whitehall Township commissioner, who fought LaFarge as a private citizen in 1983, is not completely comfortable with the tire proposal. But she would rather LaFarge burn tires than hazardous waste, which she sees as an outrageous proposal for Cementon, where homes set right across the street from the cement plant.

"My concern is, once they get their permits, will they let their emissions slide? Will they monitor themselves honestly?" Snyder said. "So far, I have to admit, they have informed the public as to what they're doing."

Snyder will be lobbying for Whitehall Township to hire an engineer whose sole duty will be to monitor LaFarge's emissions, she said.

Dengler believes burning tires is an environmentally safe way to ensure the future of the plant, which is battling the recession and competitors who enjoy several advantages. Some competitors burn hazardous waste — a lucrative practice that can bring in more than \$100,000 in revenues a week. Others mine a higher quality limestone than LaFarge has access to in Whitehall.

"We have to shell out for top quality limestone to supplement the stuff we get from our quarries, and we have to buy the highest quality fuel, where some of our competitors have no fuel costs," Dengler said.

"LaFarge is a \$3 billion corporation, so it would be a blip to them if this plant goes under. I've worked here for 14 years, and my interest is in keeping this plant

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