

THE WHITE HOUSE
WASHINGTON

OFFICE OF THE STAFF SECRETARY

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THE WHITE HOUSE
WASHINGTON

August 4, 1994

Terry Bradshaw
1925 North Pearson Lane
Roanoke, Texas 76262

Dear Terry:

Thanks for your kindness in sending the signed
photographs to Hillary and me. We appreciate
your thoughtfulness.

Thanks, too, for your encouraging words of
support.

Sincerely,

Bill Clinton

Maybe he
would help
w/ National
Service ^{in a bad}
cc: Eli &
Rick Allen



CENTER FOR THE STUDY OF THE PRESIDENCY
OFFICE OF THE
LIAISON TO THE WHITE HOUSE

June 29, 1994

Ms. Carolyn Huber
The White House
Washington, D.C.

Dear Carolyn;

Enclosed are a couple of autographed pictures for the President and Hillary from Terry Bradshaw, the Hall of Fame quarterback. The President may get a kick out of these, particularly the one that says, "To Bill and Hillary. Congratulations to the Hogs. You're doing a great job."

Yours very truly,

Mark W. Grobmyer

MWG/dtt

8/5/94

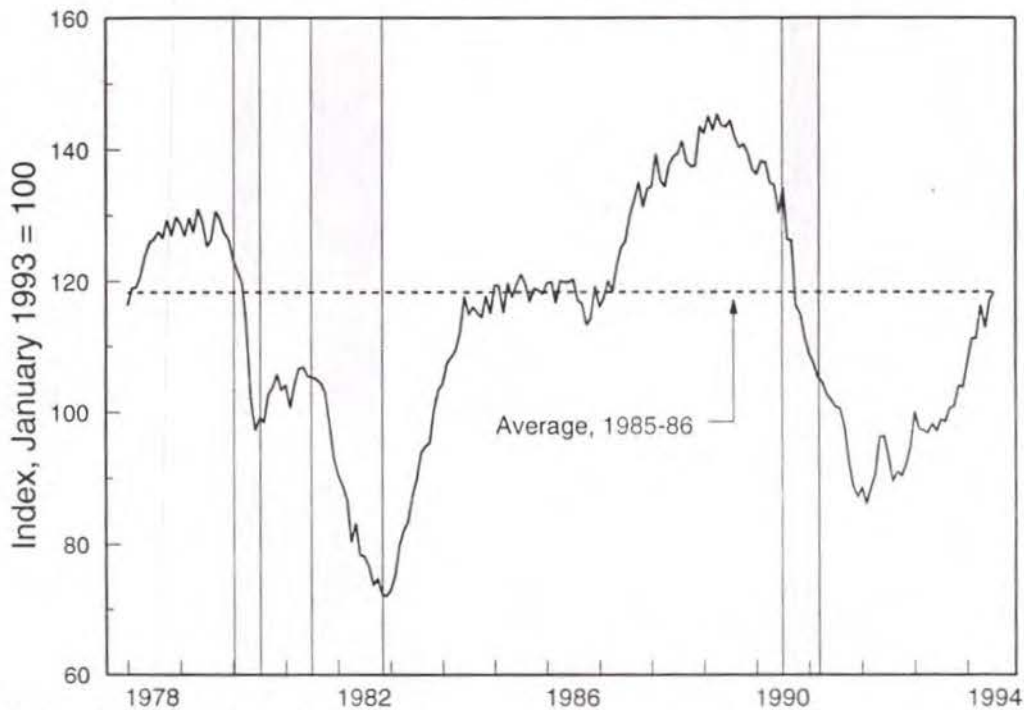
WEEKLY ECONOMIC BRIEFING OF THE PRESIDENT OF THE UNITED STATES

Prepared by the Council of Economic Advisers
with the assistance of the Office of the Vice President

August 5, 1994

CHART OF THE WEEK

Household Perceptions of Job Availability



The graph shows data from Conference Board surveys on the share of U.S. households reporting that "jobs are plentiful" minus the share reporting that "jobs are hard to find," indexed to January 1993. Perceptions of job availability sagged in the early stages of the current recovery, but began to move up decisively in 1993. The latest readings finally put this series into the range observed during the mid-1980s. The failure of job-market perceptions to improve more promptly may help explain why more individuals have not joined the labor force since the beginning of the recovery.

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QUOTATION OF THE WEEK

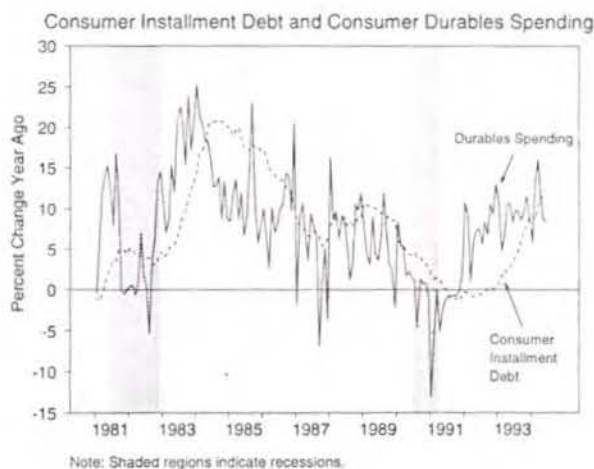
" ... [the Federal Reserve has] no intention of setting artificial limits on employment or growth. Indeed, the Federal Reserve would be pleased to see more rapid output growth and lower unemployment than projected by forecasters such as the CBO and the Administration—provided they were sustainable and consistent with approaching price stability. I should note, however, that most Federal Reserve policymakers would not regard the inflation projections of these other forecasters, which generally do not foresee further progress toward price stability over the medium term, as a desirable outcome."

Alan Greenspan in testimony before Congress, July 20, 1994

CURRENT DEVELOPMENT

Consumers' Appetite for Borrowing Improves

Over the 12 months ending in May, consumer installment borrowing (including auto loans and credit card debt) grew more than 12 percent (see chart).



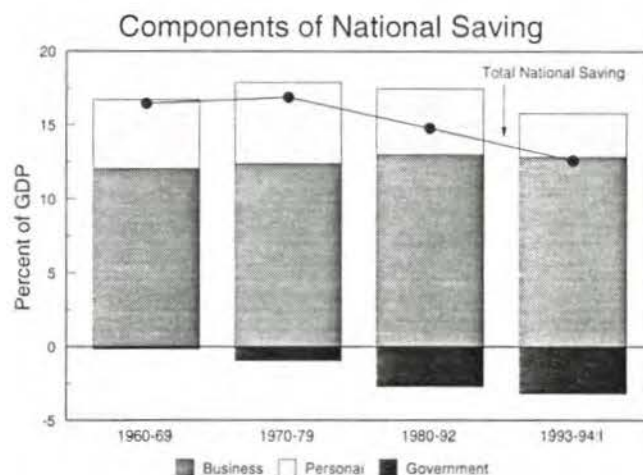
Analysis. The surge in installment borrowing is unsurprising in light of the recent strength of household spending on durable goods, especially cars and trucks. Data scheduled for release later today will show whether the trend continued into June.

Despite the recent run-up in borrowing, household balance sheets have improved over the last few years. For example, installment debt-service payments as a share of disposable income have declined over the past year to 10.2 percent in the first quarter, down from a peak of more than 11 percent in 1989.

TREND

Business Saving: The Pillar of U.S. National Saving

Business saving constitutes a large fraction of overall saving in the U.S. economy. Since 1980, American businesses have saved about three times as much as U.S. households. And because governments dissaved about as much as households saved in recent years, business saving today accounts for all of national saving (see chart).



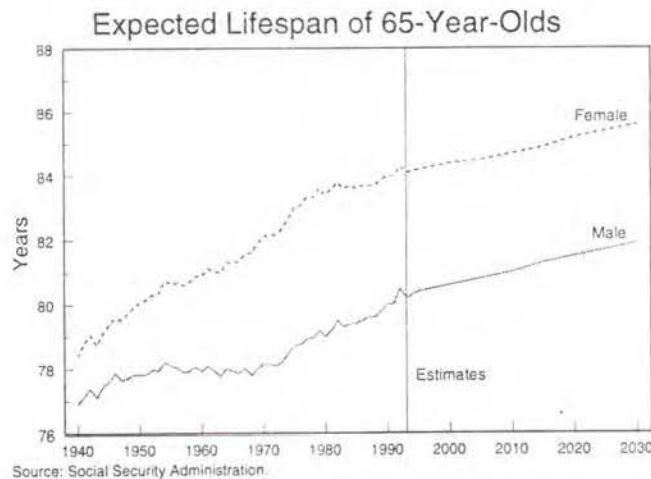
Throughout the postwar period, business saving has been remarkably stable relative to the size of the economy, amounting to between 11 and 13 percent of GDP, and seems not to have been affected much by either the strength of the economy or changes in tax provisions.

The decline in the national saving rate since the 1970s reflects a decline in household saving and a sizable increase in government deficit spending, not a reduction in the rate of business saving.

TREND

What's Wrong with Americans Living Longer?

Americans are living longer. In 1940, when the first social security benefit check was paid, a 65-year-old woman could expect to live to age 78-1/2 (see chart). Today, a 65-year-old woman can expect to live to age 84. For men aged 65, life expectancy has increased from 77 years in 1940 to 80 years today.



Analysis. Although the increase in expected lifespan is good news, it puts additional financial stress on the social security system. Such stress can be reduced or eliminated by increasing social security taxes, reducing benefits, boosting retirement ages, or taking other actions to improve the balance between income and outlays.

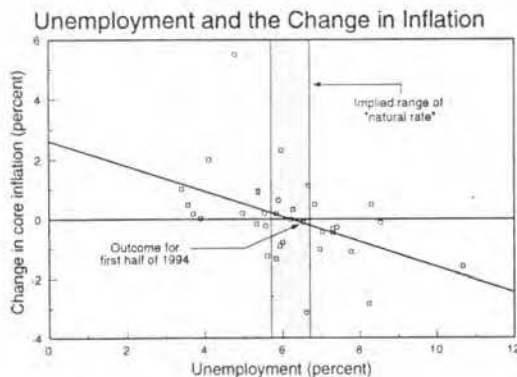
Current law increases the normal retirement age for full social security benefits from 65 to 67 over a 22-year period starting early in the next century. By the time this phase-in begins, the life expectancy of men aged 65 will have risen 3-1/2 years since 1940, and the life expectancy of women aged 65 will have risen 6 years. In other words, the slated increase of 2 years in the normal retirement age will only partly offset the increases in life expectancy realized since 1940.

ARTICLE

Has Inflation Reached Its Low-Water Mark?

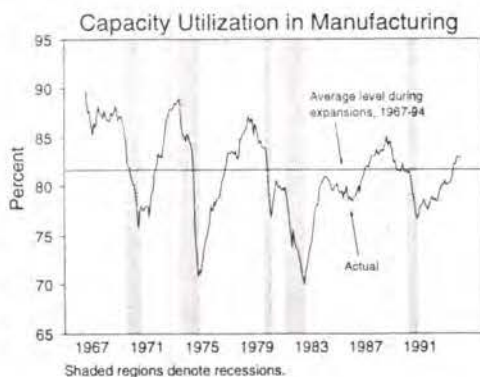
Over the twelve months ending in June, the consumer price index (CPI) rose just 2.5 percent. Only rarely during the past 30 years has inflation reached comparably low levels.

But what of the future? It now seems more likely that the next movement in inflation will be up rather than down. The Administration (in its Mid-Session Review of the Budget), the Federal Reserve, and the Blue Chip economic forecasters all anticipate an uptick in inflation over the remainder of 1994 and in 1995. It is not surprising that concerns about inflation have intensified as the economy has continued to expand. Several factors have contributed to these concerns.



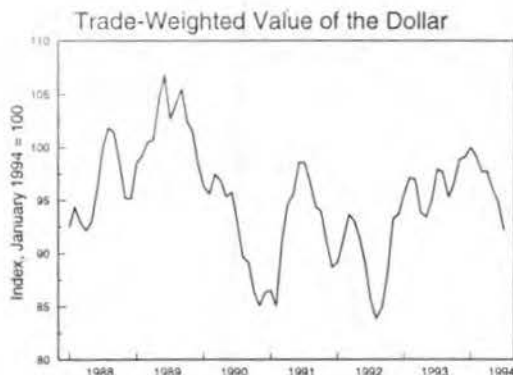
Labor market developments. Labor markets have tightened considerably recently, and are unlikely to exert much further downward pressure on inflation. According to today's report from the Labor Department, the unemployment rate in July was 6.1 percent. Past experience suggests that when the unemployment rate is high, inflation tends to decline. Conversely, when the unemployment rate is low, inflation

tends to rise (see chart). The interpretation of the current level of unemployment is complicated by the redesign of the household employment survey. However, as best we can tell, the current rate of unemployment falls in an intermediate zone—not clearly associated in the past with either an increase or a decrease in inflation.

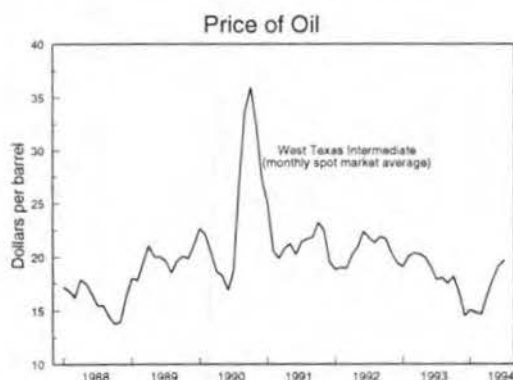


Developments in the manufacturing sector. Activity in the manufacturing sector has picked up noticeably. An estimated 100,000 manufacturing jobs have been added on net since the beginning of the year. At last reading, 82.8 percent of manufacturing capacity was utilized, compared with an average of 81.7 percent during expansion periods since 1967 (see chart). This higher level of activity may possibly

generate upward pressure on prices.



goods but also the prices of competing domestic goods. Roughly speaking, a sustained 10 percent depreciation of the dollar against the currencies of our major trading partners may boost the level of the CPI about 1 percent after a year or so.



oil prices were to remain in the \$20 per barrel range, overall consumer price inflation would be about 3/4 percentage point higher over the second half of this year and in 1995.

Expectations. According to surveys, household expectations of inflation have been running above actual rates for several consecutive years. Stubborn expectations are important because they may become self-fulfilling. For example, businesses make pricing decisions and workers negotiate wage contracts in part on the basis of their expectations of inflation.

Summary. The outlook for inflation is more guarded than at the beginning of the year. The economy has gathered strength faster than many expected, commodity prices have moved up, and the dollar has weakened. These developments are cited by market observers as possibly being sufficiently serious to motivate the FOMC to raise the funds rate another notch at its August meeting. For at least some members of the FOMC, the fact that most inflation forecasters anticipate no further reduction in inflation—and perhaps some increase—is a compelling reason to raise interest rates (see “Quotation of the Week”).

The decline of the dollar. Between mid-1992 and the end of 1993, the strength of the dollar helped keep inflation down. Since the beginning of the year, however, the dollar has depreciated about 6 percent relative to the currencies of our major trading partners (see chart). A depreciation of the dollar contributes to inflation in the United States because it tends to drive up not only the prices of imported

Commodity prices. The prices of a number of industrial and agricultural commodities have risen in the last few quarters. In particular, oil prices have rebounded from the lows reached last winter (see chart). Energy prices were a moderating influence on the overall CPI from 1991 through the first half of this year. The recent run-up in oil prices already has caused higher prices for gasoline and other energy items. If

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BUSINESS, CONSUMER, AND REGIONAL ROUNDUP

Beijing Parks Satellite in Tow Zone. China launched a satellite recently, achieving the dubious distinction of becoming the first nation to ignore the international convention for parking satellites. Typically, the International Telecommunication Union, a U.N. agency, registers satellites and ensures that all satellites are positioned so that they do not interfere with each other. Although this registration process can take up to four years, all previous launchers have complied. The placement of the Chinese satellite may interfere with both the operations of a satellite owned by Rimsat, a U.S. company, and the operations of a Japanese telecommunications satellite. Ironically, the Chinese satellite itself may not function well in its current position, thus hindering the Asian strategies of international broadcasting companies, such as Turner broadcasting and HBO, who had signed up to use it. However, the Chinese insist that they will complete the coordination process with operators of neighboring satellites, and that a satisfactory solution can be reached.

Beige Book Reports Moderate Expansion. On Wednesday, the Federal Reserve released the July edition of its "beige book" survey of economic conditions. The survey shows continuing expansion of business activity, although there were some scattered signs of slowing. Retail markets are particularly strong after a slow spring. There are some reports of tighter labor markets, particularly in the Atlanta and Minneapolis districts, but so far there has been little upward pressure on wages. Price increases have been more widespread than in previous months, though competitive pressures are holding prices down at the retail level. Lending activity is growing in most areas of the country, including California.

Tax Code Penalizes Marriage. A new study released by the National Bureau of Economic Research shows that 52 percent of all couples filing joint returns in 1994 paid greater individual income taxes than if they had simply filed as single individuals. The average "marriage penalty" paid by these couples was an estimated \$1244. At the same time, about 38 percent of joint filers paid less individual income tax because they filed a joint return. These couples received an estimated average "marriage subsidy" of \$1399. For all taxpayers, OBRA93 resulted in a shift from an aggregate annual marriage subsidy of about \$7-1/2 billion to an aggregate annual marriage penalty of roughly \$6-1/2 billion. This change primarily reflects that the individual income tax rate schedules enacted in OBRA93 are more progressive.

Striking Out. Six major league baseball players now have 35 or more home runs. If the season is not interrupted by a strike, the CEA estimates that there is a 51 percent chance that one or more will break Roger Maris's record of 61 home runs in a 162 game season. San Francisco's Matt Williams has an estimated 35 percent chance of breaking the record, and Seattle's Ken Griffey, Jr. has a 15 percent chance.

RELEASES THIS WEEK

Personal Income and Expenditures

Personal income rose 0.1 percent in June (monthly rate). Disposable personal income also rose 0.1 percent. Personal consumption expenditures rose 0.4 percent.

Leading Indicators

The index of leading economic indicators rose 0.2 percent in June.

Auto Sales

Domestic autos sold at an annual rate of 6.5 million units in July.

Employment and Unemployment **FOR RELEASE FRIDAY at 8:30 a.m.**

In July, the unemployment rate rose to 6.1 percent from 6.0 percent in June. Nonfarm payroll employment increased 259,000 in July.

MAJOR RELEASES NEXT WEEK

Productivity (Tuesday)
Producer prices (Thursday)
Retail sales (Thursday)
Consumer prices (Friday)

U.S. ECONOMIC STATISTICS

	1970- 1993	1993	1993:4	1994:1	1994:2
Percent growth (annual rate)					
Real GDP	2.5	3.1	6.3	3.3	3.7
GDP deflator	5.5	1.8	1.3	2.9	2.9
Productivity					
Nonfarm business	1.2	1.7	6.1	1.3	N.A.
Manufacturing (1978-93)	2.3	4.8	7.9	6.9	N.A.
Real compensation per hour	0.6	-0.3	-0.5	3.1	N.A.
Shares of Real GDP (percent)					
Business fixed investment	11.0	11.5	12.0	12.2	12.4
Residential investment	4.7	4.1	4.3	4.4	4.4
Exports	8.0	11.7	12.0	11.8	12.0
Imports	9.2	13.2	13.6	13.8	14.1
Shares of Nominal GDP (percent)					
Personal saving	4.9	3.0	2.9	2.7	2.9
Federal surplus	-2.8	-3.8	-3.4	-2.7	N.A.
		1993	May 1994	June 1994	July 1994
Unemployment Rate	6.7*	6.8*	6.0	6.0	6.1
* Figures beginning 1994 are not comparable with earlier data. The 1993 unemployment rate is estimated to have been 7.4 percent on a basis comparable to the 1994 data.					
Payroll employment (thousands)					
increase per month			252	356	259
increase since Jan. 1993					4076
Inflation (percent per period)					
CPI	5.8	2.7	0.2	0.3	N.A.
PPI-Finished goods	5.0	0.2	-0.1	0.0	N.A.

New or revised data in **boldface**.

Employment and unemployment data **embargoed until 8:30 a.m.**,

August 5, 1994 (Friday).
FINANCIAL STATISTICS

	1992	1993	June 1994	July 1994	Aug. 4, 1994
Dow-Jones Industrial Average	3284	3522	3738	3718	3766
Interest Rates					
3-month T-bill	3.43	3.00	4.14	4.33	4.32
10-year T-bond	7.01	5.87	7.10	7.30	7.12
Mortgage rate, 30-year fixed	8.40	7.33	8.43	8.62	8.38
Prime rate	6.25	6.00	7.25	7.25	7.25

INTERNATIONAL STATISTICS

Exchange Rates	Current level August 4, 1994	Percent Change from Week ago	Year ago
Deutschemark-Dollar	1.586	-0.3	-7.3
Yen-Dollar	100.3	+0.3	-4.3
Multilateral (Mar. 1973=100)	90.04	-0.2	-4.6

International Comparisons	Real GDP growth (last 4 quarters)	Unemployment rate	CPI inflation (last 12 months)
United States	4.0 (Q2)	6.1 (Jul)	2.5 (Jun)
Canada	3.4 (Q1)	10.7 (May)	0.0 (Jun)
Japan	-0.0 (Q1)	2.8 (May)	0.8 (May)
France	1.0 (Q1)	12.4 (Apr)	1.7 (Jun)
Germany	1.6 (Q1)	6.6 (Apr)	2.9 (Jun)
Italy	0.6 (Q1)	11.2 (Oct)	3.8 (Jun)
United Kingdom	3.3 (Q2)	9.6 (May)	2.6 (Jun)

Unemployment data **embargoed until 8:30 a.m., August 5, 1994 (Friday).**

D Ba

just want well

THE PRESIDENT HAS SEEN

8/5/94

THE WHITE HOUSE

Office of the Press Secretary

For Immediate Release

August 3, 1994

REMARKS BY THE PRESIDENT
IN DROP BY AT HEALTH SECURITY EXPRESS EVENT

The South Lawn

11:10 A.M. EDT

THE PRESIDENT: My fellow Americans, Congress has to decide whether it's going to listen to the insurance companies, or to Jan Cox's last wish. (Applause.)

We all know what the problem is here. You've just ridden a bus across the country, seeing real people who are just working hard, making the best they can of their lives, wanting a decent break. Those of you who have had these kinds of personal experiences that Daniel and Carolyn and John talked about, can't figure out why we spend more than anybody else on health care, cover fewer people than any other country, and get poorer health results.

It is because organized, intense, discreet minority interests are doing very well on a system that costs more than any other country's and covers fewer people. And every time you try to change it, they say, well, the world will come to an end. (Laughter.)

Well, like Hillary said, we ran for this job -- along with Vice President and Mrs. Gore -- because maybe we could be the home office of the "American Association of Ordinary Citizens." (Applause.) That's what we wanted to do. And every time we try to make a change, that's what they said.

We showed up here -- the deficit was going up and the economy was going down. And I put together a plan, and I urged the people on the other side to work with me; and they said, no, if we vote for this, the sky will fall, the economy will collapse, and so we'll all vote against it and call it a big tax increase.

But the truth is, the plan cut spending, raised taxes on the richest 1.5 percent of Americans, gave 15 million working people a tax cut. Thanks to the Secretary of Education, gave 20 million Americans an opportunity to refinance their college loans at a lower interest rate and, low and behold, it produced a drop in unemployment -- 3.8 million new jobs and the sky didn't fall. Now, the deficit's going down and the economy's coming up. But it's hard to overcome these organized, intense interests.

We had a different sort of fight over the big trade battle last year over at NAFTA. They said, if you do this, the economy will collapse. But low and behold, the Congress, this time with a bipartisan effort, passed NAFTA and we're exporting five times as many cars to Mexico as we were last year. They're our biggest, most growing market.

Change is hard up here because, even though most members of Congress were once just like you, when they get up here, they're a long way from home and they know that you and the President are presented to the folks back home partly through the rhetoric and the money spent by organized, intense minority interest.

MORE

And somehow, some way, this fight has got to be about Daniel Lumley and Carolyn Mosely and John and Jan Cox. That's what it's got to be about. (Applause.) It's got to be about my friend, Justin Dart, sitting back there and all the Americans with disabilities who could be in the work force, making money, paying taxes, contributing to our future if they could just get health insurance while they're in the work force. (Applause.)

All the nurses who hired on to help people get well, and instead spend all their time calling insurance companies to try to figure out if this or that procedure can be done by the doctor in the first place. Goodness only knows how many people we employ in this country that would be working more productively in any other country. We have to put hundreds of thousands of people to work every day to figure out who's not covered, or what's not covered in an insurance policy. There's not anybody else in the world spending their time and spinning their wheels, putting people to work, asking them to spend their entire working life reading the fine print of insurance policies to see what is not covered. Can you imagine a more unsatisfying thing to do with your life? (Applause.)

Lee Brown, our drug policy leader -- do you know why he's here today? Because if we could pass health insurance for all Americans, it would include drug treatment for all Americans. (Applause.) Now, he's a policeman; he spent all of his life trying to lower crime and fight criminals, be tough on law and order. But he learned as a police officer that there are a lot of people in trouble with drug and alcohol abuse and they need treatment. And we'd save billions and billions of dollars.

And it's not like we don't know what to do. Twenty years ago, Hawaii said, everybody here is going to get insurance; we're going to have employers and employees cover their health insurance. And if you've never been to Hawaii -- I hope you get to go someday; it's a wonderful place -- but everything there is more expensive than any place else, because it's way out on an island somewhere -- everything except health care, where the premiums for small business are 30 percent below the national average because everybody pays and no one runs away, and everybody is covered. (Applause.)

And you ought to be taken care of, whether you're a young man riding a motorcycle in the prime of your life, or a young woman giving yourself to nursing, or a man following a religious mission to work at a Christian radio station, or any other thing. It just ought to be that way.

We have a consensus in this country on universal health care. What we do not have is a consensus among people elected to represent the American people on making the tough decisions necessary to get universal health care. (Applause.)

There are lots of things like that in life. A bunch of us, including me, would like to be thinner, but we don't diet. (Laughter.) A lot of people would like to be stronger, but they don't lift weights.

In the end, it comes down when you've got something everybody wants to do but is not easy to do, the people that hired on have to make the decisions. And the members of the United States Congress hired on, just like I did. We didn't say, vote for me, in a representative form of government, and I will make all the necessary decisions to solve the problems of the country except those that are difficult, controversial, and make people mad. (Applause.)

That was not the deal. And you need to hang around this town, and you need to tell your stories. Because the questions that I get asked are, well, what about this detail or that bill, or who is

up or who is down. I say I have answered my question. My question is, am I for you or not? Answer? Yes. (Applause.)

And secondly, second question, did I offer a plan to solve your problem. The answer, yes. (Applause.) Third question, was I willing to meet people who had different ideas or better ideas more than halfway? The answer is yes. (Applause.)

These bills provide for longer phase-in, they give less orders, fewer orders and they give more options to smaller business. They give a better financial break to small business. They are less bureaucratic. We have listened to the American people and Congress has presented bills to do that.

They've bent over backwards to recognize that the American people want options, and they don't like to be told to do anything. I don't blame them. Nobody likes that. But the conservative thing to do is to ask everybody to carry as much of their own load as they can and then for the rest of us to help.

Those who are opposed to universal coverage say, we've got a whole class of people we're not going to ask to carry any load at all, and we'll ask everybody who's already doing their part to do even more. I think we have the conservative position, my fellow Americans, the responsible position. Everybody should do what they can, and then we'll help those who need more. (Applause.)

I just want to ask you to remember this: Make this debate about John and Jan Cox, about the story Carolyn Mosely told, about the dreams of the future -- teaching our children -- that Daniel Lumley has, and about the personal stories that are here in this audience and all across America. Don't let it become part of some rhetoric, hot air, process, conflict, interest group deal, and say a simple word. We have moved, we have reached out to people of different views and different parties. This is not a partisan issue. I don't have any earthly idea what political party these three people are in, or who they voted for President, and I do not care; I want them to have health care. (Applause.)

You make the debate about them, and remind the Congress that, just like the President, they signed on to represent ordinary Americans, to make the tough decisions and not to walk away. And this is a decision America has walked away from for 60 years. President Truman, three times asked the American people to get the Congress to solve this problem and the Congress said no. President Nixon, 23 years ago, asked the Congress to require employers and employees to split the difference and cover, with private health insurance, all Americans.

Now, it's been long enough. I know we're supposed to deliberate up here -- (Audience: Yes, but we have now deliberated through three generations. (Applause.))

AUDIENCE: Pass it now! Pass it now!

THE PRESIDENT: Pass it now for them and for you. God bless you all. (Applause.)

END

11:20 A.M. EDT

THE WHITE HOUSE

To: President Clinton

Fr: George S.

THE PRESIDENT HAS SEEN 8/5/94

CS/CS

Most Kondracke sent you his article
on Thomas Patterson.

Also, I recently did a Sperry lunch
centered on the Patterson epilogue.

Let me know if you want any
follow up.

(CS)



July 27, 1994

President Bill Clinton
The White House
Washington, DC

Dear Mr. President:

As promised last night in the State Dept. receiving line, I'm sending my column on the Patterson book. George has faxed me Patterson's epilogue.

* [The question obviously arises, what can be done about this problem? My advice would be that you and others at the White House publicly spread the word about Patterson's findings and try to engender some soul-searching among journalists.

(*) Second, I've always thought that, in spite of all the tendencies Patterson identifies, you could help overcome them significantly through small-group seminars with various journalists, maybe off-the-record, on serious subjects. Henry Kissinger used this technique to great advantage.

So, that's what maybe you can do. What can we do? Darned if I know.

① Good luck, *Henry*
Legu

Sincerely,

Mort

Morton M. Kondracke

② Let's mocc on
this in just dinner
R. Kaplan in sub
if not shows at least
beginning of book and
epilogue
B.

Pennsylvania Avenue

By Morton M. Kondracke

New Book Bolsters Clinton Complaints On 'Cynical' Media

President Clinton charges that journalists don't so much report the news anymore as editorialize about it, and that they are making Americans cynical about politics. An important new book suggests he's absolutely right.

The book is *Out of Order* (Knopf) by Syracuse University professor Thomas E. Patterson. It shows that during the 1992 race, 80 percent of presidential campaign stories on the front page of the New York Times were interpretive accounts stressing the reporter's opinions, while in 1960, almost all stories were descriptive accounts largely based on

the words of candidates and other politicians.

What's more, analyzing more than 4,200 campaign stories in *Time* and *Newsweek* from 1960 to 1992, Patterson finds that until 1976, "good news" about candidates and their campaigns dominated, whereas from 1980 on, articles have been mainly negative, sometimes savagely so.

Television coverage is much the same, Patterson shows, with correspondents regularly opining that candidates purposely mislead voters, don't stand for anything, lack a clear agenda, or have character flaws making them unfit to govern.

Patterson's book documents increasing negative "advocacy coverage" in campaigns, but other data indicate that the tendency carries over into coverage of government—pos-

sibly because the same reporters cover campaigns, the White House, and Congress.

According to the Center for Media and Public Affairs, 62 percent of 1993 network news stories on the Clinton presidency were negative. Coverage of Democrats in Congress was 60 percent negative and 75 percent negative for Republicans.

During a radio interview with St. Louis station KMOX on June 24, Clinton blasted radio talk-show host Rush Limbaugh, right-wing preacher Jerry Falwell, and the mainstream media. What he said about the media was all but ignored.

Explaining citizen cynicism, Clinton said, "If you look at the information they get, at how much more negative the news reports are, how much more editorial they are, and

how much less direct they are...you can't blame them for responding that way."

Curiously, the Center for Media and Public Affairs finds that the overall content of TV coverage of the Whitewater and Troopergate scandals from last November through this May has been equally balanced for and against Clinton — although obviously the subject matter of the stories works against Clinton.

But during the two months prior to Clinton's complaint in St. Louis, TV scandal reporting had turned decidedly negative for Clinton, by a margin of 61 percent to 39 percent. By far, ABC News has been toughest on Clinton and CBS the most favorable.

Patterson's book, while coming from the vantage point of campaigns, is a 300-page vindication of Clinton's basic point of view.

"There is a danger to democracy in both the unrelenting negativism of the press and the increased inability of candidates to avoid the press's scrutiny," he writes. "Candidates have to communicate with an electorate that is continuously warned by the press to mistrust them. A wall of suspicion is thus created, and disbelief sets in."

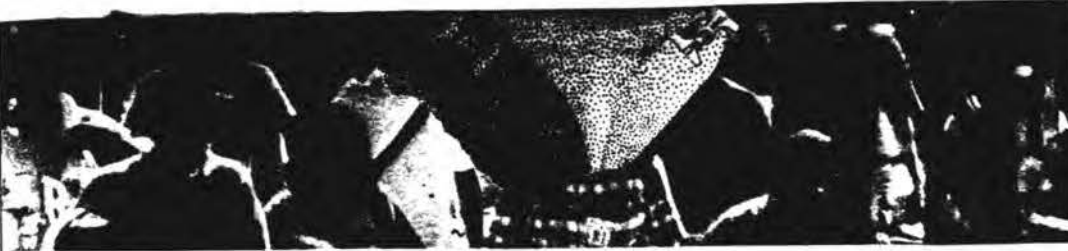
Possibly Patterson's most damning findings are that the media nowadays won't even let a politician be heard.

In 1968, the average TV soundbite featuring a presidential candidate's own words was

Skilled Trades People Preserve America's Security



'There is a danger to democracy in both the unrelenting negativism of the press and the increased inability of candidates to avoid the press's scrutiny,' writes Syracuse professor Thomas Patterson.



Aircraft carriers are crucial to our nation's post-cold war security. President Clinton has included the next nuclear-powered carrier, CVN76, in the FY95 Defense budget. Congress has consistently recognized the value of aircraft carriers and the skills necessary to build them.

Building CVN76 requires thousands of highly skilled men and women, like those of United Steelworkers Local 8888 at Newport News Shipbuilding, and others at thousands of companies in 42 states throughout our country.

Their skills are a national treasure. Aircraft carriers are the muscle behind our foreign policy. To keep intact our nation's capacity to build these ships, we must keep skilled steel workers, and many other industrial trades people, at their jobs—authorize and fund CVN76 in Fiscal Year 1995.

W.R. (Pat) Phillips
President and CEO
Newport News Shipbuilding

George Becker
International President
United Steelworkers of America

Newport News Shipbuilding

A Tenneco Company
Newport News, Virginia 23607



42 seconds long. In 1988 and 1992, the average was less than ten seconds.

For every minute that the candidates spoke on the evening news in 1988 and 1992, Patterson reports, journalists who were covering the campaign talked for six minutes.

Newspapers are little better. In 1960, the average continuous quote or paraphrase of a candidate's words in a front-page New York Times story was 14 lines long. By 1992, the average had fallen to six lines.

"The candidate's words are now usually buried in a narrative devoted primarily to expounding the journalist's view," says Patterson. And usually the journalist's view, he says, is that politicians are trying to put something over on the public.

Patterson writes that the fundamental problem with presidential politics today is that the media have taken over the candidate-judging role formerly occupied by party leaders—largely as a consequence of the 1968 McGovern-Fraser reforms in the Democratic party.

The media, naturally inclined toward "news" rather than underlying issues and toward "horse race" coverage rather than substance—and increasingly driven toward scandal and personality—simply is not cut out for the role of chief arbiter of politics, Patterson writes. The remedy he recommends: shortening campaigns.

That's a distant cure, though. What America needs most is for TV and print editors to order their reporters to quit being de facto columnists and to go back to telling people what happened yesterday, rather than what to think about tomorrow.

*Pat
wrote
Do I can?
R*

THE WHITE HOUSE
WASHINGTON

THE PRESIDENT HAS SEEN
8/6/94

AUGUST 4, 1994

94 AUG 4 P12:58

RECOMMENDED TELEPHONE CALLS

TO: MEMBERS OF THE DEMOCRATIC CAUCUS

Reps. ~~✓~~ Connie Morella
~~✓~~ Sherwood Boehlert
~~✓~~ Steve Horn
~~✓~~ Nancy Johnson
~~✓~~ Rick Lazio
~~✓~~ Scott Klug

DATE: August 4, 1994

RECOMMENDED BY: Pat Griffin

PURPOSE: To urge their support for the rule on the crime bill.

BACKGROUND: These are Republican Members who supported the assault weapons ban and are potential yes votes on the Rule. Republicans, as a matter of principle, never vote for a Rule, but some are getting concerned that the crime bill may be defeated because the pro-gun Members will defeat the Rule. Chris Shays (R-CT) has supposedly announced he will support the rule in order to get the bill to the floor. There is a hope that we can get 8-10 other Republicans to do the same.

TOPICS OF DISCUSSION:

1. Let them know you understand how hard it is for them to support a rule.
2. A vote for the rule will preserve the assault weapons ban - if the rule is defeated there is no way assault weapons will remain in the crime bill.
3. We must put aside partisan differences if we are to win on an issue that is so important to so many people.
4. Can I get your support for the rule?

CONTACT PERSON AND
TELEPHONE NUMBER(S):

Connie Morella - 225-5341
Sherwood Boehlert - 225-3665
Steve Horn - 225-6676
Nancy Johnson - 225-4476
Rick Lazio - 225-3335
Scott Klug - 225-2906

Page 2
Republican Crime Calls

DATE OF SUBMISSION: August 4, 1994

[illegible]

Page 3
Republican Crime Calls

A suggested list of second round calls to Republicans on the crime rule are (talking points remain the same):

Ron Machtley - 225-4911
Joe McDade - 225-3731
Jan Meyers - 225-2865
Susan Molinari - 225-3371
Ilena Ros-Lehtinen - 225-3931
Jack Quinn - 225-3306

John Tate
Chris Skays
Ronikuma

SPECIAL SCHEDULING REQUESTS
HONORARY CHAIR, HONORARY PATRON, HONORARY MEMBERSHIP

Today's Date: August 4, 1994

94 AUG 4 P12:25

Date of Request: 8/02/94
Request for: POTUS/FLOTUS
Type of Request: Honorary Patrons
Requestor Name: John Gavin
Organization: The Children's Bureau of Los Angeles
c/o Judy Miller
The Century Council
Suite 1950, 550 South Hope St.
Los Angeles, California 90071-2604
Contact Tel. #: 213/624-9898
Event Date: 9/27/1994
Event Description: The organization will hold a gala dinner to honor Lod Cook, Chairman and former CEO of ARCO.
Notes: The requestor claims that former Presidents Ford, Carter, Reagan and Bush have already agreed to lend their names to the event.

Recommendations:

PL _____

JP

yes

MW _____

*Nancy Hornreich seeks your recommendation ASAP. Thanks.
DWB*

ARTHUR SCHLESINGER, JR.

cc: Jimmy Fy1
3 Pres.
Orig to Staff Secy
Paul Richard
For reply
only

17
25 July 1994

The President of the United States
The White House
Washington, D.C. 20500

Dear Mr. President:

I read with some concern in Douglas Je
July New York Times that "White House
despite their new willingness to turn
they still remained unwilling to subje
Haiti] to congressional approval."

I very much hope that the second state:
I trust that your administration will:
Truman's mistake when he went to war in
congressional authorization.

The Constitution gives Congress the exclusive power to send
the nation into war. This power is qualified only by
invasion of the United States or by the need to protect the
lives of American citizens abroad. Nor does the existence
of a UN resolution suspend or replace Article I, Section 8
of the Constitution.

The constitutional case for seeking congressional author-
ization is reinforced by the political case. Going to war
is a solemn decision that may well have unforeseen and
tragic consequences; and it makes political sense that the
responsibility be shared with the legislative branch. This
will make it harder for legislators to complain if things go
sour. When the Korean War turned unpopular, President Truman
must often have wished he had accepted Senator Taft's
proposal of a joint resolution authorizing the despatch of
combat forces.

Moreover, ever since the Vietnam War the Democratic party
has stoutly opposed the idea that the decision to go to war
belongs to the President. For Democrats now to switch and
adopt Richard Nixon's inflated view of presidential
prerogative would only feed the widespread public cynicism
that is already doing such damage to your Presidency.

continued/.....



GEORGETOWN UNIVERSITY

July 29, 1994

Department of History

~~President~~
Paul R -
NSC showed
draft reply
USA
NH

Ms. Nancy Hernreich
Deputy Assistant to the President
The White House
Washington, DC 20506

Dear Ms. Hernreich:

President Clinton asked me at the State Department reception last Tuesday to send him this memo on the significance of elections in the West Bank and Gaza to the peace process in the Middle East.

I am a former professor of the President's at Georgetown University.

Sincerely yours,

Hisham Sharabi
Professor of History

Ce hanleth

Leon

~~NO~~

sum
N:Thi

RC

WHITE HOUSE
WASHINGTON

July 29, 1994

Gloria Cabe
888 16th Street, N.W.
Washington, D.C. 20006

Dear Gloria:

Thank you so much for your letter of encouragement. It really meant a lot to me. I continue to be amazed at the distortion of the facts in the press.

I knew this job would be tough when we asked for it, but I think we've done a lot of good and it remains an honor to try to make a difference.

Thanks for caring so much about us. I'm glad we had a chance to visit. See you soon.

Sincerely,

Bill

Thank - your letter
was very helpful

GLORIA CABE
888 16TH STREET, NW
WASHINGTON, DC 20006

June 21, 1994

July
Rec'd 7/26

(I think she
meant 7/21)

Dear Mr. President:

You've governed well for a year and a half without my 2 cents worth and probably can continue to do so without this note. Furthermore I've satisfied my impulse to "help" many other times by composing a note and then doing the right thing by throwing it away. But this is one time I don't think that I will.

I can only begin to imagine your frustration. The single greatest frustration for me over the last several months has been the convergence of "things" which prohibit you from employing your greatest strengths. And it so happens, that those strengths are the strengths needed to break ideological gridlock, get things done and restore people's faith in what government can and should do.

As you know, I was at the NGA and heard your remarks in person and in context. And contrary to all the press flap in the aftermath, I was actually relieved at your remarks. It seemed to me that you had finally struck the right tone...exactly where you should have *begun* the debate. It seemed to me that you had finally found a way to establish a realistic bottom line, one that could actually be believed (I hear comments all the time about how even in Hawaii and Germany no one really reaches 100%, how the administration is naive, dishonest, crazy, all the usual adjectives, to continue to talk about 100%, and on and on). You had finally given a little guidance about where legislation requiring universal coverage could begin, with the goal of going *as high as possible* over a period of time.

The White House press and the members of Congress who serve on the key committees know a fair amount about the health care debate and the various components of the health care bills, but the rest of Congress is unbelievably uninformed about the debate. It was not only reasonable, but helpful for you to put universal coverage in perspective and explain what you meant. Then to say that in your (very informed) opinion, the only way to pay for universal coverage is with employer mandates, but that you are willing to support any method of financing that ensures that health care reform works for all Americans, set the tone for the right kind of discussion that would enable Americans and members of Congress to be brought along in the debate. It even gives you the space you may need to craft something different, the legislative process does work much of the time. This is the way the debate should have begun, instead of with 1300 pages of specifics.

But this is not a note about spilt milk. Come to think of it, I'm not sure what it's about. But I did know what you were trying to do, I do think it was the right thing, and I want you to know it.

I have to admit that given the press, partisan and recalcitrant members of Congress and a staff that doesn't really know you and how best to use your considerable strengths and abilities, it turns out we may both have been wrong. But I am also convinced that "their" way won't achieve what needs to be achieved in this country and get us on the right track. It makes me crazy! It is simply wrong that this convergence of "things" so inhibits the use of your skills and strengths which I believe happen to be the right ones for the times. It makes me want to simply crack a few heads to see if somehow in the process all the electrons might line up a little differently and this process of governing with this press in this town would change and make a little more sense. My cynical side fears that it's all such a game to most of these people, it simply is not about making the world work better for more of us. And my rational side knows that if things continue to work the way they have we'll continue to get the same results, and no one wants that.

It was good to see you Tuesday, even if for a moment. I think of you three often and wish for a much, much less frustrating and stressful time for all of you. I couldn't do what you do. It simply shouldn't be like this.

Fondly,

Gloria

Handwritten notes:
AH
~~State-
to come
tell him to come meet
when his in DC~~
DK

WHITE HOUSE
WASHINGTON

August 2, 1994

Paul M. Lisnek
Suite 217
612 North Michigan Avenue
Chicago, Illinois 60611

Dear Paul:

Thanks for your letter of July 22. I deeply appreciate your sharing with me the story of your meetings with my mother. She was a remarkable woman, and I am glad you had an opportunity to meet her.

Thanks, too, for your kind words of encouragement. It means a great deal to me that people like you care about me and the work we're doing in Washington.

Sincerely,

Bill Clinton

*cc
at*

President Bill Clinton
The White House
1600 Pennsylvania Avenue, N.W.
Washington, D.C. 20001

July 22, 1994

Dear Mr. President:

Knowing how very close you were with your mother, I wanted to share with you memories of some wonderful and heartwarming evenings I spent with her just prior to her passing. Your mother and I first became acquainted prior to Barbra Streisand's New Year's Eve concert. We so enjoyed one another's company that we spent the intermission together the night of the second concert as well. We also spent time together at Ms. Streisand's reception and some final moments at the airport as both your mother and I headed home. To say she was charming, witty, warm and gracious would be an understatement. I had always heard that anyone who met your mother was soon treated as a friend; this too was an understatement.

We met on our way into the concert and chatted, as you would expect, the races (she won one and then it went down hill on New Year's Day) and the world. That she was so interested in my work when her own son was the president is still a dream to me. As I held her bottle of mineral water for her, we discussed my great admiration for you and your dedication to change. She beamed with pride, she hugged me, she took my hand....she truly cared.

I shared with her the work I do with young pre-lawyers, teaching them the law and leadership here in Washington, my work as a trial and political consultant (with my partner who worked on Rodney King and Reginald Denny, and my work in criminal prosecutions.) I even had the pleasure of training Bobby Kennedy, Jr., and we discussed both your and my deep admiration for the Kennedy family. Simply put, your mom and I just clicked and enjoyed each other on both evenings. (The first evening, I spent some brief moments with your brother Roger as well). In fact, as we greeted each other at the second evening's concert, it was once again a hug, a smile, and a warm embrace.

I must share a dream I related to your mother. As we sat during the intermission of the second evening, I told your mother that you were not only living my dream, but were pursuing it with the same hope and drive that I would hope to bring to the task. Since I doubt I will ever be president, I told her that her son was my greatest hope for change. I told of a recurring dream of mine. I dreamed that I attended a state dinner but was invited up to spend the evening with you and Hillary where we discussed the image of lawyers, the importance of education, and our love for music. Then I was invited to stay over in the Lincoln bedroom which was the greatest thrill of all. Ah the dream always ends the same as I wake up with renewed hope for our country. Your mother looked at me, smiled and in her warmest manner said, "Hey, that dream can come true, Paul. I'll work

Paul M. Lisnek
J.D. Ph.D.

Phone: (312) 248-5600
Product Sales: 1-800-847-PAUL
Fax: (312) 935-PAUL
612 North Michigan Avenue
Suite 217
Chicago, Illinois 60611

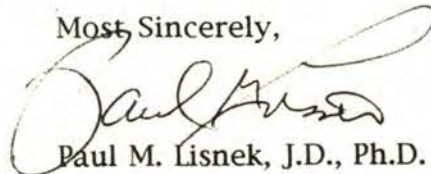
on it!" Of course, she passed away four days later and I never really expected the dream to become reality, but I wanted you to know.

Mr. President, if there is ever anything I can do to assist you in an area related to legal education, the image of lawyers, or in any other way, please let me know. While I work on the lecture circuit educating lawyers, I would be honored to work in your service. In the meantime, my memories of your mother will always stand out as a ray of hope that there can be people of power and influence who never forget that their mission is to help all people. I know you are committed to that goal, I have been and continued to be committed to the work of Bill Clinton since the day I first became aware of you and your dream. If we never meet personally, I shall always treasure meeting the source of all you are...a person who is now and forever an inspiration to me in my work as well.

We shared just a few days, but with Virginia, that's all anyone needed to see the light of hope.

G-d bless you and your mission. I hope one day we might meet in person, so I may shake your hand, as you did with President Kennedy, and meet the man committed to the betterment of all humankind.

Most Sincerely,

A handwritten signature in dark ink, appearing to read "Paul M. Lisnek". The signature is fluid and cursive, with a large loop at the end.

Paul M. Lisnek, J.D., Ph.D.

THE WHITE HOUSE
WASHINGTON

JULY 26, 1994
RECOMMENDED TELEPHONE CALL

94 JUL 26 P2:48

TO:

MEMBERS OF THE CONGRESSIONAL BLACK CAUCUS

Reps:	Clayton	Hastings
	Flake	Meek
	Rangel	Rush
	Wynn	Wheat
	Dixon	Blackwell

DATE:

July 26, 1994

RECOMMENDED BY:

Pat Griffin

PURPOSE:

To urge their support for the rule on the crime bill.

BACKGROUND:

Following your meeting today with members of the CBC, we suggest a few follow up calls to touch base with some potentially supportive Members. Our only hope of passing this rule is to break off some CBC Members and get their vote -- we need 12-15 CBC Members to support the rule.

FYI: When Mfume left the CBC meeting he went to the press and announced that you were definitely signing an Executive Order on RJA - there was no mention of the fact that you said you would issue an executive order if there was a crime bill. This may be a topic of discussion in your calls.

TOPICS OF DISCUSSION:

1. Stress, again, the fact that you understand how important racial justice is to them and the Caucus.

2. Stress the fact that you appreciate the concern that African-American's are disproportionately effected by the death sentence in this country.

3. Some Members have said they are voting against the rule as a matter of principal -- in that case they are standing with convicted murderers and turning their backs on the kids in their districts who need the prevention money. We need to look beyond the criminal element and look to the kids who need our help now.

4. Some Members have said they will vote against the rule and for the final bill. It is not that simple. A vote against the rule means we will have a Republican bill.

5. Even if they are philosophically opposed to some elements of the bill, they should not prevent the entire Democratic caucus from considering the bill.

6. Can I get your support for the rule?

CONTACT PERSON AND
TELEPHONE NUMBER(S):

Eva Clayton	- 225-3101
Floyd Flake	- 225-3461
Charlie Rangel	- 225-4365
Al Wynn	- 225-8699
Julian Dixon	- 225-7084
Alcee Hastings	- 225-1313
Carrie Meek	- 225-4506
Bobby Rush	- 225-4372
Alan Wheat	- 225-4535
Lucien Blackwell	- 225-4001

DATE OF SUBMISSION: July 26, 1994

ACTION: _____

DAILY LOG for FIRST LADY
from MCA
7/29/94

CORRESPONDENCE:

- 7/27/94 letter to President and you from Felton Edwin May, Resident United Methodist Bishop of the Harrisburg, PA, who leaves August 1 for trip to Zimbabwe and refugee camps in Zaire, Burundi, Tanzania and Kenya. He will be consulting with African church counterparts to discover ways the global religious community might assist in providing humanitarian aid for return/resettlement of refugees, medical/psychological care for orphaned children and establishment of communities of Shalom.

He commends the President for actions to date and makes 4 specific requests for future efforts. He requests your prayers and moral support.

✓ See
✓ To POTUS for response per HRC

Through Podestty

8/2

X/SC

per P. Richard
In

8/2
THE PRESIDENT HAS SEEN

65
Saver
Bk

copy
Harold also
JLP

CAPITAL JOURNAL
By GERALD F. SEIB

Will He Run? Won't He Run? Bennett Muses

IT'S A SULTRY day, and Bill Bennett is ready to head to the beach. His shorts and tennis shoes give that away.

But first he's agreed to sit down and talk about the most profound of questions: Exactly how will he decide whether to run for president?

It is a question Bill Bennett, the one-time education secretary and drug czar, never expected to be pondering, yet one that now hovers over him constantly. In his own mind, he's already ruled the possibility out and back in recent months. Now he's at least decided on a firm timetable for deciding: "I think I have until the end of '94."



Deciding to run for president is a momentous thing for anybody, but it's especially tricky for Mr. Bennett. Should he choose to run in 1996, he would be the most unconventional of candidates. He's served atop two Republican administrations, but hasn't been elected to public office. There's no Rolodex full of donors, no home base, no nascent organization. With his doctorate in philosophy and Harvard law degree, he has the resume of an academic, not a pol.

What he does have is an image as America's new crusader for restoration of moral fiber, a reputation enhanced by his book entitled "The Book of Virtues," of which there are a stunning 1.3 million copies in distribution. It's enough to make friends and religious conservatives urge him on. When Texas Republicans took a straw poll at a convention this summer, they made Mr. Bennett their top choice for 1996.

So watching him decide is important. It's also interesting. Watching someone like former Secretary of State James Baker go through this exercise would be like watching an Olympic figure skater doing a compulsory routine: disciplined, matter-of-fact. Watching an outspoken china-breaker such as Bill Bennett do it is more like watching a skater in the free-style program: unpredictable, flowing.

MR. BENNETT is proceeding by seeking out opinions from a sizable circle of political advisers, whom he calls "jockeys." As he talks, he's dividing the issues he must resolve into two categories: the "externals" (Is it feasible?) and the "internals" (Do I want to do it?).

Here's his checklist on externals. "Can it be done? Can it be done by Bill Bennett?" Open questions. "Can I go around the country? Yeah, I go around the country already. Can I raise money? Probably. Do I want to raise money? No."

The money chase is a big negative. "The experts I talk to have said 'You are going to spend three, four hours a day on the phone, calling up people and asking them for money.' That is very unappetizing for me."

Here's the internal checklist. After discussing it "at length," his wife, Elayne, isn't in favor. He fears his writings on social issues will be "trivialized." He worries he couldn't explain himself amid the noise of a modern presidential campaign, which would be "like having a seminar at a rock concert." He has a good life now, with another book and possibly a Saturday morning television show for kids coming along. He knows he isn't disciplined enough to stick to a campaign script. He worries he doesn't have the patience to suffer the foolishness of a campaign.



William Bennett

AND YET HE put up with the enormous foolishness of academia ("foolishness on stilts") and survived.

So the deciding question for Bill Bennett may be the simplest one. Would anybody else push his agenda if he didn't run? And therein lies a surprise. Candidate Bennett wouldn't pursue a moral crusade, but a classically conservative, though somewhat radical, political agenda.

The campaign theme would be that Americans have given too much power and responsibility to their federal government, at the expense of individuals, families, churches and schools. "In the name of compassion and responsibility, I would want to go through the federal government and start tearing it up, throwing stuff back to the states, taking stuff apart. This would not just be the liberal welfare state, this would be the farmers' welfare state and the wealthy students' welfare state."

Pro-lifers may be surprised to find he doesn't favor a constitutional amendment banning abortion. Those who think a President Bennett would solve the nation's moral crisis will be surprised to hear him say: "Don't look to me, pal. Look to yourselves."

As he heads to the beach, Mr. Bennett's course isn't clear. What is clear is that he can surprise friend and foe alike before it's all over.

Handwritten:
Gale
Lynn
Lynn

THE WHITE HOUSE
WASHINGTON

94 JUL 22 P6:04

JULY 22, 1994

RECOMMENDED TELEPHONE CALL

TO:

MEMBERS OF THE CONGRESSIONAL BLACK CAUCUS

Reps: Clay
Flake
Waters
Stokes
Thompson
Rangel
Clayton
Dixon

DATE: July 22, 1994

RECOMMENDED BY: Leon Panetta / Pat Griffin

PURPOSE: To urge their support for the crime bill.

BACKGROUND: Some Members of the CBC feel very strongly that the CBC should not support the crime bill - they feel the CBC has not been shown proper respect by the Administration and therefore should not support passage of the rule or the final bill on crime.

TOPICS OF DISCUSSION:

1. Stress the fact that you understand how important racial justice is to them and the Caucus. (You should be aware that some Members' support for racial justice is directly tied to their opposition to the death penalty.)
2. Let them know you also support addressing this issue through immediate Executive action and by continuing to fight for a bill in the future.
3. This is not a choice between racial justice now or the crime bill now. The crime bill can not pass with RJA.
4. There is a lot of good in this bill:
 - * \$9B in prevention programs that will never be seen again if this bill fails, including:
 - * \$1B in youth employment programs
 - * \$1B to keep schools open after hours
 - * \$1B in drug treatment programs
 - * a reduction in sentences for non-violent drug crimes
 - * the assault weapons ban

5. If they throw all this away, there is a very good chance the Republicans will offer a bill in October with all the tough measures and none of the preventive measures - and there is no way we will be able to defeat that bill just before the election.

6. We need this bill for the kids.

7. If they support this bill they will not be alone - black mayors understand the balance we have achieved in this bill and they want the billions of dollars for their communities.

8. Can I get your support for the rule and final passage?

CONTACT PERSON AND
TELEPHONE NUMBER(S):

	OFFICE /	HOME
Bill Clay	- 225-2406 /	301-989-6406
Floyd Flake	- 225-3461 /	718-949-5600
Maxine Waters	- 225-2201 /	202-745-5806
Lou Stokes	- 225-7032 /	301-593-1344
Benny Thompson	- 225-5876 /	202-544-5616
Charlie Rangel	- 225-4365 /	202-726-7163
Eva Clayton	- 225-3101 /	703-527-4739
Julian Dixon	- 225-7084 /	202-488-3575

DATE OF SUBMISSION: July 22, 1994

ACTION: _____

THE WHITE HOUSE
WASHINGTON

July 22, 1994

MEMORANDUM FOR THE PRESIDENT

From: Rahm Emanuel ^{R.G.}
Ron Klain

Subject: Addendum to CBC Call Sheet

In your conversations with the 8 CBC members, you should spend some time explaining what the Administration plans to do to address the issue of racial justice in death penalty cases.

I. PRESIDENTIAL DIRECTIVE:

In particular, you plan to sign a presidential directive instructing the Department of Justice to develop procedures to prevent discrimination in the federal death penalty. This will take place at a formal signing ceremony.

DoJ will do the following in response to this directive:

- Adopt a new "death penalty protocol," (a so-called "blue sheet") to the U.S. Attorney's Manual;
- Public disclosure of decision-making;
- Train prosecutors in evaluating capital cases; and
- Establish a centralized unit in Main Justice to work with U.S. Attorneys in determining whether to seek the death penalty.

II. BLUE RIBBON COMMISSION:

You also plan to establish a Blue Ribbon Commission to study racial discrimination in death penalty cases. In particular, the Commission will recommend further action beyond the presidential directive.

The Congressional Black Caucus will have significant input into this commission.

65/5000
B2

Will He Run? Won't He Run? Bennett Muses

IT'S A SULTRY day, and Bill Bennett is ready to head to the beach. His shorts and tennis shoes give that away.

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'94."

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So watching him decide is important. It's also interesting. Watching someone like former Secretary of State James Baker go through this exercise would be like watching an Olympic figure skater doing a compulsory routine: disciplined, matter-of-fact. Watching an outspoken china-breaker such as Bill Bennett do it is more like watching a skater in the free-style program: unpredictable, flowing.

MR. BENNETT IS proceeding by seeking out opinions from a sizable circle of political advisers, whom he calls "jockeys." As he talks, he's dividing the issues he must resolve into two categories: the "externals" (Is it feasible?) and the "internals" (Do I want to do it?).

Here's his checklist on externals. "Can it be done? Can it be done by Bill Bennett?" Open questions. "Can I go around the country? Yeah, I go around the country already. Can I raise money? Probably. Do I want to raise money? No."

The money chase is a big negative. "The experts I talk to have said 'You are going to spend three, four hours a day on the phone, calling up people and asking them for money.' That is very unappetizing for me."

Here's the internal checklist. After discussing it "at length," his wife, Elayne, isn't in favor. He fears his writings on social issues will be "trivialized." He worries he couldn't explain himself amid the noise of a modern presidential campaign, which would be "like having a seminar at a rock concert." He has a good life now, with another book and possibly a Saturday morning television show for kids coming along. He knows he isn't disciplined enough to stick to a campaign script. He worries he doesn't have the patience to suffer the foolishness of a campaign.



William Bennett

AND YET HE put up with the enormous foolishness of academia ("foolishness on stilts") and survived.

So the deciding question for Bill Bennett may be the simplest one. Would anybody else push his agenda if he didn't run? And therein lies a surprise. Candidate Bennett wouldn't pursue a moral crusade, but a classically conservative, though somewhat radical, political agenda.

The campaign theme would be that Americans have given too much power and responsibility to their federal government, at the expense of individuals, families, churches and schools. "In the name of compassion and responsibility, I would want to go through the federal government and start tearing it up, throwing stuff back to the states, taking stuff apart. This would not just be the liberal welfare state, this would be the farmers' welfare state and the wealthy students' welfare state."

Pro-lifers may be surprised to find he doesn't favor a constitutional amendment banning abortion. Those who think a President Bennett would solve the nation's moral crisis will be surprised to hear him say: "Don't look to me, pal. Look to yourselves."

As he heads to the beach, Mr. Bennett's course isn't clear. What is clear is that he can surprise friend and foe alike before it's all over.

THE WHITE HOUSE
WASHINGTON

July 22, 1994

MR. ~~PRESIDENT~~:

I will try to get some background information for your use during your conversation with Senator Mitchell and send it to you on the road.

John Podesta

THE PRESIDENT HAS SEEN

8/2

THE WHITE HOUSE
WASHINGTON

94 JUL 22 P8:18

July 22, 1994

RECOMMENDED TELEPHONE CALL

TO: Majority Leader Mitchell
DATE: July 22, 1994
RECOMMENDED BY: Patrick J. Griffin
PURPOSE: Majority Leader Mitchell has requested that the President call him over the weekend to discuss upcoming strategy regarding the Health Care bill.

CONTACT PERSON AND
TELEPHONE NUMBER(S): See attached.

DATE OF SUBMISSION:

ACTION: _____

TO: Pat Griffin
FROM: Pat Sarcone
RE: GJM Contact #'s weekend July 22-24

Friday, July 22 after 10:00 PM through Saturday morning 10:15 AM
at home in DC: 202/547-9314.

Saturday, July 23

10:25-10:30 AM Arrive Andrews AFB
Distinguished Visitors' Lounge
TEL: 301/9981-2100

10:30-12:00 N Navy Plane: 703/697-8151 (messages
to GJM)

1:00-2:30 PM Ceremony for Launch of
USS Carney
BIW
CONTACT: Patty, 207/442-2110

4:05 PM Arrive Andrews Air Force Base
Distinguished Visitors' Lounge
TEL: 301/981-2100

Willie to meet and drive to
American Airlines for 5:18 PM flight
to Albuquerque
Car Phone: 228-0364

9:10 PM MDT Arrive Hyatt Regency Albuquerque
(11:10 PM EDT)

Overnight Saturday night Hyatt Regency
Albuquerque
TEL: 505/842-1234
FAX: 505/766-6710

NOTE: Albuquerque is 2 hours behind EDT

Sunday, July 24

6:15 AM MDT Depart for Meet the Press at KOB TV
(8:15 AM EDT) via NBC car
Dream Limo/TEL: 505/884-6464
TEL in Car: 505/252-1874

6:30-8:00 AM MDT

TV Station KOB/Meet the Press
Contact: Gary Williams
Control Room: 505/764-2519

8:15-9:40 AM MDT

Hyatt Regency
Albuquerque
TEL: 505/842-1234
FAX: 505/766-6710

10:15-12:30 AM MDT

Home of Lauren & Paul Bardacke
Fundraiser for Sen. Bingaman
505/898-1166

1:34 PM MDT-9:21 PM EST In flight from Albuquerque

9:21 PM EDT

Arrive DC
Car Phone 228-0364

Overnight Sunday

At home in DC 202/547-9314



GERALD R. FORD

July 19, 1994

Dear Mr. President:

I write in reference to the tragic death of Charles Betcher, an American citizen, who was fatally injured while in police custody in Thailand. Mr. Betcher was a resident of Vail, Colorado.

On July 1, 1994, Congressman Scott McInnis from Colorado's 3rd District wrote you with the details of this tragedy. I enclose a copy of Congressman McInnis's letter.

I strongly reiterate the request for a full investigation by the U.S. officials in Bangkok of this tragic incident. I hope such an investigation will be prompt and complete as soon as possible.

With appreciation and best wishes,

Gerald R. Ford

The Honorable Bill Clinton
The President of the United States
The White House
Washington, D.C. 20500

de XH - Just Memo

NH

*through Podestka
BC
Tey*

*TO
NSC*

WASHINGTON OFFICE
310 CANNON BUILDING
WASHINGTON, DC 20540-6000
(202) 224-4000
FAX: (202) 224-4000

DISTRICT OFFICES

134 WEST 9 STREET
PUEBLO, CO 81003
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FAX: (719) 543-8100

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FAX: (970) 246-7187

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(970) 246-7187
FAX: (970) 246-7187

578 SPIE STREET
SUITE 100
CLONADO SPRINGS, CO 81001
(719) 279-0807
FAX: (719) 279-0807

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THE PRESIDENT HAS SEEN

8/1

UNITED STATES SENATE

WASHINGTON, DC 20510-0302

OFFICIAL BUSINESS

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- Lee Ann
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The President of the United States

Annals de Conscience
U.S.S.

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8/2

DENNIS DECONCINI, ARIZONA, CHAIRMAN
JOHN W. WARNER, VIRGINIA, VICE CHAIRMAN
HOWARD M. METZENBAUM, OHIO
JOHN GLENN, OHIO
J. ROBERT KERREY, NEBRASKA
RICHARD H. BRYAN, NEVADA
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J. BENNETT JOHNSTON, LOUISIANA
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GEORGE J. MITCHELL, MAINE, EX OFFICIO
ROBERT DOLE, KANSAS, EX OFFICIO

NORMAN K. BRADLEY, STAFF DIRECTOR
JUDITH A. ANSLEY, MINORITY STAFF DIRECTOR
KATHLEEN P. MCGHEE, CHIEF CLERK

THE PRESIDENT HAS SEEN 8/1

United States Senate

SELECT COMMITTEE ON INTELLIGENCE

WASHINGTON, DC 20510-8475

July 29, 1994

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

Dear Mr. President:

I am confronted with a situation which I find both baffling and infuriating, and have concluded that I have no alternative but to bring this matter to your attention.

Professionally, Jim Woolsey and I have not agreed on the scope of Intelligence Community downsizing and restructuring. I have been critical of him in a number of press comments I have made, particularly of his inability to work cooperatively with the Congress.

Apparently in retaliation for these comments, I now find him resorting to tactics that have no place in this or any other Government. He met with me and separately with Senator Warner on July 28 and accused me of having divulged classified information in the course of an interview I gave to the New York Times concerning the Ames espionage case. A copy of the article where I am quoted is enclosed and the relevant quotes highlighted.

I did not understand at the time he made this accusation to me, and I do not understand now, having reflected on the quotes attributed to me, what I said that was classified. Nor do I understand how anything I said could possibly be construed to harm the national security. Two staff members from the Intelligence Committee were present during this interview, and neither recalls any classified information having been mentioned. Others with whom I have spoken regarding the quotations are similarly mystified by this accusation.

The President
July 29, 1994
Page Two

I now come to learn that Mr. Woolsey has repeated this accusation to other Senators on both sides, to Mr. Lake, to the Attorney General, and presumably others.

I can only surmise from this unfortunate episode that Mr. Woolsey has manufactured this allegation either to smear me in retaliation for my earlier criticism or to intimidate me into silence in the future. In either case, I find his behavior totally reprehensible, and, frankly, Mr. President, bizarre.

I considered making a public statement on this episode, but thought it preferable to advise you confidentially before taking such a step. At a minimum, Mr. Woolsey owes me an apology. Beyond that, I can only say this episode strengthens my belief that he is not fit for the position he now holds.

Sincerely,

A handwritten signature in dark ink, appearing to read "Dennis DeConcini", with a stylized, cursive script.

Dennis DeConcini
Chairman

Enclosure

New York Times
July 28, 1994

Jailed, Turncoat at C.I.A. Tells of a Long Betrayal

By TIM WEINER

Special to The New York Times

WASHINGTON, July 27 — On a night in Rome in October 1986, Aldrich H. Ames of the Central Intelligence Agency knocked back a stiff drink, pulled a baseball cap low over his face and went to meet his case officer from the Soviet intelligence service, the K.G.B.

In the attic of the Soviet Embassy's residential compound there, the K.G.B. man, Vladimir, opened a bottle of vodka. Over the first of many glasses, he and Mr. Ames discussed their hunch that the C.I.A. knew it had a traitor within. Vladimir was worried: How could Moscow and its mole mislead the agency? How best to divert attention from Mr. Ames?

Mr. Ames made no special effort. Sitting in the Alexandria, Va., jail where he is serving the first days of his life sentence, recounting that night in Rome and other tales from his years as a turncoat, Mr. Ames said there was no point in trying to hide. He was convinced that "once there was a serious look at me, virtually no measure I took would be proof against that investigation."

But that serious look would not come for seven more years.

The C.I.A. is still trying to assess the damage done by the most destructive mole in its history. But it is clear from extensive interviews with Mr. Ames and Federal officials that the damage transcended the immediate: Moscow's execution of perhaps a dozen Soviet double agents who had worked for the United States and the loss of hundreds of classified reports. Beyond that, the morale of the nation's chief intelligence agency has been dealt a lasting blow by its failure, for nearly a decade, to uncover a brazen, bungling mole.

A pale, graying man of 53, wearing ill-fitting prison cover-



Ira Schwartz/Reuters-Bettmann

Aldrich H. Ames concedes that in spying for Moscow, he was motivated chiefly by greed.

Betrayer's Tale

A special report.

alls and high-topped sneakers, Mr. Ames talked for eight hours about his betrayals, about the ease with which he slipped reams of secrets to the K.G.B. and about his steady promotions to sensitive posts despite his superiors' knowledge of his heavy drinking, financial troubles, erratic work and odd views.

Mr. Ames, arrested in February, has been telling his story to the C.I.A. and the Federal Bureau of Investigation as part of a plea

Continued on Page B10, Column 3

C.I.A. Turncoat Tells of His Decadelong Betrayal

Continued From Page A1

agreement that will send him to prison for life but limit the punishment of his wife, Rosario. Officials familiar with the debriefings confirm the essence of his account.

But they disagree fiercely with Mr. Ames's tangled explanation of his motives. He concedes that greed was the primary factor but says he also had a vision of shortening the cold war by "leveling the playing field" between a decaying Moscow and a dominant Washington.

Nonsense, the Director of Central Intelligence, R. James Woolsey, said last week. "Ames was and is," Mr. Woolsey said, "a malignant betrayer of his country who killed a number of people who helped the United States and the West win the cold war," in exchange for nothing more than a fine house, a fancy car and a bulging bank account.

Mr. Ames is without question, Mr. Woolsey said, a "murdering traitor" who turned his coat for more than \$2 million from Moscow.

But Mr. Woolsey also said that the case of Mr. Ames had forced the agency to confront its failings. The culture of the C.I.A. — secrecy compounded with "a sense of trust and camaraderie within the fraternity that can smack of elitism and arrogance," as Mr. Woolsey put it — may have helped Mr. Ames to flourish for as long as he did. An institution whose reason for being is gathering and analyzing secret information could not see Mr. Ames for what he was.



Aldrich H. Ames, the former C.I.A. official who spied for the Soviet Union, said in an interview that he was "particularly repelled" by the agency's internal politics.

"I was perceived as a controversial person," he said. "And a lot of people didn't like me. I attributed it to rumors about my drinking. I attributed it to rumors about my drinking."

The Beginning

A Man Convinced He Knew Better

The seeds of betrayal were planted in 1976, when Rick Ames, a C.I.A. officer tracking the Soviets' United Nations delegation, sat down to lunch with a new acquaintance, Tomas Kolesnichenko, the chief New York correspondent of the Communist Party newspaper Pravda.

They would continue meeting once a month for three years, Mr. Kolesnichenko remembered in a recent telephone interview from Moscow, at coffee shops or restaurants like Tavern on the Green in Central Park. Mr. Kolesnichenko says he did not know that Mr. Ames worked for the C.I.A., although he had his suspicions.

Vodka and ideas flowed freely. Both went down well with Mr. Ames. He recalls learning a great deal from Mr. Kolesnichenko, a part-time playwright whose dispatches were purely distilled Communist ideology.

Gaining insight into the ways of the Soviets was, of course, Mr. Ames's job as a C.I.A. officer. But he says the lessons learned became the seeds of his betrayal, fertilized by a growing contempt for the C.I.A.'s world view and a soaring appreciation of his own philosophy. He thought it absurd to say, as many of the C.I.A.'s analysts did in the late 1970's and early 80's, that the Soviet threat to the United States was immense and growing. Mr. Ames decided that he knew better.

"I know what the Soviet Union is really all about, and I know what's best for foreign policy and national security," he thought. "And I'm going to act on that."

The idea grew as Mr. Ames served in Mexico City from 1981 to 1983. The Mexican capital, always a crucial cold-war battleground, became a crucible as the Reagan Administration set the C.I.A. to battle in Central America, mobilizing against communism.

THE AMES INTERVIEW

Excerpts from the interview with Aldrich H. Ames will appear in *The New York Times Magazine* on Sunday.

To Mr. Ames, his counterintelligence mission there — identifying Communists and recruiting agents against Moscow — was a charade. In his mind, the global spy-versus-spy contest had become a rout.

"Our penetration of the Soviet intelligence services was effective and longstanding," he said the other day. "We had cleaned their clock." As a consequence, he said, Soviet leaders were gripped by paranoia, wrongly convinced that the C.I.A. had infiltrated every Soviet institution: the Communist Party, the military, the ministries. Their hysteria mirrored the

great fear of communism in the United States during the 1950's, he said.

He began to think the world might be better off if the match were evened. As he explained it in his cell, if the Soviet leadership knew that the C.I.A. had not subverted all of Soviet society, it would realize that communism's profound problems were self-inflicted.

In practice, "leveling the playing field" would come to mean his handing over the names of the best people secretly working for the United States within the Soviet system.

In 1983, Mr. Ames returned to his roots in Langley, Va., at the C.I.A.'s headquarters, where his father had worked as an analyst and near where Mr. Ames himself had grown up. He was by then a deeply alienated man.

In the midst of a financially draining divorce from a fellow intelligence officer and in love with a Colombian woman, Maria del Rosario Casas, whom the C.I.A. had recruited during his time in Mexico City and whom he would later marry, he began a private ideological war against his superiors.

He describes the political views he held as sometimes veering toward Stalinism. They were by any measure unconventional at the C.I.A., where "the range of political opinion sort of centers on Rush Limbaugh," Mr. Ames said.

"I was particularly repelled" by the agency's internal politics, he said. "I was perceived as a controversial person. And a lot of people didn't like me. I attributed it to rumors about my drinking. I attributed it to the fact that I had not engaged the sympathies of a lot of people making the decisions, and that I was viewed as a person who thought too highly of himself and who had a lot of unsound ideas."

Mr. Ames had earned a bad reputation: deadwood, drunkard, dissident. Most of the unfavorable assessments were in his personnel file from his tenure in Mexico City. But in "a culture where personnel problems tend to be passed along rather than dealt with," in Mr. Woolsey's words, the full file did not reach the Soviet division, which hired Mr. Ames as a counterintelligence chief in late 1983.

No mole could have asked for a more perfect burrow.

The Betrayal

Breaking Faith And Getting Rich

In 1984, Mr. Ames won an assignment to visit the Soviet Embassy in Washington and suborn an officer there. An idea began taking shape: with one stroke, he could get rich, get revenge and fiddle under the hood of American foreign policy.

In April 1985, he made an unauthorized visit. "In exchange for \$50,000," he testified at his sentencing three months ago, "I provided the K.G.B. with the names of several Soviet citizens who appeared to be cooperating with the C.I.A."

Then, a few months later, came the most drastic and damaging step. As he put it at the sentencing, without prompting he "volunteered to the K.G.B. information identifying virtually all Soviet agents of the C.I.A. and other American and foreign services known to me."

Recalling those days now, he struggles a little for an explanation of this deadly gift to the Soviets. In a sense, he says, it was a thinly veiled appeal to the K.G.B.: "I have demonstrated that I'm holding nothing back. You guys take care of me."

The response was direct. "To my surprise," Mr. Ames said at his sentencing, "the K.G.B. replied that it had set aside \$2 million in exchange." The money would be doled out over the next decade.

Slowly, one by one, America's best spies inside the Soviet Union were arrested, tried, imprisoned and in most cases executed. As they died, "bells and whistles" went off inside

the C.I.A.'s clandestine service, Mr. Ames remembers. "It was as if neon lights and searchlights lit up all over the Kremlin," he said, "shone all the way across the Atlantic Ocean, saying, 'There is a penetration.'"

He says the executions shocked him. But his main concern, he says, was the signal that the deaths could send to the C.I.A. "Had I known they were going to do that," he said of the Soviets, "I either would not have gone and sold them that information, or I would have passed them out one by one."

By the spring of 1986, it was clear to Burton Gerber, chief of the C.I.A.'s Soviet division, and Gus Hathaway, the head of counterintelligence, that a serial killer was at large inside the agency, according to Robert M. Gates, later the Director of Central Intelligence. In the fall, former colleagues say, Mr. Gerber and Mr. Hathaway barely noticed as the agency's involvement in the Reagan Administration's secret sale of arms to Iran unraveled. "They were consumed with a secret disaster that in their minds was worse than anything in Iran," Mr. Ames recalled.

Meanwhile, Mr. Ames was off to Rome in his new job as a counterintelligence chief for Western Europe. In October, Vladimir, his K.G.B. case officer there, warned him that the C.I.A. knew it had been penetrated. As Mr. Ames recalls it, "He said, 'We're trying to find effective ways of diverting attention, and one of the ways is to create the impression that there's a commo problem' — that is, to invent a communications breach, a wiretap or a bug, that might explain the penetration."

Within weeks, the United States Embassy in Moscow was rocked by what appeared to be a huge security breakdown. The embassy, the C.I.A. station inside it and a new embassy under construction were riddled with listening devices. A huge outcry ensued; a Marine security guard at the embassy, Sgt. Clayton J. Lonetree,

was convicted of working with Soviets who had planted the bugs. Some in Washington feared that the expensive new embassy would have to be scrapped.

From his conversations with Vladimir, Mr. Ames says, he believes that the crisis was in part a deception — a diversion manufactured by Soviet intelligence to throw the mole hunters off the scent.

Time Abroad

Days of Bars And Cuban Cigars

From 1987 to 1989, Mr. Ames selected the most interesting secret C.I.A. documents that flowed into the Rome station and made sure they went to Moscow.

Stacks of classified paper from around the world piled up a foot high on his desk each day; perhaps an inch might be of use to the K.G.B., he says. Every week or two he would choose the best reports, making a six-inch stack, stuff them into envelopes, slip them into a bag with some magazines, make an appointment with a Soviet Embassy officer — he told his station chief, Alan Wolfe, that the embassy officer might be a good source — and hand over a digest of the C.I.A.'s cable traffic and computer printouts.

The Soviet officer slipped him a box of Cuban cigars, a favorite cold-war treat for spies. The box was layered with cash, but the cigars were not the best, Mr. Ames says.

He drank his lunch in bars and restaurants near the palatial United States Embassy on Rome's Via Veneto. His station chief wrote scathing evaluations of his work. Money from Moscow flowed into his bank accounts, up to \$375,000 in cash at once. When the time was ripe, he would tap out a message to the K.G.B., boiling down all the information he had about new double agents and C.I.A. operations around the world. He also kept sending Moscow his personal geopolitical analysis: the Soviet Union had nothing to fear from the C.I.A.

Back in Washington, where Mr. Ames returned in 1989, the mole hunt went nowhere. That September, the agency did not notice when Mr. Ames, its new Soviet branch chief for European operations, paid \$540,000 in cash for a house a mile from its headquarters.

"I didn't conceal my funds in any real way," Mr. Ames said. "I sloshed my money pretty good. I felt that the perception of my having money would not fuel an investigation. And it didn't."

The Unraveling

In Retrospect, Witch Hunt's Role

For four years after he returned to Washington, Mr. Ames continued slipping documents to the K.G.B. — the C.I.A.'s plans for recruiting Russian officials, reports on the agency's operations in Moscow, whatever he could steal. "Wherever he was, he gave away everything he had," said Senator Dennis DeConcini, chairman of the Senate Intelligence Committee.

By 1990, the Senator said, "there was more than a passing suspicion that Ames was trouble" at the C.I.A. The C.I.A.'s own in-house investigation still had at least 20 potential suspects under scrutiny. But a formal criminal investigation was still years away. "They did not open a full investigation, with full cooperation with the F.B.I., until the summer of 1993. It's beyond understanding."

As the Soviet Union dissolved, Mr. Ames was transferred to the C.I.A.'s counternarcotics center. Among his jobs was working on the heroin trade with the Russian intelligence service. The C.I.A. sent him to Moscow on assignment in 1992. It was great fun, he recalled, "wheeling and dealing with the Russians, the Bulgarians, the Turks, and putting them all together and having a grand time."

Meanwhile, the F.B.I. and the C.I.A. were at each other's throats, Senator DeConcini said. In June 1993, after a bitter struggle, the F.B.I. won control of the investigation. When the bureau finally raided Mr. Ames's home last February, it found that he had been a remarkably sloppy spy. Notes from the K.G.B., financial data and other incriminating records were everywhere.

But in retrospect, there was no more crucial clue than a document the F.B.I. found in Mr. Ames's office: a top-secret C.I.A. analysis entitled "What Angleton Thought."

From 1954 to 1974, James Jesus Angleton, the agency's chief of counterintelligence, conducted an obsessive and futile search for a top-level Soviet mole. He scorched the earth of the C.I.A. He "tarred innocent officers, destroyed careers and ruined lives," in the words of Mr. Woolsey, the Director of Central Intelligence.

The culture in which Mr. Ames flourished was shaped by a reaction to Mr. Angleton's excesses, Mr. Woolsey said: skittish of smearing innocent people, the agency did not police itself properly.

On this point — and only this — Mr. Woolsey and Mr. Ames agree: the legacy of witch hunts made it extraordinarily difficult for the agency to conduct an effective mole hunt.

"We must understand the roots of the environment in which Ames was able to operate," Mr. Woolsey said. "We all at the C.I.A. want to continue to serve in today's Virginia, not in 17th-century Salem."

"You would wind up with people throwing up their hands and saying, 'We can't do it,'" Mr. Ames said. "You would wind up with Jim Angletons doing Angletonian things. People would be fired all the time for no grounds. You've got two or three or four thousand people running around doing espionage. You can't monitor it. You can't control it. You can't check it. And that's probably the biggest problem with an espionage service. It has to be small. The minute you get big, you get like the K.G.B., or you get like us."

Sent 8/1
cc: Mark *dc*

WHITE HOUSE
WASHINGTON

July 29, 1994

The Honorable Richard S. Arnold
Number Five
3901 Cedar Hill Road
Little Rock, Arkansas 72202

Dear Richard:

Thanks for your note of July 25. I really enjoyed our game and am glad you could join me. It was good to have a chance to visit.

Thanks, too, for all you said about what we've lately been through. We knew when I asked for this job that it would be tough and that some would fight us fiercely. You may very well be correct about the reason for the opposition's ire. In any event, it remains an honor to try to make a difference and a source of reassurance that people like you and Kay care about me and about what I'm trying to do.

Get those irons sharpened. See you soon.

Sincerely,

Bill

*(played yesterday 7/31,
39-44 - Bill the back
win.)*

UNITED STATES COURT OF APPEALS
FOR THE EIGHTH CIRCUIT

CHAMBERS OF
RICHARD S. ARNOLD
CHIEF JUDGE
P. O. BOX 429
LITTLE ROCK, ARKANSAS 72203

25th July, 1994

Dear Mr. President,

What a great day! I don't know when I've enjoyed a golf game more, and I was really happy to have a chance to visit with you.

Kay told me about your call. Both of us admire you more and more as the days go by. Why you should be the target of so much viciousness, is a question I find mystifying. Perhaps it is because the themes of law enforcement, personal responsibility, and financial prudence that you are pushing are issues that the right wing has tried to preempt for its own exclusive possession. They might find you more tolerable if you were more of an unmodified, unreconstructed, old-style liberal. That way, you would be staying in your political pigeonhole, and leaving most of the field to the opposition. But because you are occupying

large parts of the middle ground, the right wing
has to resort (I should say, does resort) to
scumilous trash instead of honestly joining issue on the
merits.

I owe you a return match, and will call Nancy
before I come back to your vicinity. In the
meantime, I'll be sharpening up my irons.

Respectfully yours,

Richard

Handwritten signature: *Adrian*

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July 27, 1994

Mr. Robert D. Haas
Chairman and CEO
Levi Strauss Associates,
Levi Plaza
1155 Battery Street
San Francisco, California 94120

Dear Robert:

Thanks for your letter and for sending to me the
Levi Strauss & Co.'s position paper on health care
reform.

I am encouraged to know that we share many goals for health care reform, and I agree that for reform to be truly successful, we must provide all Americans with basic health care coverage. My Administration is continuing to work hard to ensure that every family has the peace of mind that comes with guaranteed health security, and I sincerely appreciate your offer to help us achieve this critical goal.

I have shared your letter with members of my staff. Your continued support and involvement mean a lot to me, and I hope that you'll keep in touch.

Sincerely,

Trin Clinton

Thailand

PL-HEALTH CARE REFORM 070448

June 27, 1994

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



Dear Mr. President:

Last December, I had the privilege of meeting with you to discuss a variety of issues, including national health care. At that time, Levi Strauss & Co. was undertaking an internal review of the various health reform options being considered by Congress. We have now completed our deliberations and stand ready to work with you to achieve your fundamental objectives.

Our review of the health reform options identified several issues that are of paramount importance to Levi Strauss & Co. First, we agree with you that every American should be assured basic health care coverage and that the best way to meet this goal is through an employer mandate to pay a substantial percentage of the cost for a standard benefit package.

Levi Strauss & Co. offers health insurance to all employees and their dependents, and contributes a minimum of 85 percent of the cost. I believe this is not only a good business practices, but an ethical imperative as well.

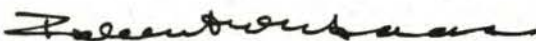
It is also critically important that large multi-state employers such as Levi Strauss & Co. continue to play an active role in providing health care for their employees. To do this, we must be able to operate under a uniform set of national rules and have the flexibility to design health plans that meet the diverse needs and values of our employees and their families.

There are several other issues that I believe are vital to the success of health reform efforts. The enclosed copy of our health reform principles and position paper explains our views more fully.

Mr. President, it has become clear that if we are to achieve universal coverage, companies such as Levi Strauss & Co. must step forward and become active participants in the health reform debate. We are at a critical moment. Levi Strauss & Co. has already begun contacting Members of Congress and would welcome the opportunity to coordinate our efforts with those of the White House in order to ensure success.

In closing, I had a chance to meet several members of your senior staff while attending the White House dinner earlier this month. I would be happy to arrange for my management team to discuss our position with some of these individuals and to explore how we might assist you in this critical undertaking.

Sincerely,



Robert D. Haas
Chairman and
Chief Executive Officer

FBI
received Ltr
from President
(personally
signed)

LEVI STRAUSS & CO.'S
POSITION
ON HEALTH CARE
REFORM



LEVI STRAUSS & CO.'S HEALTH CARE POSITION

INTRODUCTION

As the world's largest apparel manufacturer, Levi Strauss & Co. produces and markets jeans, jeans-related products and casual sportswear in more than 60 countries. Headquartered in San Francisco, the company employs approximately 25,000 people in manufacturing, sales and administrative positions throughout the United States and an additional 11,000 people around the world. Our company has 41 production facilities, 9 finishing centers and 26 customer service centers in 20 states and 24 countries.

Levi Strauss & Co. is a values-driven company. Our health care policy is a reflection of our commitment to conducting business in a socially responsible manner. Levi Strauss & Co. provides health insurance to all active and retired U.S. employees and their dependents, and contributes a minimum of 85 percent of the cost. We believe this commitment is not only good business practice that results in increased productivity and higher profitability, but is consistent with the company's ethical values. Levi Strauss & Co. is committed to remaining a leader in our industry on this issue.

Several months ago, Levi Strauss & Co. established an internal working group to recommend a company position on health care reform. The group developed a set of guiding principles for the type of national health care system that Levi Strauss & Co. believes would best serve and balance the interests of our company, our employees and our communities. The position was adopted by our senior management and is included in the enclosed material.

Levi Strauss & Co. is committed to working with Congress and the Administration to achieve meaningful health care reforms that will benefit all Americans. We welcome the opportunity to participate in this vital issue and to help ensure a successful outcome.

LEVI STRAUSS & CO.'S HEALTH CARE REFORM PRINCIPLES:

There are six issues in health care reform of paramount importance to Levi Strauss & Co.:

UNIVERSAL COVERAGE:

- All individuals should be guaranteed health insurance coverage, including preventive care and childhood immunizations.
- Universal coverage should be achieved by requiring employers to contribute a substantial portion of the cost of a standard benefit package for their employees and their dependents. Although we prefer this approach, we do not oppose other methods to achieve universal coverage that build on the current private sector system.
- The federal government should assist those unable to afford coverage with subsidies financed through broad-based general revenues.

UNIFORM FEDERAL REGULATION:

- Employers should play an active role in providing health care for their employees. Large employers should retain the ability to self insure and be regulated by a uniform set of national rules.

COST CONTAINMENT:

- Health care costs should be controlled through competing managed care plans, not by government-imposed price controls or global budgets. Anti-managed care laws, such as those requiring employers to include any willing provider in managed care networks, should be prohibited.
- Individuals should share responsibility for controlling health care costs by selecting efficient health care plans and by participating in wellness education programs.

BENEFITS PACKAGE:

- Employers should offer a standard health benefits package, but retain flexibility to design other, comparable plans that accommodate the diverse needs and values of their work force without penalty.
- Employees should not be penalized because their employers choose to offer generous health benefits. Appropriate tax incentives should be retained for employer-provided health insurance.

ACCESS TO HEALTH CARE FOR SPECIAL POPULATIONS:

- Insurance coverage should be made available and affordable for individuals and small businesses through the creation of voluntary purchasing pools and reform of the insurance market.
- Innovative efforts should be encouraged to address the special problems of access to care and delivery of services in under-served rural and urban areas of the country.

WORKERS' COMPENSATION:

- Workers' compensation should be integrated with the health care system. Until this objective is achieved, however, health care reform should not exacerbate the problems faced by the workers' compensation system.

UNIVERSAL COVERAGE

Levi Strauss & Co. provides generous health benefits through a variety of plan options and finances between 85 and 100 percent of the costs for all of our full-time employees* and their dependents. The portion of the costs paid varies by payroll type (home office or field) and the plan selected by the individual.

LEVI STRAUSS & Co. POSITION:

Levi Strauss & Co. believes that everyone should be assured basic health care coverage, including preventive care and childhood immunizations, regardless of employment, family or health status. The company also believes that most individuals should continue receiving health care financed through the private sector, building on the existing system of employment-based insurance. Government should finance care for populations that cannot afford coverage. Subsidies should be financed by broad-based general revenues rather than taxes levied on select payers, such as a payroll tax on self-insured employers.

Levi Strauss & Co. supports an employer mandate to pay a substantial percentage of the cost of a standard benefits package. We believe that this is the most effective, efficient and equitable way to achieve universal coverage. Pro rata payments should be made on behalf of part-time employees. The mandate should be effective as soon as practicable. We are concerned that an employer mandate to offer, but not pay for, insurance may be insufficient because many employees may not elect, and in some cases, could not afford health coverage.

Universal coverage will assure all Americans that their health care needs will always be met. This will help control the rising costs that companies including Levi Strauss & Co. currently pay as a result of cost-shifting from uninsured and under-insured populations.

Although Levi Strauss & Co. supports employer mandates to offer and finance health care insurance, we would not oppose other methods to achieve universal coverage that build on the current private sector system.

** Full-time employees at Levi Strauss & Co. are those individuals who work 20 hours or more per week.*

UNIFORM FEDERAL REGULATION

Within the United States, Levi Strauss & Co. is responsible for the health care benefits of approximately 25,000 full-time employees, 28,000 dependents, and 3,000 retirees located in 20 states.

As a multi-state, self-insured employer, Levi Strauss & Co. offers a uniform benefits package to all of our employees. This option is available because the Employee Retirement Income Security Act (ERISA) preempts conflicting state rules. ERISA preemption has given Levi Strauss & Co. the flexibility to provide generous benefits to workers and their families at a low cost to the participants. Currently, this flexibility is permitted in all states except Hawaii, where we employ six workers.

Elimination of the ERISA preemption would require Levi Strauss & Co. to comply with the varying requirements of each state where our employees and retirees reside. This would place an unwieldy, costly and unproductive burden on our company.

Levi Strauss & Co.'s experience in Hawaii is illustrative of the problems we would face if forced to comply with varying state rules. To meet Hawaii's unique requirements, Levi Strauss & Co. must offer distinct benefits, prepare special communications material and provide the state with specially-prepared financial information. Our administrative costs for the six LS&CO. employees in Hawaii represent 14 percent of their benefits, compared with 6 percent for our mainland employees covered by ERISA.

LEVI STRAUSS & CO. POSITION:

Levi Strauss & Co. believes that uniform, national standards should apply to all health care plans. It is critical that we continue to self insure and be regulated by an efficient and equitable application of uniform national standards. The ability to continue to offer a uniform package of benefits and be regulated by one set of federal rules is essential. The imposition of additional benefit mandates, taxes or surcharges at the state level will hinder Levi Strauss & Co.'s ability to create benefits tailored to our business philosophy and to promote workers' well-being.

ERISA preemption must be preserved. At the same time, Levi Strauss & Co. recognizes that there are regulatory gaps under ERISA and, therefore, supports the imposition of appropriate federal rules to address these shortcomings. Additional and inconsistent state regulation, however, will impose unnecessary administrative costs and burdens on Levi Strauss & Co.

COST CONTAINMENT

Levi Strauss & Co. manages its health care costs through the use of numerous incentives and permanent programs on both a corporate and local level.

Our company offers preventive services, including immunizations, "well baby" care, and mammograms to all our full-time employees and their dependents. We encourage individual responsibility among our employees through on-site wellness programs, such as smoking cessation, stress management, and AIDS awareness. Levi Strauss & Co.'s WELL program, which focuses on prevention, early intervention, safety and cost containment under both occupational and non-occupational benefit plans, is being implemented in all of our plant facilities during 1994.

Fifty-seven percent of Levi Strauss & Co. employees are enrolled in some form of managed care system. Preferred Provider Organization (PPO) networks already are in place for approximately 50 percent of our field employees. By 1997, nearly 14,000 employees will be covered by a more aggressive approach to managed care under which a primary care physician will manage the delivery of health care services to our employees.

Levi Strauss & Co. employs full-time nurses in all our facilities who administer minor first aid, educate employees on general health and safety issues, and refer employees and their families to the Employee Assistance Program (EAP). EAP contractors, who are located in all but one facility, assist employees with drug and alcohol abuse and other family issues and problems. Levi Strauss & Co. has on-site physical therapists in three facilities to make this care more accessible to our employees and to ensure quality service.

LEVI STRAUSS & CO. POSITION:

Health care costs should be controlled through competing managed care plans, not through government-imposed global budgets or price controls. Global budgets and price controls, including limits on premium increases, will impede the ability of the competitive market to function properly.

Employers should be permitted to join together voluntarily to enhance their market share and negotiating position with providers. We must continue to play an active role in managing health care costs.

Employers also should retain incentives to offer benefits and programs that promote healthy habits and reduce health care costs. Anti-managed care laws that undercut these efforts, such as requirements to include "any willing provider" in a managed care network, will hinder our ability run an efficient, cost-effective network.

BENEFITS PACKAGE

Under all benefit packages, Levi Strauss & Co. employees are offered a choice of medical plans to meet their individual needs. For example, many of our employees with families choose a plan that covers preventive and "well child" care. On the other hand, some of our young, healthy, single employees prefer a less costly plan with a \$1,000 deductible. All employee contributions are currently deducted on a pre-tax basis.

LEVI STRAUSS & CO. POSITION:

We believe that there should be a federally-determined standard benefits package that includes health maintenance, preventive care, childhood immunization, and treatment for any physical or mental illness or injury. States should not be permitted to alter the terms of the federal package, particularly for self-insured plans.

Employers should have the flexibility to offer health plans that are tailored to the specific needs of their workers. This is especially important for large employers with diverse labor forces throughout the country. It should also be noted that a generous package is a key competitive tool to recruit and retain a high quality work force.

Although Levi Strauss & Co. is willing to offer a standard plan, we must also retain the ability to offer other, comparable plans to help us attract and retain qualified employees, and address the varying needs of our diverse work force.

Under no circumstances should our employees be penalized or have to pay taxes for receiving generous health benefits that exceed those offered under the standard package. Any limits on an individual's ability to exclude the cost of health care coverage would unfairly increase our employees' tax liability. We oppose new tax burdens targeted at employees, especially lower wage earners.

Elimination of the pre-tax advantage and/or taxing employees' health benefits that exceed a standard or lowest priced package would place an inequitable and excessive financial burden on a majority of our workers or force them to choose the lowest cost plan offered, regardless of the quality of that plan. The average 1993 annual wage for Levi Strauss & Co.'s production employees was \$16,000.

In addition, the company should maintain the ability to deduct as a business expense the full costs of providing benefits. Like all other employee benefits, health care costs should continue to be treated as costs associated with doing business.

ACCESS TO HEALTH CARE FOR SPECIAL POPULATIONS

Smaller populations and fewer health care providers present acute challenges in access to care and the ability to build a competitive health care market place in rural America. Approximately 20 percent of Levi Strauss & Co. employees work in rural areas, where there are no managed care networks available. In these areas, our employees' choice of family and general practitioner, and their access to specialty care is limited. In order to obtain most specialty care, our workers travel to major cities, which results in lost work time.

In some areas with no managed care, Levi Strauss & Co. is an active participant in employer coalitions that have developed customized networks of select providers in the community.

In rural areas where there are general practitioners, but no specialists, Levi Strauss & Co.'s Community Affairs team is working with providers to address the special needs of our employees. Community Affairs has also funded health care projects to meet the unique concerns of specific locations. For example, Levi Strauss & Co. funded a study to determine why Brownsville, Texas has a higher than average rate of anencephaly, a particularly severe birth defect.

LEVI STRAUSS & CO. POSITION:

Levi Strauss & Co. supports efforts to expand access and service in under-served populations, especially those located in rural communities.

Insurance coverage should be made available and affordable for individuals and small businesses through the creation of voluntary purchasing pools and reform of the insurance market. Public policy must promote the flexibility necessary to find innovative solutions to the challenges of a scarcity of health providers in rural and urban under-served areas.

WORKER'S COMPENSATION

Workers' compensation costs are an increasingly serious burden for Levi Strauss & Co. For example, Levi Strauss & Co.'s average workers' compensation costs represented as much as 16 percent of the total manufacturing cost of a pair of jeans. To remain competitive in a global industry and to maintain jobs in the United States, we need to reduce these business expenses.

Significant efforts are being made in various states to reduce workers' compensation costs. In particular, Texas recently enacted reform legislation to help control workers' compensation costs. As a result, our estimated costs for 1994 are down approximately 10 percent from 1993 and this trend is expected to continue.

LEVI STRAUSS & Co. POSITION:

The medical component of workers' compensation should be integrated with the health care system. A health care system that does not take into account workers' compensation expenditures will lead to cost shifting and further pressure on the workers' compensation system. At the same time, "integration" should allow and encourage states to take steps on their own to control the costs of their workers' compensation programs.

In a limited way, the Administration's Health Security Act would integrate the health care and workers' compensation systems. However, it also eliminates co-payments and deductibles for workers' compensation claims and allows claimants direct access to specialists. In effect, workers' compensation claims would not be subject to the cost containment features of managed care. As a result, incentives would be created for individuals to misclassify health insurance claims as work-related injuries and illnesses.

Levi Strauss & Co. believes that, at a minimum, health care reform should not create new cost-shifting or exacerbate the problems faced by workers' compensation programs.

Levi Strauss & Co. strongly supports the formation of a national commission to make recommendations regarding the workers' compensation system and will actively participate in the commission's work.

LEVI STRAUSS & CO.'S
HEALTH BENEFITS PLAN
INFORMATION



LEVI STRAUSS & CO. INFORMATION

Levi Strauss & Co. (LS&CO.) is the world's largest apparel manufacturer. In addition to making Levi's® jeans and jeans-related products for men, women and children, the company manufactures and markets Dockers® branded products and other casual sportswear for men and women.

The Levi's® trademark is the most recognized apparel brand and one of the most famous consumer brand names in the world.

Levi Strauss & Co.'s San Francisco headquarters employs a staff of about 2,200 people and approximately 36,000 people worldwide of which 25,000 are located in the United States. It operates 41 production facilities, 9 finishing centers and 26 customer service centers in 20 states and 24 countries.

LS&CO. is a global corporation. Levi Strauss North America includes Canada, Mexico, and the United States. It manufactures and markets products under the Levi's®, Dockers® and Britannia® brands in the United States and also includes two wholly-owned and operated businesses: Levi Strauss & Co. (Canada) Inc. and Levi Strauss Mexico.

Levi Strauss International is divided into three geographic areas—Europe, Latin America and Asia Pacific. The company markets products in more than 60 countries using a variety of arrangements, including wholly owned and operated businesses, joint ventures, licensees and distributors. The company generally manufactures goods in the countries or regions in which they will be sold.

Levi Strauss & Co. is a privately-held corporation. Its parent company, Levi Strauss Associates Inc., is owned by certain descendants of the family of Levi Strauss. In addition, the company has employee stock plans for many of its U.S.-based employees. Shares of company stock, however, are not available for public trading except in Japan, where stock of Levi Strauss Japan K.K. is publicly traded.

In 1993, company sales were a record \$5.9 billion, representing the company's seventh straight year of record sales. Total company net earnings were \$492 million in 1993.

LEVI STRAUSS & CO. FACT SHEET

- 25,000 Active U.S. Population
- 3,000 Retirees

DEMOGRAPHICS

- 72% Female
- 28% Male
- 58% Under Age 40
- 42% Age 40 and Over

HEALTH BENEFITS PLAN INFORMATION

ENROLLMENT

57% of Levi Strauss & Co. employees are enrolled in some type of managed care plan.

Traditional Fee For Service	10,700
Preferred Provider Organizations	11,000
Managed Choice Plans	1,100
Health Maintenance Organizations	2,200
Total	25,000

HEALTH CARE COST

Health plans only (excludes Worker's Compensation)

1993 Total Cost	\$73,100,000
Expected 1994	\$80,000,000

Average Cost Per Employee \$3,100

Employees contribute between 0-15% of health plan costs depending upon type of plan option selected.

BENEFITS AS A % OF PAYROLL

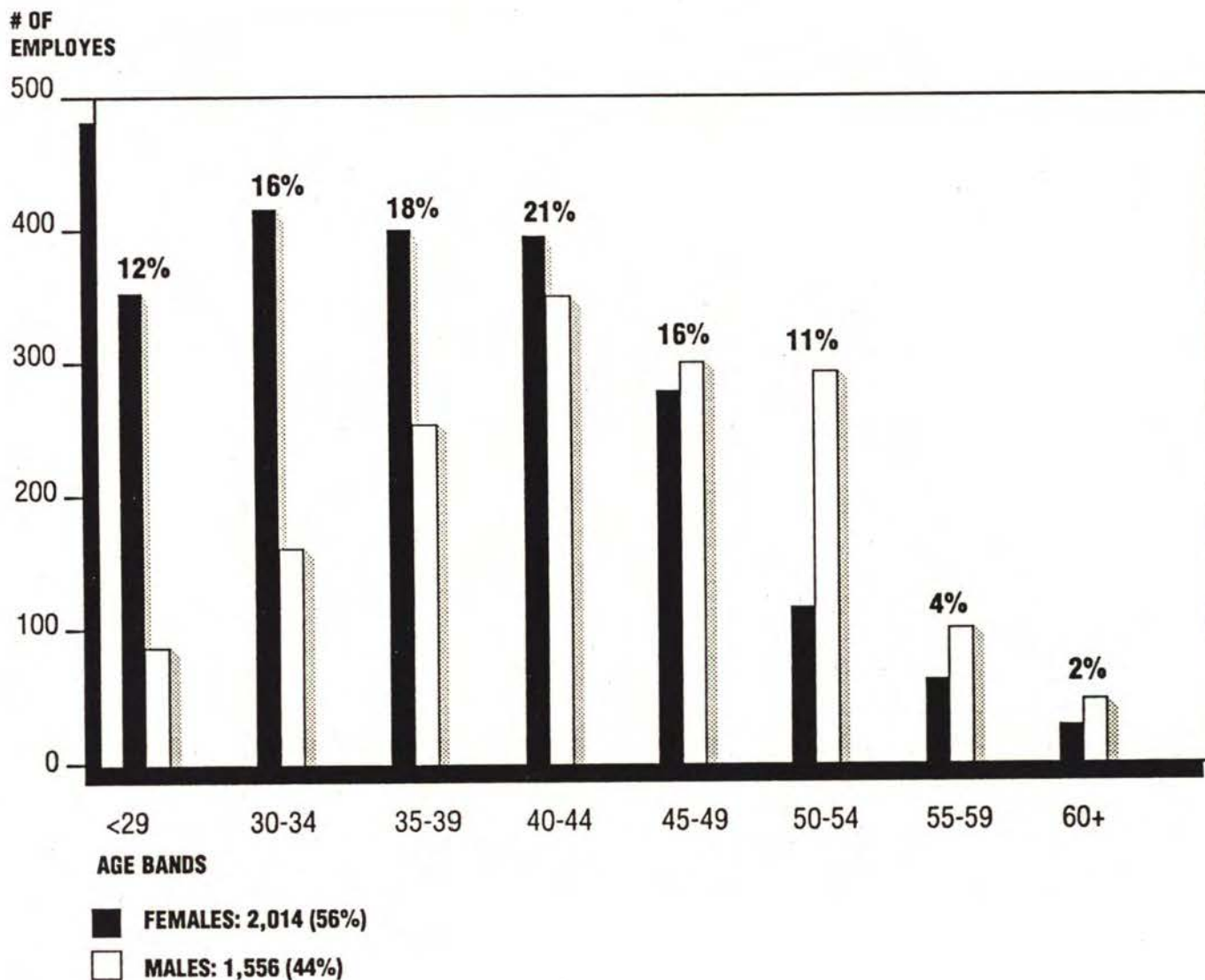
7.8%	Home Office Payroll (Average Salary \$56,000)
17.0%	Local Payroll (Average Salary \$16,000)
13.8%	Combined Home Office and Local Payroll

LEVI STRAUSS & CO. MANAGED CARE STRATEGY

	1994	1995	1996-1997
FEE FOR SERVICE	10,700 (43%)	8,000 (32%)	5,000 (20%)
PPO	11,000 (44%)	6,600 (26%)	6,600 (26%)
MANAGED CARE	3,300 (13%)	10,400 (42%)	13,400 (54%)
TOTAL	25,000	25,000	25,000

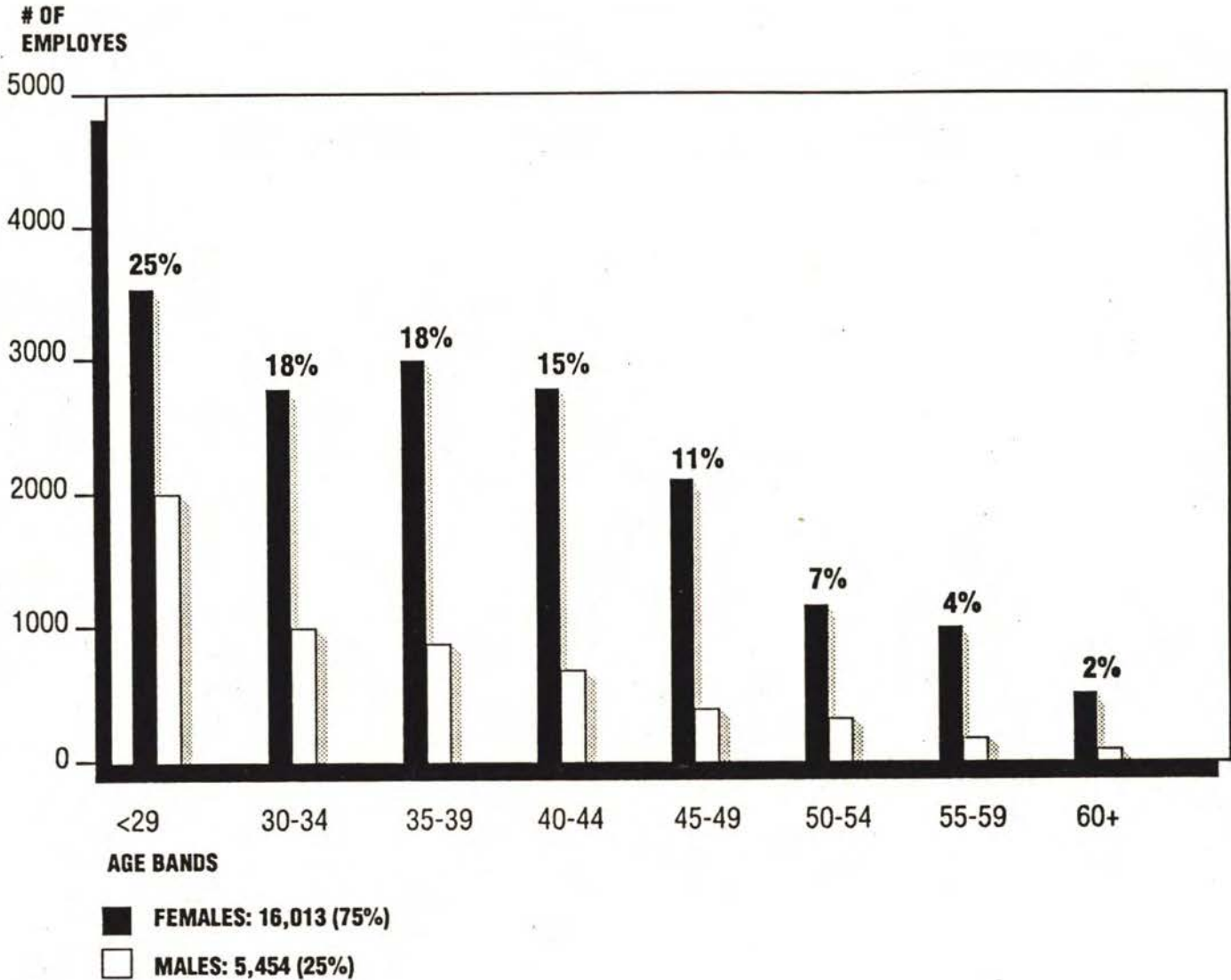
LEVI STRAUSS & CO. EMPLOYEE POPULATION

HOME OFFICE: 3,570



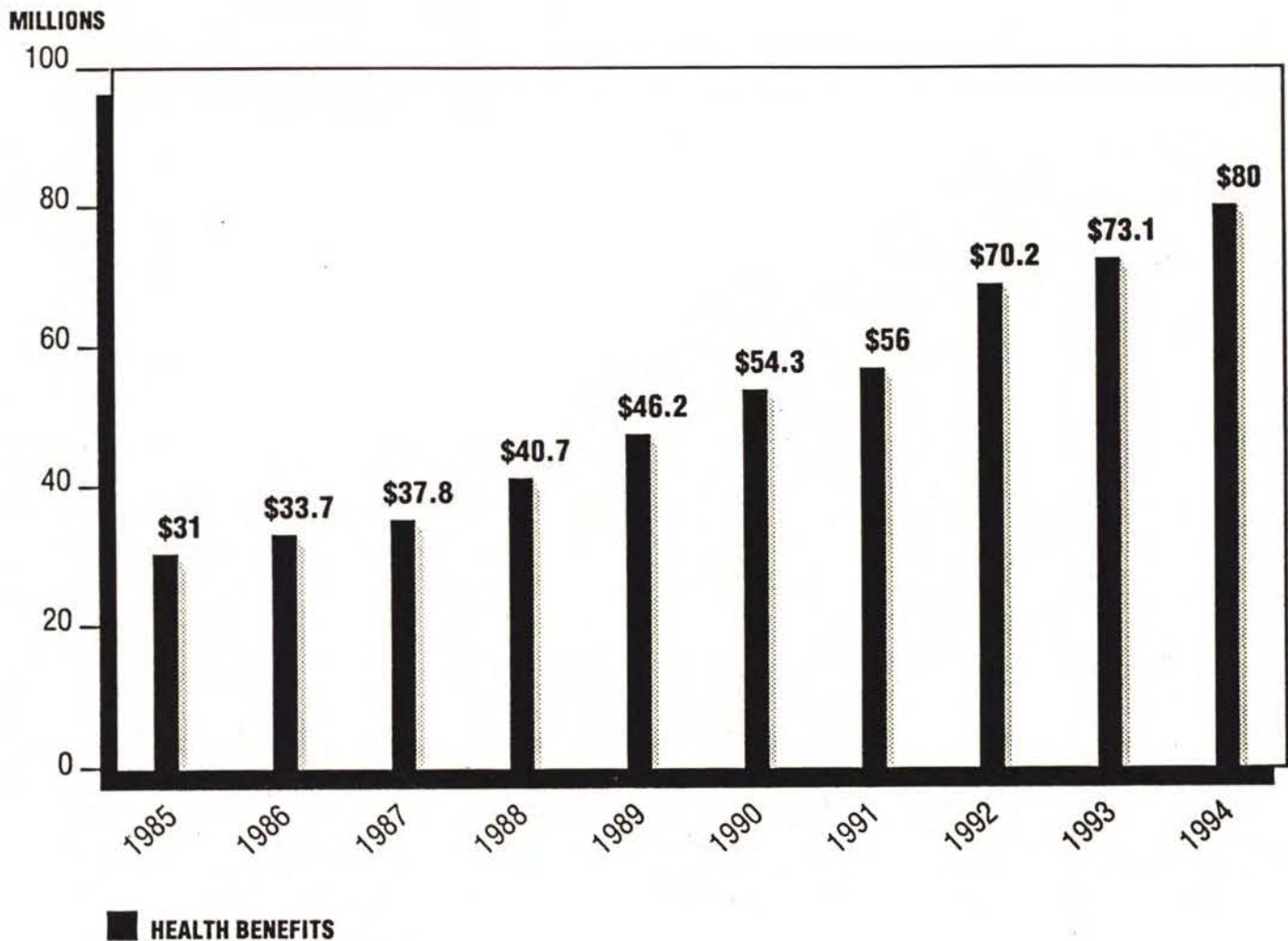
LEVI STRAUSS & CO. EMPLOYEE POPULATION

FACTORY: 21,467



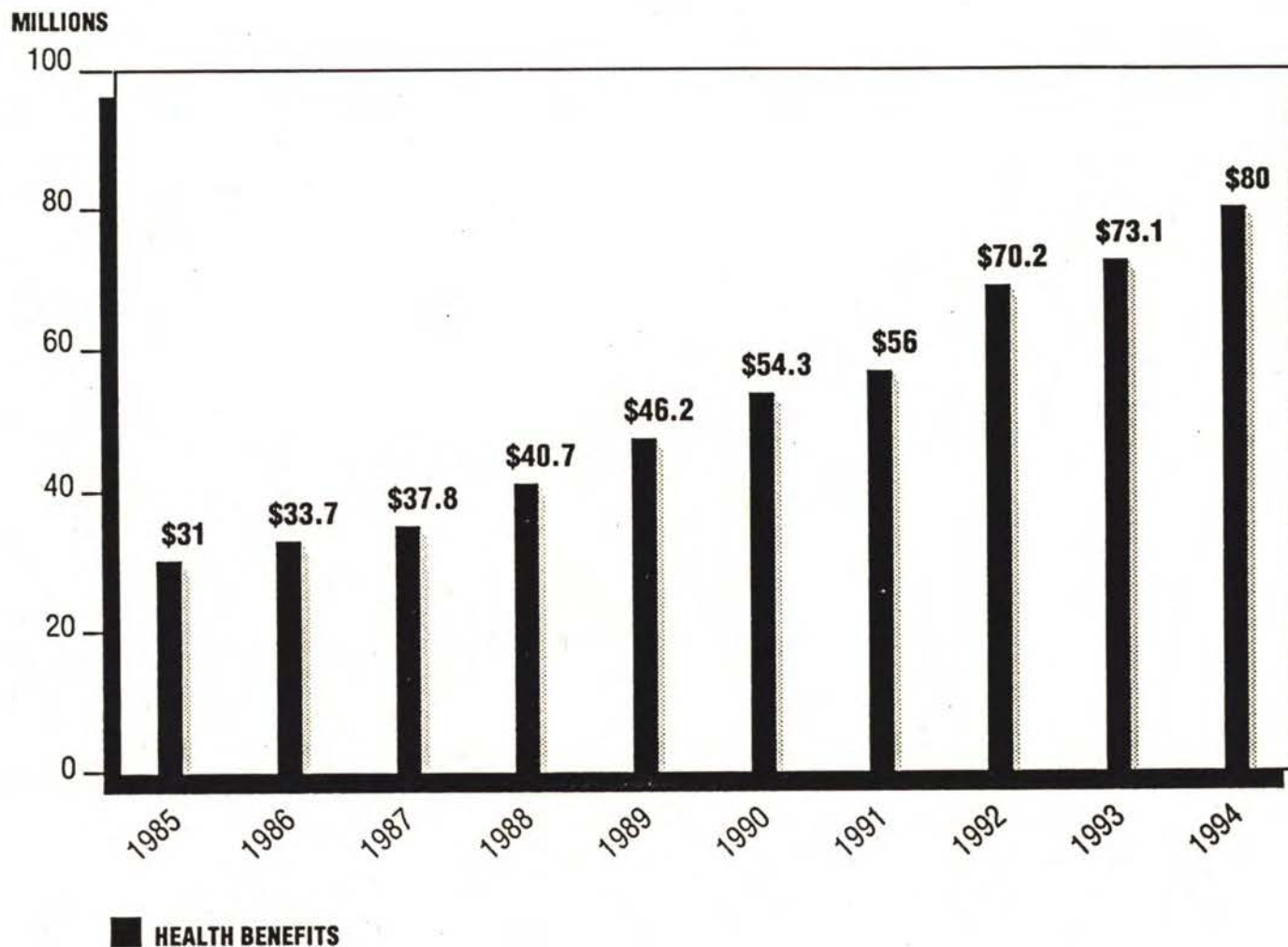
LEVI STRAUSS & CO.

10 YEAR HISTORY OF BENEFITS BUDGET



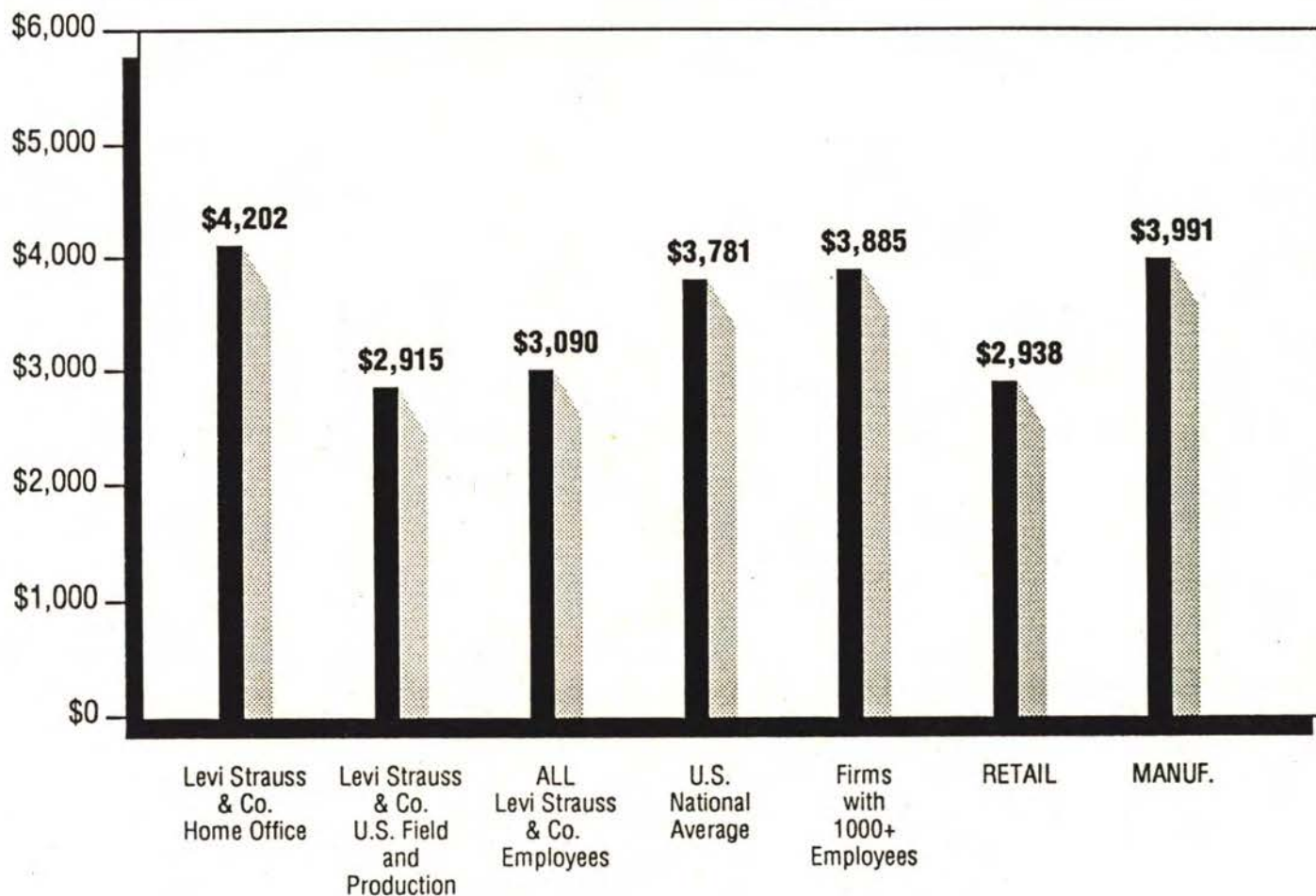
LEVI STRAUSS & CO.

10 YEAR HISTORY OF BENEFITS BUDGET



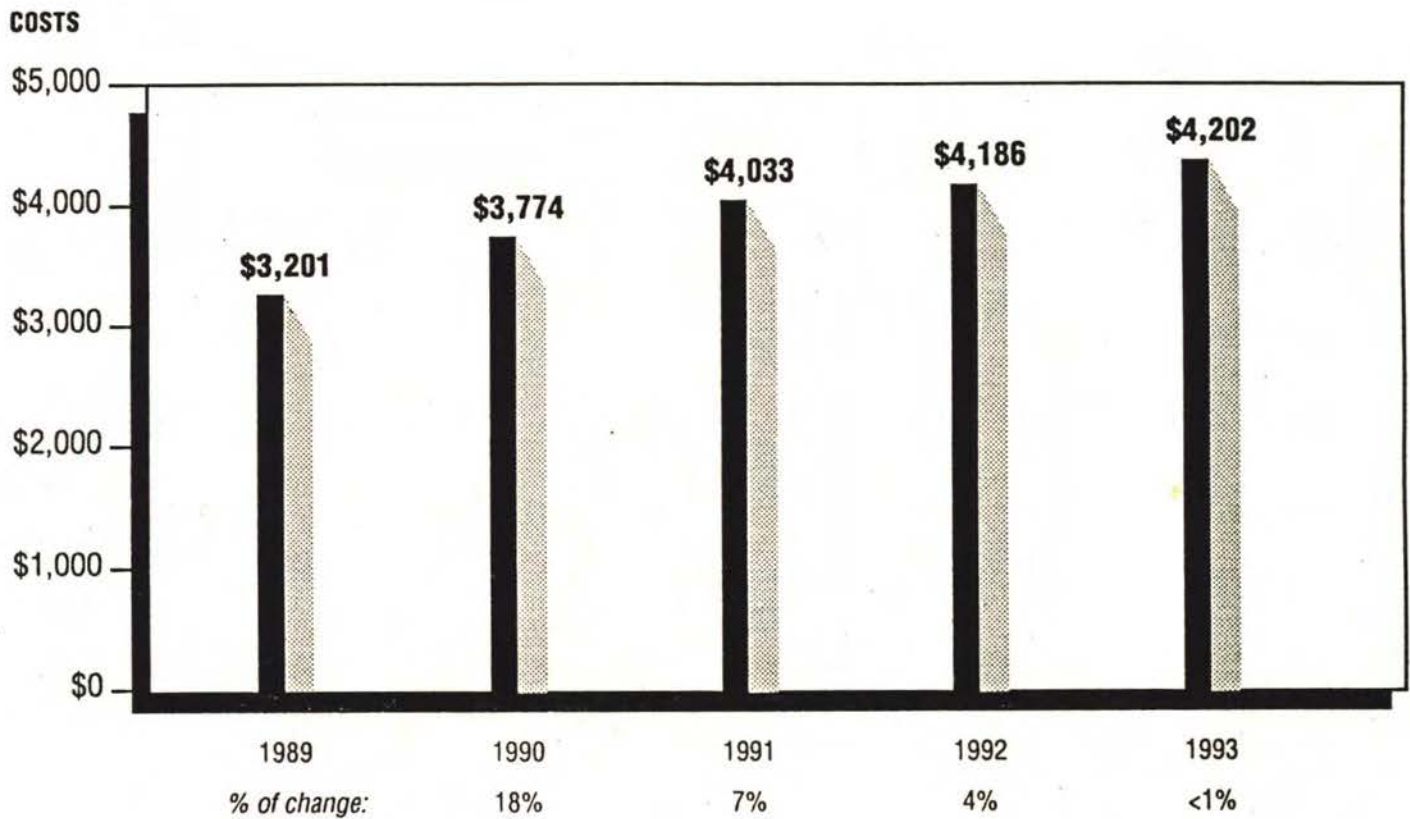
LEVI STRAUSS & CO. VS. NORMS

PER CAPITA 1993

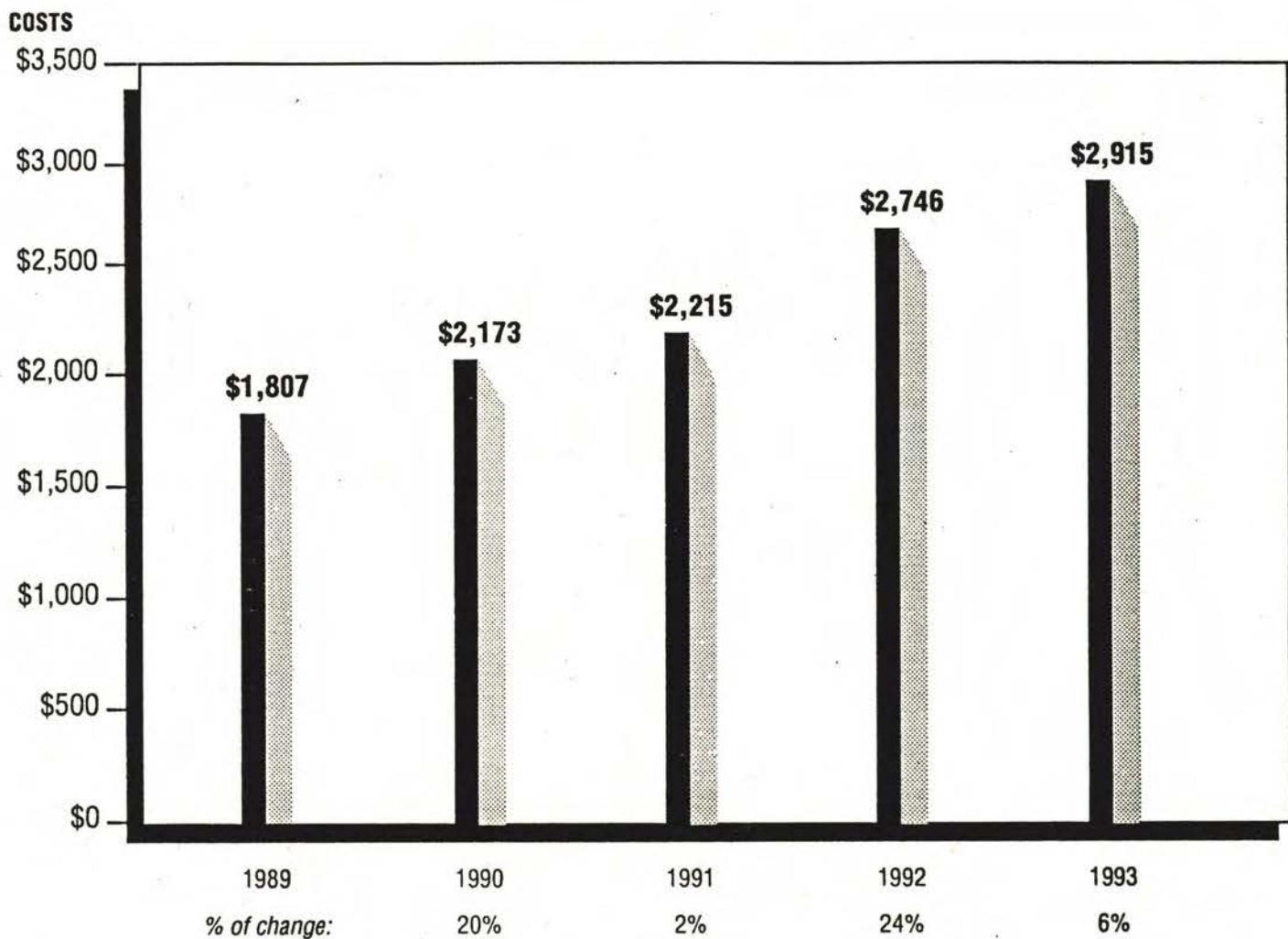


■ HEALTH BENEFITS

LEVI STRAUSS & CO. MEDICAL COSTS PER EMPLOYEE HOME OFFICE



LEVI STRAUSS & CO. MEDICAL COSTS PER EMPLOYEE FACTORY



THE PRESIDENT HAS SEEN

7 20 94



MICHAEL D. SCHATTMAN
DISTRICT JUDGE
348TH JUDICIAL DISTRICT OF TEXAS
TARRANT COUNTY JUSTICE CENTER
401 W. BELKNAP
FORT WORTH, TEXAS 76196-0281
(817) 884-2715

July 11, 1994

JUDY SIMS
COURT COORDINATOR
(817) 884-2715

LESLIE WEBB
COURT REPORTER
(817) 884-1790

Hon. Bill Clinton
The White House
Washington, D.C. 20500-2000

Re: Haitian "Safe Haven"
in Panama

Dear Bill:

It is still possible to obtain safe havens in Panama for Haitian refugees.

While I was taking Roger Fisher's "Negotiation" workshop at Harvard Law School last month, I met a Panamanian lawyer-businessman named Moises Cohen, who had just received an LLM at Stanford. According to Moises there is considerable resentment in Panama over the failure of the U.S. to carry through on rebuilding and repairing the damage caused by the invasion that overthrew Noriega. That sentiment helped defeat Endara, he said, and has now caused a resentful Endara to be difficult in his dealings with the U.S. These conversations all came back to me in the wake of Endara's reneging on the Haitian safe havens.

There is an opportunity here. Less so with Endara than with his successor, Perez-Balladares. Nevertheless, if the U.S. were to open discussions on the invasion damage repair with the Panamanian government or Perez's transition team without linking it to the safe haven question, it would allow the Panamanians, a little later on, to broach the Haitian issue more as a partner than a client. It would provide them with chronological space in which to deal with the issue. It would save them face so that they could deal with it. We could use the failure of the Bush administration to carry out its pledge to rebuild Panama to create new options for us both with Panama and with the Haitian refugee issue.

If I can be of any use to you on this, just let me know. I will be more than happy to do or to find out whatever I can.

Sincerely,

Michael D. Schattman

MDS/jks

7/19 1. OK TONY LAKE
2. THE PRESIDENT
Keep
this
to
him



NSC

OFFICE OF THE GOVERNOR

STATE CAPITOL

BOISE 83720-1000

CECIL D. ANDRUS
GOVERNOR

(208) 334-2100

June 7, 1994

The Honorable Bill Clinton
President
The White House
Washington, D. C. 20500

Dear Mr. President:

I have just returned from a visit to Korea, and I can verify that the nuclear issue associated with North Korea is their primary concern as well as a major world concern. I find myself thinking that our friend, former President Jimmy Carter, might be able to help you find a safe and sane solution. I was reminded of this problem again recently after reading a brief item in one of Japan's English language newspapers, the Mainichi Daily News.

The article stresses the value of "saving face" and identifies President Carter as a "suitable elder statesman" who might be able to negotiate with North Korean President Kim Il-sung. A year's experience living in the Far East earlier in my life certainly calls to mind this custom for providing a face-saving mechanism.

I'd be surprised if you don't already have more advisors than you can tolerate on this matter. I want to share my views, however, and also offer President Carter and President Kim a premium fly-fishing experience if it is true that the North Korean leader would like to fish in America. The atmosphere would be conducive to resolution of a major problem in a setting that is outstanding.

A friend of yours and mine, Mr. George Ishiyama (Tokyo and San Francisco), together with his family, owns and operates the Henry's Fork Lodge in the upper Snake River Valley of Idaho. Mr. Ishiyama has asked that I convey the family's willingness to make the entire facility available to them at no cost if it could in any way serve to resolve differences with President Kim.

With best regards,

Sincerely,

A handwritten signature in cursive script that reads "Cecil D. Andrus".
Cecil D. Andrus
Governor



Edward Elliott Elson

*Ambassador of the United States of America
Copenhagen*

94 JUL 20 P7:00

July 13, 1994

The President
The White House
1600 Pennsylvania Avenue
Washington, D. C. 20500-2000

Dear Mr. President:

Attorney General Janet Reno had an extraordinarily successful trip to Denmark. She came to participate with the Rebild Society on the occasion of their 82nd consecutive (excluding the years 1940-1945) celebration of the signing of our Declaration of Independence. The Rebild Society brings together between 10,000 and 20,000 Danes and Danish-Americans each year at its bucolic and pastoral home in the hills of Jutland. The sole purpose of the organization is to honor the United States of America on the anniversary of its independence. This year was without question a signal triumph for the United States. Janet's warmth, intellect and compassion were so visible to all; her splendid presence truly represented and reflected the character of our country.

The President of the Rebild National Park Society, Mr. Vagn Holck Andersen, in response to and with appreciation for your message of congratulations, and with especial sincerity, asked me to forward the enclosed letter of thanks to you.

With all good wishes,

Enclosure

ME
through
Pedersen



CHURCH WORLD SERVICE/LUTHERAN WORLD RELIEF



Office on Development Policy • 110 Maryland Ave. N.E. • Building Mailbox #45 • Washington, D.C. 20002-5694 • 202/543-6336

July 27, 1994

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

Dear Mr. President:

Thank you for your announcement of the United States response to the humanitarian crisis in Rwanda. Private organizations, UN agencies, and the United States are coming together to respond to the intense human suffering of the Rwandese people, in Rwanda and in neighboring countries. Please continue to use your personal leadership to mobilize assistance globally and in coordination with the United Nations.

Beyond providing humanitarian aid, other equally important steps must be taken to prevent a recurring human tragedy in Rwanda.

-- **Reconciliation must be a top priority.** Efforts to address the underlying causes of what has happened in Rwanda must continue at equal pace with humanitarian assistance efforts, with strong encouragement and support from the international community. We urge you to support local and regional-based processes -- both by governments in the region and by church and other groups -- to promote reconciliation among all the people of Rwanda.

-- **Refugees must return home, soon.** Recent actions and pronouncements of the Rwanda Patriotic Front -- including before the U.S. Congress this past week -- indicate a commitment to political pluralism and respect of the fundamental rights of every person are encouraging. The U.S. must make it clear that it takes these words and deeds seriously and will work with Rwandan and UN officials to ensure that the rights and safety of all within Rwanda, and those returning, are protected.

-- **Equip and support the UN peacekeeping force.** Because of continuing instability in Rwanda, intensified efforts are needed to deploy the UN peacekeeping force authorized by the UN Security Council. We urge the U.S. without delay to provide financial, logistical, and equipment support so that a multilateral peacekeeping force can be deployed as quickly as possible.

FROM
PODESTA OUT
BOX IN OUT L
7/28
NSC ed

DEMOCRATIC ★ NATIONAL ★ COMMITTEE

David Wilhelm, Chairman

94 JUL 15 P 1 : 43

MEMORANDUM

TO: ~~JOHN PODESTA~~ NSC

FROM: MARTHA PHIPPS

RE: IRV RICHTER, HILL INTERNATIONAL

DATE: JULY 13, 1994

Irv Richter, CEO of Hill International, spoke with the President at the DNC Business Leadership Forum on June 21. He discussed the issues concerning his company's claim against the Kingdom of Saudi Arabia, and the President requested additional information concerning the matter.

I would appreciate any assistance in assuring that President Clinton receive the enclosed materials. If you have any additional questions I can be reached at (202) 863-8121.

Thank you for your help.



Hill International, Inc.

94 JUL 15 P 4: 24

July 1, 1994

Irvin E. Richter
Chairman of the Board &
Chief Executive Officer

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

Dear Mr. President:

It was once again an honor to meet with you at the White House at the DNC's Business Leadership Forum on June 21, 1994. As you requested, I have enclosed information on the commercial claim of our subsidiary, Gibbs & Hill, against the Kingdom of Saudi Arabia. Gibbs & Hill was decimated by the losses incurred on this construction project and received assurances from the Saudi Government that it would be paid for the additional costs resulting from actions on the part of the Saudi Royal Commission. However, once the project was complete, the Royal Commission refused to make the payments.

Gibbs & Hill's claim was one of approximately two dozen claims notified to the Saudi Arabian Government for resolution under the Special Claims Process which was established following the May 1992 Congressional hearings. The Gibbs & Hill claim is now the last remaining fully unpaid claim under the Special Claims Process. In May 1993, Ambassador Bandar pledged to Gibbs & Hill, Congress and your Administration to resolve the claim fairly and expeditiously. However, as of this date Ambassador Bandar has not fulfilled this commitment. The Saudi's motivation to resolve the Gibbs & Hill claim may have been significantly reduced by several recent billion dollar airplane and telecommunications contracts that State and Commerce were instrumental in securing for U.S. firms with the Kingdom. Honoring its commitment to Gibbs & Hill, Congress and your Administration is the best assurance that these most recent commercial contracts will also be honored by the Saudis whenever disputes occur.

I sincerely appreciate your personal interest in this matter of great importance to the many employees of our firm. Kind regards.

Respectfully,

IER/mj
Enclosures

One Levitt Parkway, Willingboro, New Jersey 08046 (Tel) 609-871-5800 (Fax) 609-871-0802

Offices Worldwide

BRIEFING FOR PRESIDENT WILLIAM J. CLINTON
ON THE CLAIM OF GIBBS & HILL AGAINST THE
KINGDOM OF SAUDI ARABIA

July 8, 1994

On May 19, 1992, a hearing was held before the U.S. House of Representatives Foreign Affairs Subcommittee on Europe and the Middle East concerning problems confronting U.S. business concerns in Saudi Arabia. The purpose of the hearing was to place the plight of certain American companies with long outstanding commercial grievances against the Saudi Arabian Government on the bilateral agenda with Saudi Arabia.

As a result of this hearing, the United States Government, through the Department of Commerce, notified to the Saudi Arabian Government several lists of American companies with long outstanding commercial grievances involving Saudi citizens or the Saudi Government. More than 2 dozen claims, including the claim of Gibbs & Hill, an American engineering firm established in 1911, were notified to the Saudi Government by the Department of Commerce as requiring resolution under what became known as the Special Claims Process.

In May 1993 Saudi Ambassador Bandar Bin Sultan Bin Abdulaziz, in letters to Members of Congress, pledged to "*spare no effort in resolving [the Gibbs & Hill] claim in an expeditious and fair manner.*" Ambassador Bandar's pledge was reiterated to senior representatives of the Department of State, the Department of Defense and the Department of Commerce, as documented in the June 30, 1993 DOD report to Congress pursuant to Section 9140 of the Fiscal Year 1993 Department of Defense Appropriations Act (P.L. 102-396).

The claim of Gibbs & Hill dates to the period 1978-1984. Gibbs & Hill provided engineering and design services to the Royal Commission for Jubail and Yanbu for the Yanbu Industrial City, a multi-billion facility. At the completion of the work in 1984, Gibbs & Hill had incurred \$18 million in additional engineering costs (representing approximately 366,590 engineering manhours) as a result of more than 5,000 changes and delays by the Royal Commission. Gibbs & Hill's claim was denied by the Royal Commission. Gibbs & Hill pursued recovery of its additional costs through the Saudi Arabian Grievance Board. The Grievance Board dismissed Gibbs & Hill's claim in 1990 and denied the company's appeal in 1992.

Gibbs & Hill was unfairly treated by the Royal Commission, which misled Gibbs & Hill into providing extensive additional work under the contract by promising the Company that it would be compensated for costs arising therefrom. Having obtained the benefit of Gibbs & Hill's additional work, the Royal Commission denied the Company's request for compensation therefor. The Saudi Arabian Board of Grievances merely adopted the position of the Royal Commission.

Gibbs & Hill's present losses exceed \$43 million. Its claim is the last remaining unpaid claim under the Special Claims Process. Despite continuing efforts by Congress and the Department of State, the Gibbs & Hill claim, which is identical in every respect to previous claims resolved under the Special Claims process, has yet to be paid.

The Saudi Arabian Government continues to evade payment of this long outstanding debt to Gibbs & Hill by relying on the decision of the Saudi Board of Grievances. However, the Saudi Arabian Government has resolved other claims under the Special Claims Process which, like Gibbs & Hill, had been denied by this same Board. Furthermore, in a May, 1992 Congressional hearing, the Departments of State and Commerce dismissed the Saudi Board of Grievances as lacking any internationally accepted standards. It was the unfair treatment of American companies by this Board and other agencies of the Saudi Arabian Government which necessitated the creation of the Special Claims Process.

Congress of the United States

House of Representatives

Washington, DC 20515

July 8, 1994

His Royal Highness Bandar bin Sultan
Ambassador of the Kingdom of Saudi Arabia
601 New Hampshire Avenue, N.W.
Washington, D.C. 20037

Dear Ambassador Bandar:

We are in receipt of your June 9, 1994, letter to Chairman Hamilton regarding the claim of Gibbs & Hill, Inc. While we are discouraged by your response, we are pleased that you are engaging in a dialogue on this issue.

Your letter simply restates the central themes of your April 26, 1994, letter to Commerce Secretary Ron Brown. We all reviewed your letter to Secretary Brown. We took issue with the substance of that letter and we continue to take issue with the substance of your most recent letter.

During a recent Subcommittee hearing of the Foreign Affairs Committee, Assistant Secretary Robert Pelletreau testified that most of the claims under the Special Claims Process have been resolved and that the United States and Saudi Arabia have agreed upon a mechanism to resolve future claims. However, he pointed out that the Gibbs & Hill's claim still needed to be resolved under the Special Claims Process.

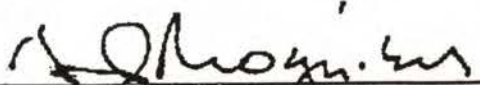
We are most concerned about your continued reliance on the fact that Gibbs & Hill availed itself of the Saudi legal system as your central reason for refusing to resolve the claim. We consider this position to be inconsistent with the treatment of claims under the Special Claims Process. At least one other claimant under the Special Claims Process had availed themselves of the Saudi legal system, had had their claim denied, and yet were paid under the Special Claims Process. It is also unreasonable that the Kingdom would pay claimants under the Special Claims Process who did not use the Saudi legal system, even though contractually obligated to do so, yet not pay a claimant by virtue of its having followed this system.

We have been presented with the Saudi position on more than one occasion in great detail. We have also had the opportunity to review Gibbs & Hill's position in great detail. We remain committed to seeing the Gibbs & Hill claim negotiated and resolved under the Special Claims Process, as were each of the other claims. We hope this issue will not continue to distract us from other important issues shared between our two countries.

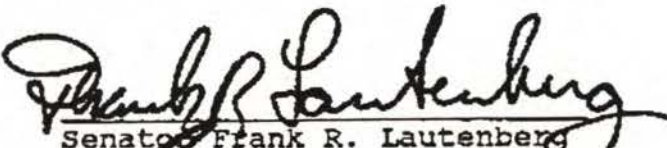
However, promptly resolving the Gibbs and Hill claim will continue to be one of our top priorities.

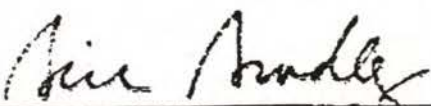
Thank you for your assistance and consideration in resolving this claim in the near future.

Sincerely,

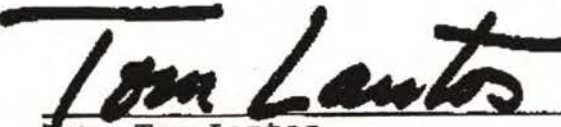

Sen. Daniel Patrick Moynihan

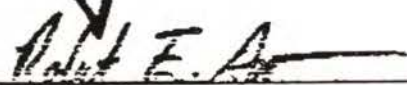

Senator Alfonse D'Amato

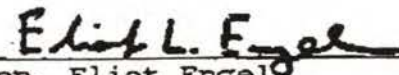

Senator Frank R. Lautenberg

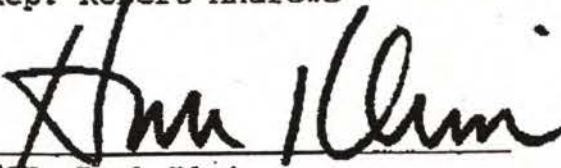

Senator Bill Bradley


Rep. Sam Gejdenson


Rep. Tom Lantos


Rep. Robert Andrews

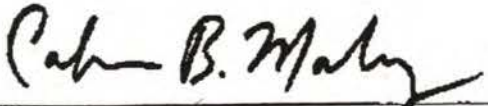

Rep. Eliot Engel


Rep. Herb Klein


Rep. Frank Pallone Jr.

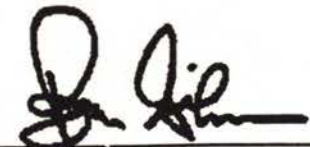

Rep. Donald M. Payne


Rep. Peter Deutsch


Rep. Carolyn Maloney


Rep. Robert Menendez


Rep. James Saxton


Rep. Benjamin Gilman

cc:Chairman Lee H. Hamilton
Assistant Secretary Robert Pelletreau

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DATE 10/27/94 13:33:34

DEBIT CARD NO. 1111
FAX NO. 305-443-3292

FORT LAUDERDALE OFFICE

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FORT LAUDERDALE, FLORIDA 33304

BROWARD (305) 832-0786

FAX (305) 784-1709

OF COUNSEL

MICHAEL C. FRIGOLA, P.A.
FORT LAUDERDALE, FLORIDA 33304

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FERNANDEZ & SANDERSON, P.A.
ATTORNEYS AT LAW

R.E. FERNANDEZ
STUART W. SANDERSON

OF COUNSEL
ELIO E. MULLER, JR.

106 SOUTH MOODY
TAMPA, FLORIDA 33608
(813) 251-4881
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FAX NO.: 305-443-3292

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DATE : _____
CLIENT: _____

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ATTORNEYS AT LAW

R.E. FERNANDEZ
STUART W. SANDERSON

108 SOUTH MOODY
TAMPA, FLORIDA 33609
(813) 281-9001
FAX (813) 284-7532

OF COUNSEL
ELIO E. MULLER, JR.

July 6, 1994

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

Dear President Clinton:

It is with tremendous concern and a deep sense of respect for your office that I bring for your consideration an issue of great importance to all Cuban-Americans in this country. In the last three months Florida has become an example of the application of unequal justice. The consequences of continuing in this posture are far reaching and indeed could set a dangerous national precedent. I believe in your commitment to the restoration of a free and democratic form of government in Cuba and your support of efforts that will achieve that result. Likewise, I know your administration would never allow the promotion of disrespect for the laws of this land.

As you know, the Cuban social and economic structure has collapsed. While other countries invest in Cuba it is well known that the regime's salvation could only come from American tourism and related business ventures. Faced with crisis and no longer enjoying the Soviet subsidy, in the last two years the Cuban government has promulgated plans that if carried out successfully will lead to the abrogation of the embargo, more appropriately called the Trading With The Enemy Act. As part of this plan, Roberto Robaina, the Cuban Minister of Foreign Relations, has suggested the creation of a climate for change which includes academic, cultural and athletic interchanges as a way to reach the traditionally more liberal and probably more gullible sectors of the American people. Castro has thus enlisted new agents of influence to develop Cuba's interests here in America.

About three months ago a fellow by the name of Bob Winters began promoting a yacht race from Sarasota to Havana. By his own admissions we were able to establish that he was closely associated with U.S./Cuba trade specialists in Washington, D.C. as well as Orlando Perez and other Cuban government officials in Havana. Winters visited Cuba a number of times in preparation of this ill fated event, at all times promoting the "humanitarian" aspects of

Bill Clinton, President
Washington, D.C. 20500
July 6, 1994
Page Two

the trip. The Cuban-American community was outraged at developing information and I personally provided voluminous evidence to officials of the City of Sarasota, to the Sarasota Sailing Squadron, to race participants directly, and most important of all, to the appropriate federal law enforcement agencies including the Federal Bureau of Investigations and Customs.

As the date of the race approached, much publicity began to surround claimed threats of violence against the participants, ostensibly by the Cuban-Americans here in this country. Nothing could have been further from reality. Peaceful protests were exemplary in the exhibition of tolerance. Law enforcement in Sarasota commended me for the commitment and the fulfillment of the same. Meanwhile Winters, Aligood, Perez, Robaina and others must have laughed loudly as they witnessed what was taking place. Here were Cuban agents of influence openly discussing with sailors the avoidance of paper trails, how they would violate the law, how no one was going to tell them where to travel, how they could spend their money where they wished, how the embargo provisions were going to be violated, all in the presence of men and women who had withstood decades of imprisonment in Castro's jails for their political ideology and who held back as they had never done before. The Cuban-Americans and ex-political prisoners waited and trusted the system and all their activities remained within the law.

As predicted, Winters arrived in Havana and began to promote the sale of memberships at the Cuban yacht club, Marina Hemingway. The Cuban hosts hosted very little. News reporters who went on the trip have written dozens of stories of fistfuls of U.S. dollars being spent by the sailors. Carts loaded with souvenirs, rum and cigars were emptied into the vessels. Tours visited nightclubs like Tropicana and even the Museum of the Revolution. The marina alone was documented to have made more money for the Cuban government the first day the sailors arrived than in the previous six months. Winters has now decided to stay in Cuba, has left his wife and son, his house and his debts behind and is working for the Cuban government. Eighty-six yachts and over four hundred Americans violated statutory provisions that subject the vessels to seizures and each individual outside of the media to penalties of up to ten years and \$50,000.00 in fines for each violation, as set forth in 31 C.F.R. 515.201 et seq. Upon their return, the sailors and the promoter, Sarasota Sailing Squadron, have basically disassociated themselves from Winters, extended an unaccepted qualified apology which serves no purpose, and continue to rant and rave fearlessly about violating federal law. To them it is all a big joke, a good time, no harm done. To the rest of America, it is anarchy.

Bill Clinton, President
Washington, D.C. 20500
July 6, 1994
Page Three

Mr. President, Rolando Nieves, a political prisoner for sixteen years who among other terrible experiences survived the infamous "drawers" at San Ramon in Cuba and Antonio Perez-Quesada, four scores old at the time he was prosecuted for doing the same thing he had done for the CIA fifty-six times before, were standing next to me on October 14, 1988, when a magistrate in Key West refused to grant them bond because he found they were a danger to America. Detained they awaited trial for six months because they possessed gasoline, black powder and detonators in a craft headed outside of United States territorial waters, never intending to violate any American law or do anything but act consistent with efforts they believed would help liberate their homeland. You may recall back in 1988 the Cold War was still a bit chilly and barbed wire and gun turrets separated the East from the West. Not long after their acquittal I was present at Perez-Quesada's funeral, as he never recovered from a cold that began during his detention in a federal institution. Since that first case, I have defended other freedom fighters, all of course pro bono and always the reason given by government agents was the law. As one prosecutor told me "...I don't have my heart in this Ralph, but we are not a nation of heroes, we are a nation of laws."

I have been asked by federal authorities to in essence prepare a case for prosecutorial review involving the embargo violations. Mr. President, I should not have to do the homework for this nation. I have exposed my family, my friends and myself to great danger over the last few years. A quick call to the FBI's intelligence unit will confirm that Cuba's DGI has executed anti-Castro leaders while on American soil. Cuban defectors such as General Rafael Del Pino and DGI Colonel Florentino Aspillaga have been debriefed and have confirmed these homicides. I have in my possession tapes and letters of threats against Eusebio Penalver, a former commander of Castro's rebel army and now the Afro-Cuban president of the World Federation of Cuban Former Political Prisoners who spent twenty-eight years in Cuba's prisons and who has yet to visit the White House under any administration; of threats against Roberto Pizano, another ex-political prisoner of eighteen years and the only democratically elected leader of any Cuban community and the representative of this area, and of course, me.

We have earned the scorn of Castro's people and of a very small but vocal percentage of individuals in America who in some way support his government. Then I read newspapers and I have to tell these valiant men and women not to believe what they have read, to continue abiding by the law, and to exhibit restraint, for at some point there will be justice. And again we read, see and hear that other groups are using the regatta as an example that

Bill Clinton, President
Washington, D.C. 20500
July 6, 1994
Page Four

America will not enforce its laws. Mr. President, as the most important political leader in this planet, which you are, I ask you if you think defiance of federal law in the great state of Florida is just? Is this a nation of laws except for the privileged few? Have you changed your position from the final days of your campaign and your strong endorsement of the Cuba Democracy Act, which position prompted then President George Bush to sign it in Miami? Mr. President I believe the answers are all the same, a resounding no. I ask you to direct the Attorney General and the Secretary of the Treasury to enforce the law.

Sincerely,


R. E. FERNANDEZ

REF/ir

Copies to:

Janet Reno, Attorney General
Lloyd Bentsen, Secretary of Treasury
Bob Graham, United States Senator
Connie Mack, United States Senator
Sam M. Gibbons, United States Congressman
Lawton Chiles, Governor

THE WHITE HOUSE

WASHINGTON

August 1, 1994

MEMORANDUM FOR PHIL LADER

FROM: JOHN PODESTA 

SUBJECT: Office of Management and Budget (OMB)
Representation on (1) the President's Management
Council and (2) the National Partnership Council

Alice Rivlin has now formally submitted a recommendation to the President that the Deputy Director for Management, OMB (DDM), John Koskinen, replace her as Member and Chair of the **President's Management Council**, which I have processed.

Still outstanding is OMB's representation on the **National Partnership Council** (NPC). As you know, originally the DDM was the sole OMB member of the NPC. To fill the void in OMB representation caused by the vacancy in the position of DDM, on January 31, 1994, the Deputy Director, OMB, was designated by Order as a member of the NPC.

With John Koskinen's appointment as DDM, shall we proceed to remove the Deputy Director, OMB, as a member of the NPC leaving the DDM as the sole OMB representative on the NPC?

cc: Alice Rivlin

Dear Mr President,

THE PRESIDENT HAS SEEN ^{8/1}

Thank you again for the gift of your time. Since you have so little of it I am most grateful for your having given some to me. And I am honored that you would receive me.

Several years ago when I was "victimized" at a Roast and Toast you made a statement that meant a great deal to me: "I love Fr. Tribou". Though we disagree in a few areas, I can honestly say "I love Bill Clinton". My contacts with you have been pretty much limited to conversations at banquets but during those informal conversations I discovered a good man....and not the villain so maligned by Limbaugh and Falwell. And my definition of a good man, so often given to the boys at Catholic High, is this: "A good man is not one who never makes a mistake but one who is bigger than any mistake he makes". And that is you. I guess my longest conversation with you was on the morning of the execution of Stephen Hill. (And if I ever get a chance to talk with you again I'd like to tell you of my experiences during the last four hours of his life.)

And if more proof of your goodness is needed it is found in the fact that you were accepted by Hillary whom I love most after my two sisters and just before Katherine Hepburn!

May I, as a friend and admirer, be so forward as to offer you a few ideas?

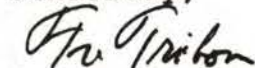
Only one president was maligned more than you and that was Abraham Lincoln and eventually he became the most admired of all presidents in the history of the country. Why? Because he saved the blacks. May I suggest that you, almost equally maligned, could go down in history as the second greatest president if you would decide to save the unborn.

If you came out against abortion the shock waves would rock the country and you'd never get a second term. But you, the most powerful man in the world, could change the world and give an example of courage that would let your memory live as long as that of St. Thomas More. I'm sure you are no great fan of Paul Greenberg's but I ask you to read the enclosed copy of one of his recent columns. You are the only man who can reverse the "slippery slope" of which Greenberg writes.

I realise it is pretty damn brazen of me to make such a career-wrecking suggestion to the President of the United States but I wouldn't do it unless I were convinced that underneath all the rhetoric you really do respect life. Of the million plus babies aborted each year there have got to be quite a few who, if given a chance to live, could be girls just like Chelsea. If your influence can give us a few more Chelsea's then we'll all be better off.

Enough said. Please accept my words as coming not from a disgruntled enemy but from a friend and admirer who has you in his daily prayers.

Sincerely,



Fr. George W. Tribou
July 29, 1994

The American way of death

"U.S. abortions decline to 1.53 million in '92, fewest since '79." No big deal. The headline was back on Page 5A the other Thursday. Just 1,530,000 abortions a year — down 28,000 from the year before. There haven't been so few since the 1,490,000 in 1979. Only 27.5 percent of pregnancies in the country ended in abortion in 1992, compared to the 30 percent from 1979 to 1983.

Only 27.5 percent. Only more than one in every four pregnancies aborted. Nowadays a total of a million and a half abortions is ranked among the fewest in recent years.

There was a time when those figures would have been on Page 1, or in some sci-fi horror story about the Soylent Green world of an ominous future. Well, that future is here. And it rates coverage only on Page 5A. It's not the drop in abortions that's remarkable, but the one in American sensibilities.

How far the species has come. There was a time — the 14th century *Anno Domini* when the Aztecs might sacrifice 20,000 a year to the sun upon their blood-red altars, but Modern Man has come a way from such savagery. For one thing, we've dispensed with the ritualistic trappings: No more priests, no more nonsense about the need to assure the corn-crop, none of that superstitious, mythological rationalization.

Indeed, no reason at all need be given now. The sacrifice is now a matter of individual choice. A million and a half individual choices a year. Nobody needs to strap anybody to an altar. That's right: Mothers — well, women — are doing this voluntarily.

"O brave new world," Miranda would gush, "That has such people in it!"

While old Prospero, finding himself in the middle of this new, enlightened, scientific, sociologically approved and politically correct tempest might only respond, as he always does in the play, "Tis new to thee."

For it has gone on long before the Aztecs, this impulse to sacrifice to the latest god. The name of the god might have changed. Moloch, Baal and Astarte gave way some time back to Science, Choice, and — our current favorite — the sovereign and



Paul Greenberg

autonomous Self. But the result remains much the same, only on a much more impressive scale. ("U.S. abortions decline to 1.53 million in '92...")

It's all accepted now. The trick is not to notice. Put it back on Page 5A. Emphasize that only a million and a half are being killed annually, the lowest number since '79.

Those who object better not do it in the vicinity of an abortion "clinic" or maybe anywhere. They might be accused of threatening or intimidating or interfering with the communicants in this new blood rite, and find themselves subjected to federal penalties — a year in jail and a \$10,000 fine for the first such protest, three years and a \$20,000 fine for subsequent offenses.

The first reaction to those who protest any crime against humanity — and there are crimes that need no law to define them — is to shut the troublemakers up. When petitions against slavery began to flood Congress in the 19th century, it responded by passing a gag rule declaring any such discussion illegal. At the tag end of the 20th century, Congress has passed the Freedom of Access to Clinic Entrances Act.

The reference in the law's title is to abortion clinics. Just as a million and a half fetuses are being destroyed/harvested every year, not a million and a half lives taken. New euphemisms are invented at every stage — like Fetal Research. It's an old rule in these matters: Verbal engineering always precedes social engineering.

Next the same process begins at the other end of human life. A federal judge in the state of Washington now has ruled that euthanasia is a "constitutionally guaranteed right" under the law's ever expanding penumbra of privacy, which begins to cover American life the way a polyethylene

bag might cover an infant's face.

The first cases of euthanasia, like Sherri Finkbine's plea for an abortion back in 1962, will not fail to stir an understandable sympathy. Now the sad case of the Lakebergs' Siamese twins — both dead after extensive and expensive treatment and publicity — will have its uses for advocates of euthanasia. And who would not sympathize with such arguments in this case? But down the slippery slope await millions of other cases, and the banal acceptance of evil.

I can remember welcoming *Roe v. Wade* when it was handed down in 1973. How I would have hooted if somebody had warned that it would result in a million and a half abortions a year. A mother is going to destroy her healthy child for no clear medical reason — with her physician's compliance? Come on.

What once would have inspired horror is now the mundane — even the scientific, the advanced, the enlightened. What, once might have inspired dread is now sanctioned in the elastic name of constitutional right and individual freedom.

How did we get to this point? Via the usual slippery slope. Most folks don't want to think about it. Others don't believe in the slippery slope, especially if they already have begun to descend it.

In the Netherlands, they're way ahead of us. Listen to Heleen M. Dupuis, ethicist. (Ethicism replaced ethics some time back, the way religion sometimes replaces God.) Ten years ago, says Ms. Dupuis, when she was president of the Dutch Society for Voluntary Euthanasia, she did not think it "wise" to advocate euthanasia for infants, but not now — "because it is so accepted in the Netherlands."

Isn't that how the slippery slope works? "I doubt now, more than ever, the validity of slippery slope arguments," responds Ethicist Dupuis, since "we are actively making careful decisions to act in the way we do."

But isn't that the way it always looks from the bottom of the slope?

Paul Greenberg is the Pulitzer Prize-winning editorial page editor of the Arkansas Democrat-Gazette.

Chano

San Juan

McDermott

THE PRESIDENT HAS SEEN 8/1

THE PRESIDENT HAS SEEN 8/1
THE WHITE HOUSE
WASHINGTON

JUN 29 1994
JUN 29 P5:08

MEMORANDUM FOR THE PRESIDENT

FROM: PAUL TOBACK
Executive Asst. to the
Chief of Staff

SUBJECT: CLINTON CAMPAIGN
MEMORABILIA

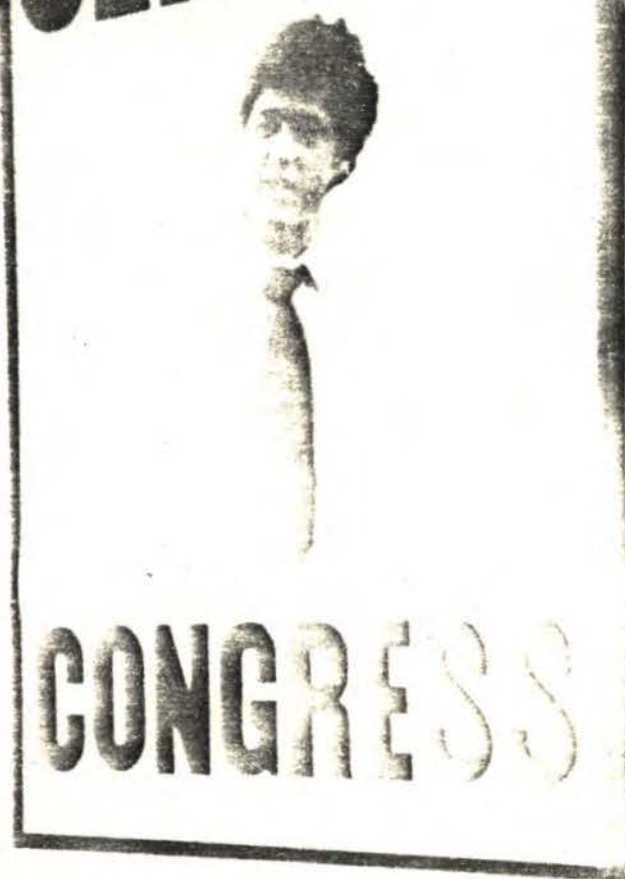
As a fellow campaign memorabilia collector, I thought you might be interested in the latest edition of The Keynoter. The majority of the magazine focuses on items from your political campaigns in Arkansas (including bumper stickers showing Mack McLarty as treasurer of your political committee).

*See 2nd 4
Keynoter
McLarty*



THE KENNOTER

CLINTON



Clinton in Arkansas

August 14, 1990

8/1/94
THE PRESIDENT HAS SEEN

THE WHITE HOUSE
WASHINGTON

94 JUL 29 P4: 1

July 27, 1994

MEMORANDUM FOR ANN STOCK

FROM: MACK McLARTY

Yesterday, David Watkins and I had a very good visit. It was obvious that David greatly values his long-standing friendship with the President, and it would mean a great deal to him and his wife Eileen if they could be invited to an appropriate White House social function.

Please keep David in mind as you plan events.

cc: ~~The President~~
The First Lady

McC
Dr. - O. Miller

UNITED STATES SENATE

WASHINGTON, DC 20510-0302

OFFICIAL BUSINESS

Dennis De Concini
U.S.S.

The President of the United States

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THE PRESIDENT HAS SEEN 8/1

United States Senate

SELECT COMMITTEE ON INTELLIGENCE
WASHINGTON, DC 20510-8475

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July 29, 1994

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

Dear Mr. President:

I am confronted with a situation which I find both baffling and infuriating, and have concluded that I have no alternative but to bring this matter to your attention.

Professionally, Jim Woolsey and I have not agreed on the scope of Intelligence Community downsizing and restructuring. I have been critical of him in a number of press comments I have made, particularly of his inability to work cooperatively with the Congress.

Apparently in retaliation for these comments, I now find him resorting to tactics that have no place in this or any other Government. He met with me and separately with Senator Warner on July 28 and accused me of having divulged classified information in the course of an interview I gave to the New York Times concerning the Ames espionage case. A copy of the article where I am quoted is enclosed and the relevant quotes highlighted.

I did not understand at the time he made this accusation to me, and I do not understand now, having reflected on the quotes attributed to me, what I said that was classified. Nor do I understand how anything I said could possibly be construed to harm the national security. Two staff members from the Intelligence Committee were present during this interview, and neither recalls any classified information having been mentioned. Others with whom I have spoken regarding the quotations are similarly mystified by this accusation.

The President
July 29, 1994
Page Two

I now come to learn that Mr. Woolsey has repeated this accusation to other Senators on both sides, to Mr. Lake, to the Attorney General, and presumably others.

I can only surmise from this unfortunate episode that Mr. Woolsey has manufactured this allegation either to smear me in retaliation for my earlier criticism or to intimidate me into silence in the future. In either case, I find his behavior totally reprehensible, and, frankly, Mr. President, bizarre.

I considered making a public statement on this episode, but thought it preferable to advise you confidentially before taking such a step. At a minimum, Mr. Woolsey owes me an apology. Beyond that, I can only say this episode strengthens my belief that he is not fit for the position he now holds.

Sincerely,


Dennis DeConcini
Chairman

Enclosure

New York Times
July 28, 1994

Jailed, Turncoat at C.I.A. Tells of a Long Betrayal

By TIM WEINER

Special to The New York Times

WASHINGTON, July 27 — On a night in Rome in October 1986, Aldrich H. Ames of the Central Intelligence Agency knocked back a stiff drink, pulled a baseball cap low over his face and went to meet his case officer from the Soviet intelligence service, the K.G.B.

In the attic of the Soviet Embassy's residential compound there, the K.G.B. man, Vladimir, opened a bottle of vodka. Over the first of many glasses, he and Mr. Ames discussed their hunch that the C.I.A. knew it had a traitor within. Vladimir was worried: How could Moscow and its mole mislead the agency? How best to divert attention from Mr. Ames?

Mr. Ames made no special effort. Sitting in the Alexandria, Va., jail where he is serving the first days of his life sentence, recounting that night in Rome and other tales from his years as a turncoat, Mr. Ames said there was no point in trying to hide. He was convinced that "once there was a serious look at me, virtually no measure I took would be proof against that investigation."

But that serious look would not come for seven more years.

The C.I.A. is still trying to assess the damage done by the most destructive mole in its history. But it is clear from extensive interviews with Mr. Ames and Federal officials that the damage transcended the immediate: Moscow's execution of perhaps a dozen Soviet double agents who had worked for the United States and the loss of hundreds of classified reports. Beyond that, the morale of the nation's chief intelligence agency has been dealt a lasting blow by its failure, for nearly a decade, to uncover a brazen, bungling mole.

A pale, graying man of 53, wearing ill-fitting prison cover-



Ira Scheraga/Reuters-Bettmann

Aldrich H. Ames concedes that in spying for Moscow, he was motivated chiefly by greed.

Betrayer's Tale

A special report.

alls and high-topped sneakers, Mr. Ames talked for eight hours about his betrayals, about the ease with which he slipped reams of secrets to the K.G.B. and about his steady promotions to sensitive posts despite his superiors' knowledge of his heavy drinking, financial troubles, erratic work and odd views.

Mr. Ames, arrested in February, has been telling his story to the C.I.A. and the Federal Bureau of Investigation as part of a plea

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C.I.A. Turncoat Tells of His Decadelong Betra

Continued From Page A1

agreement that will send him to prison for life but limit the punishment of his wife, Rosario. Officials familiar with the debriefings confirm the essence of his account.

But they disagree fiercely with Mr. Ames's tangled explanation of his motives. He concedes that greed was the primary factor but says he also had a vision of shortening the cold war by "leveling the playing field" between a decaying Moscow and a dominant Washington.

Nonsense, the Director of Central Intelligence, R. James Woolsey, said last week. "Ames was and is," Mr. Woolsey said, "a malignant betrayer of his country who killed a number of people who helped the United States and the West win the cold war," in exchange for nothing more than a fine house, a fancy car and a bulging bank account.

Mr. Ames is without question, Mr. Woolsey said, a "murdering traitor" who turned his coat for more than \$2 million from Moscow.

But Mr. Woolsey also said that the case of Mr. Ames had forced the agency to confront its failings. The culture of the C.I.A. — secrecy compounded with "a sense of trust and camaraderie within the fraternity that can smack of elitism and arrogance," as Mr. Woolsey put it — may have helped Mr. Ames to flourish for as long as he did. An institution whose reason for being is gathering and analyzing secret information could not see Mr. Ames for what he was.



Aldrich H. Ames, the former C.I.A. official who spied for the Soviet Union, said in an interview that he was "particularly repelled" by the agency's inter-

nal politics. "I was perceived as a person," he said. "And a lot of people di I attributed it to rumors about my drink

The Beginning

A Man Convinced He Knew Better

The seeds of betrayal were planted in 1976, when Rick Ames, a C.I.A. officer tracking the Soviets' United Nations delegation, sat down to lunch with a new acquaintance, Tomas Kolesnichenko, the chief New York correspondent of the Communist Party newspaper Pravda.

They would continue meeting once a month for three years, Mr. Kolesnichenko remembered in a recent telephone interview from Moscow, at coffee shops or restaurants like Tavern on the Green in Central Park. Mr. Kolesnichenko says he did not know that Mr. Ames worked for the C.I.A., although he had his suspicions.

Vodka and ideas flowed freely. Both went down well with Mr. Ames. He recalls learning a great deal from Mr. Kolesnichenko, a part-time playwright whose dispatches were purely distilled Communist ideology.

Gaining insight into the ways of the Soviets was, of course, Mr. Ames's job as a C.I.A. officer. But he says the lessons learned became the seeds of his betrayal, fertilized by a growing contempt for the C.I.A.'s world view and a soaring appreciation of his own philosophy. He thought it absurd to say, as many of the C.I.A.'s analysts did in the late 1970's and early 80's, that the Soviet threat to the United States was immense and growing. Mr. Ames decided that he knew better.

"I know what the Soviet Union is really all about, and I know what's best for foreign policy and national security," he thought. "And I'm going to act on that."

The idea grew as Mr. Ames served in Mexico City from 1981 to 1983. The Mexican capital, always a crucial cold-war battleground, became a crucible as the Reagan Administration set the C.I.A. to battle in Central America, mobilizing against communism.

THE AMES INTERVIEW

Excerpts from the interview with Aldrich H. Ames will appear in *The New York Times Magazine* on Sunday.

To Mr. Ames, his counterintelligence mission there — identifying Communists and recruiting agents against Moscow — was a charade. In his mind, the global spy-versus-spy contest had become a rout.

"Our penetration of the Soviet intelligence services was effective and longstanding," he said the other day. "We had cleaned their clock." As a consequence, he said, Soviet leaders were gripped by paranoia, wrongly convinced that the C.I.A. had infiltrated every Soviet institution: the Communist Party, the military, the ministries. Their hysteria mirrored the

great fear of communism in the United States during the 1950's, he said.

He began to think the world might be better off if the match were evened. As he explained it in his cell, if the Soviet leadership knew that the C.I.A. had not subverted all of Soviet society, it would realize that communism's profound problems were self-inflicted.

In practice, "leveling the playing field" would come to mean his handing over the names of the best people secretly working for the United States within the Soviet system.

In 1983, Mr. Ames returned to his roots in Langley, Va., at the C.I.A.'s headquarters, where his father had worked as an analyst and near where Mr. Ames himself had grown up. He was by then a deeply alienated man.

In the midst of a financially draining divorce from a fellow intelligence officer and in love with a Colombian woman, Maria del Rosario Casas, whom the C.I.A. had recruited during his time in Mexico City and whom he would later marry, he began a private ideological war against his superiors.

He describes the political views he held as sometimes veering toward Stalinism. They were by any measure unconventional at the C.I.A., where "the range of political opinion sort of centers on Rush Limbaugh," Mr. Ames said.

"I was particularly repelled" by the agency's internal politics, he said. "I was perceived as a controversial person. And a lot of people didn't like me. I attributed it to rumors about my drinking. I attributed it to the fact that I had not engaged the sympathies of a lot of people making the decisions, and that I was viewed as a person who thought too highly of himself and who had a lot of unsound ideas."

Mr. Ames had earned a bad reputation: deadwood, drunkard, dissident. Most of the unfavorable assessments were in his personnel file from his tenure in Mexico City. But in "a culture where personnel problems tend to be passed along rather than dealt with," in Mr. Woolsey's words, the full file did not reach the Soviet division, which hired Mr. Ames as a counterintelligence chief in late 1983.

No mole could have asked for a more perfect burrow.

The Betrayal

Breaking Faith And Getting Rich

In 1984, Mr. Ames won an assignment to visit the Soviet Embassy in Washington and suborn an officer there. An idea began taking shape: with one stroke, he could get rich, get revenge and fiddle under the hood of American foreign policy.

In April 1985, he made an unauthorized visit. "In exchange for \$50,000," he testified at his sentencing three months ago, "I provided the K.G.B. with the names of several Soviet citizens who appeared to be cooperating with the C.I.A."

Then, a few months later, came the most drastic and damaging step. As he put it at the sentencing, without prompting he "volunteered to the K.G.B. information identifying virtually all Soviet agents of the C.I.A. and other American and foreign services known to me."

Recalling those days now, he struggles a little for an explanation of this deadly gift to the Soviets. In a sense, he says, it was a thinly veiled appeal to the K.G.B.: "I have demonstrated that I'm holding nothing back. You guys take care of me."

The response was direct. "To my surprise," Mr. Ames said at his sentencing, "the K.G.B. replied that it had set aside \$2 million in exchange." The money would be doled out over the next decade.

Slowly, one by one, America's best spies inside the Soviet Union were arrested, tried, imprisoned and in most cases executed. As they died, "bells and whistles" went off inside

the C.I.A.'s clandestine service, Mr. Ames remembers. "It was as if neon lights and searchlights lit up all over the Kremlin," he said, "shone all the way across the Atlantic Ocean, saying, 'There is a penetration.'"

He says the executions shocked him. But his main concern, he says, was the signal that the deaths could send to the C.I.A. "Had I known they were going to do that," he said of the Soviets, "I either would not have gone and sold them that information, or I would have passed them out one by one."

By the spring of 1986, it was clear to Burton Gerber, chief of the C.I.A.'s Soviet division, and Gus Hathaway, the head of counterintelligence, that a serial killer was at large inside the agency, according to Robert M. Gates, later the Director of Central Intelligence. In the fall, former colleagues say, Mr. Gerber and Mr. Hathaway barely noticed as the agency's involvement in the Reagan Administration's secret sale of arms to Iran unraveled. "They were consumed with a secret disaster that in their minds was worse than anything in Iran," Mr. Ames recalled.

Meanwhile, Mr. Ames was off to Rome in his new job as a counterintelligence chief for Western Europe. In October, Vladimir, his K.G.B. case officer there, warned him that the C.I.A. knew it had been penetrated. As Mr. Ames recalls it, "He said, 'We're trying to find effective ways of diverting attention, and one of the ways is to create the impression that there's a commo problem' — that is, to invent a communications breach, a wiretap or a bug, that might explain the penetration."

Within weeks, the United States Embassy in Moscow was rocked by what appeared to be a huge security breakdown. The embassy, the C.I.A. station inside it and a new embassy under construction were riddled with listening devices. A huge outcry ensued; a Marine security guard at the embassy, Sgt. Clayton J. Lonetree,

was convicted of working with Soviets who had planted the bugs. Some in Washington feared that the expensive new embassy would have to be scrapped.

From his conversations with Vladimir, Mr. Ames says, he believes that the crisis was in part a deception — a diversion manufactured by Soviet intelligence to throw the mole hunters off the scent.

Time Abroad

Days of Bars And Cuban Cigars

From 1987 to 1989, Mr. Ames selected the most interesting secret C.I.A. documents that flowed into the Rome station and made sure they went to Moscow.

Stacks of classified paper from around the world piled up a foot high on his desk each day; perhaps an inch might be of use to the K.G.B., he says. Every week or two he would choose the best reports, making a six-inch stack, stuff them into envelopes, slip them into a bag with some magazines, make an appointment with a Soviet Embassy officer — he told his station chief, Alan Wolfe, that the embassy officer might be a good source — and hand over a digest of the C.I.A.'s cable traffic and computer printouts.

The Soviet officer slipped him a box of Cuban cigars, a favorite cold-war treat for spies. The box was layered with cash, but the cigars were not the best, Mr. Ames says.

He drank his lunch in bars and restaurants near the palatial United States Embassy on Rome's Via Veneto. His station chief wrote scathing evaluations of his work. Money from Moscow flowed into his bank accounts, up to \$375,000 in cash at once. When the time was ripe, he would tap out a message to the K.G.B., boiling down all the information he had about new double agents and C.I.A. operations around the world. He also kept sending Moscow his personal geopolitical analysis: the Soviet Union had nothing to fear from the C.I.A.

Back in Washington, where Mr. Ames returned in 1989, the mole hunt went nowhere. That September, the agency did not notice when Mr. Ames, its new Soviet branch chief for European operations, paid \$540,000 in cash for a house a mile from its headquarters.

"I didn't conceal my funds in any real way," Mr. Ames said. "I sloshed my money pretty good. I felt that the perception of my having money would not fuel an investigation. And it didn't."

The Unraveling

In Retrospect, Witch Hunt's Role

For four years after he returned to Washington, Mr. Ames continued slipping documents to the K.G.B. — the C.I.A.'s plans for recruiting Russian officials, reports on the agency's operations in Moscow, whatever he could steal. "Wherever he was, he gave away everything he had," said Senator Dennis DeConcini, chairman of the Senate Intelligence Committee.

By 1990, the Senator said, "there was more than a passing suspicion that Ames was trouble" at the C.I.A. The C.I.A.'s own in-house investigation still had at least 20 potential suspects under scrutiny. But a formal criminal investigation was still years away. "They did not open a full investigation, with full cooperation with the F.B.I., until the summer of 1993. It's beyond understanding."

As the Soviet Union dissolved, Mr. Ames was transferred to the C.I.A.'s counternarcotics center. Among his jobs was working on the heroin trade with the Russian intelligence service. The C.I.A. sent him to Moscow on assignment in 1992. It was great fun, he recalled, "wheeling and dealing with the Russians, the Bulgarians, the Turks, and putting them all together and having a grand time."

Meanwhile, the F.B.I. and the C.I.A. were at each other's throats, Senator DeConcini said. In June 1993, after a bitter struggle, the F.B.I. won control of the investigation. When the bureau finally raided Mr. Ames's home last February, it found that he had been a remarkably sloppy spy. Notes from the K.G.B., financial data and other incriminating records were everywhere.

But in retrospect, there was no more crucial clue than a document the F.B.I. found in Mr. Ames's office: a top-secret C.I.A. analysis entitled "What Angleton Thought."

From 1954 to 1974, James Jesus Angleton, the agency's chief of counterintelligence, conducted an obsessive and futile search for a top-level Soviet mole. He scorched the earth of the C.I.A. He "tarred innocent officers, destroyed careers and ruined lives," in the words of Mr. Woolsey, the Director of Central Intelligence.

The culture in which Mr. Ames flourished was shaped by a reaction to Mr. Angleton's excesses, Mr. Woolsey said: skittish of smearing innocent people, the agency did not police itself properly.

On this point — and only this — Mr. Woolsey and Mr. Ames agree: the legacy of witch hunts made it extraordinarily difficult for the agency to conduct an effective mole hunt.

"We must understand the roots of the environment in which Ames was able to operate," Mr. Woolsey said. "We all at the C.I.A. want to continue to serve in today's Virginia, not in 17th-century Salem."

"You would wind up with people throwing up their hands and saying, 'We can't do it,'" Mr. Ames said. "You would wind up with Jim Angletons doing Angletonian things. People would be fired all the time for no grounds. You've got two or three or four thousand people running around doing espionage. You can't monitor it. You can't control it. You can't check it. And that's probably the biggest problem with an espionage service. It has to be small. The minute you get big, you get like the K.G.B., or you get like us."