

1/13/95
THE PRESIDENT HAS SEEN

THE WHITE HOUSE
WASHINGTON

95 JAN 11 P3:02

January 11, 1995

MEMORANDUM TO THE PRESIDENT

From: Gene Sperling

Re: Best Statistics from December Employment Release

I just wanted you to see the document we sent to the Hill and the DNC following the Congressional meeting last week.

We will continue to distribute talking points on major economic releases as appropriate.

The statistics confirm that 1994 is the best year of job growth in a decade.

1994: "THE BEST YEAR OF JOB GROWTH IN A DECADE"

- **THE BEST YEAR OF OVERALL JOB GROWTH IN A DECADE** -- ALMOST 3.5 MILLION JOBS WERE ADDED TO THE ECONOMY IN 1994. MORE THAN TWICE AS MANY JOBS HAVE BEEN CREATED DURING THE CLINTON ADMINISTRATION THAN DURING THE PREVIOUS 4 YEARS -- IN LESS THAN HALF THE TIME.
 - **THE BEST YEAR OF PRIVATE SECTOR JOB GROWTH IN A DECADE** -- OVER 3.2 MILLION PRIVATE SECTOR JOBS WERE ADDED TO THE ECONOMY IN 1994. PRIVATE SECTOR JOB GROWTH DURING THE CLINTON ADMINISTRATION IS 8 TIMES THAT OF THE PREVIOUS ADMINISTRATION.
 - **THE HIGHEST PERCENTAGE OF NEW JOBS IN THE PRIVATE SECTOR IN OVER A DECADE** -- 93% OF ALL JOB GROWTH IN 1994 WAS IN THE PRIVATE SECTOR. DURING THE CLINTON ADMINISTRATION, 92% OF ALL JOB GROWTH HAS BEEN IN THE PRIVATE SECTOR, COMPARED TO 54% DURING THE PREVIOUS ADMINISTRATION.
 - **THE MISERY INDEX** -- THE COMBINED MEASURE OF UNEMPLOYMENT AND INFLATION -- **IS AT ITS LOWEST LEVEL SINCE 1972.**
 - **1994 IS THE FIRST YEAR THAT MANUFACTURING JOBS INCREASED EVERY MONTH SINCE 1978** -- AFTER LOSING OVER 2 MILLION MANUFACTURING JOBS OVER THE PREVIOUS 12 YEARS, 292,000 MANUFACTURING JOBS WERE ADDED IN 1994.
 - **AUTO EMPLOYMENT IS AT THE HIGHEST LEVEL SINCE 1979** -- AUTO JOBS INCREASED BY 69,000 DURING THE CLINTON ADMINISTRATION -- AFTER DECLINING BY 44,000 DURING THE PREVIOUS 4 YEARS.
 - **MORE JOBS WERE CREATED IN HIGH-WAGE INDUSTRIES IN 1994 THAN IN THE PREVIOUS FIVE YEARS COMBINED.**
-
- The December employment report showed that employment grew by 256,000 jobs in December (with all growth in the private sector), pushing the total number of jobs created during the first 23 months of the Clinton Administration to 5.60 million and the total created in 1994 to 3.48 million. Preliminary estimates indicate that the benchmark revision will raise employment by another 760,000 jobs. That would bring job growth to over 6 million in less than 2 years.
 - The unemployment rate is at 5.4%, down from over 7% at the start of the Administration.
 - 92% of the new jobs -- 5.2 million -- have been in the private sector.
 - Since the economic plan passed on August 6, 1993, the economy has created 4.4 million jobs -- over 270,000 per month -- and over 92% in the private sector.
 - Manufacturing jobs have gone up almost 300,000 jobs this year -- and rose every month during the year for the first time since 1978. Construction employment is up 522,000 since the President took office and more construction jobs have been added this year than in the previous 9 years combined. Auto jobs are up 86,000 since the passage of the economic plan and are at their highest level since 1979.

5.6 MILLION JOBS ADDED DURING CLINTON ADMINISTRATION:

- **5.60 Million Jobs Added in First 23 Months:** The total number of jobs created during the first 23 months of the Clinton Administration is now 5.60 million -- 92% in the private sector. Since the President's economic plan was passed in August, 1993, employment has expanded by almost 4.4 million jobs, 92% in the private sector. In 1994, 3.48 million jobs were added.
- **Five Times More Jobs Per Month than Were Created in the Previous Four Years:** Since the President was inaugurated, the economy has created 244,000 jobs per month, nearly 5 times more jobs per month than were created under the previous Administration (50,000).
- **Twice as Many Jobs in 23 Months as During Previous Four Years:** The economy has now created over twice as many new jobs -- 2.77 million more -- in 23 months than were created in the previous four years combined (2.44 million).

ON PACE TO CREATE 6 MILLION JOBS IN TWO YEARS:

- Preliminary estimates indicate that the benchmark revision will raise employment by another 760,000 jobs, putting the economy on a pace to create over 6 million jobs during the first two years of the Clinton Administration.

UNEMPLOYMENT IS DOWN:

- **Unemployment is Down:** The unemployment rate declined *from over 7% in January 1993 and from 6.7% in August 1993 to 5.4% for December 1994.*

STRONG PRIVATE SECTOR JOB GROWTH:

- **92% of Job Creation -- Over 5 Million Jobs -- Was in the Private Sector:** Of the 5.60 million jobs created, 92%, or 5.16 million, were created in the private sector economy.
- **Eight Times More Jobs Per Month than Were Created in the Previous Four Years:** Since the President was inaugurated, the private sector has created 225,000 private sector jobs per month, over 8 times more jobs per month than were created under the previous Administration (27,300).
- **Over Twice As Many Private Sector Jobs Per Month as During the Last 12 Years:** Compared to the private job creation over the last 12 years, the last 23 months have still seen private sector job creation at over twice the pace (224,000 vs. 111,000) as seen during the past two Administrations.

QUALITY JOB CREATION:

- **Job Growth in High-Wage Industries:** In 1994, there were more new jobs created in high-wage industries than during the previous five years combined.
- **Manufacturing Jobs Are Up Every Month This Year for the First Time Since 1978:** Manufacturing employment increased every month during 1994 -- making a year of continuous increases for the first time since 1978. After losing 2.2 million manufacturing jobs during the 12 years prior to the Administration, the nation has added 292,000 manufacturing jobs in 1994.
- **Construction Employment Up 522,000:** After declining by 664,000 jobs during the Bush Administration, construction jobs are up 522,000 jobs since January 1993. This year alone has seen more new construction jobs than during the previous 9 years combined.
- **Auto Jobs Are Highest Level Since 1979:** Auto employment has increased 86,000 since the passage of the economic plan. Auto employment is at the highest level since 1979.

THE PRESIDENT HAS SEEN
1-18-95

cc: Leon Panetta

1. 18 95

THE WHITE HOUSE
WASHINGTON

January 17, 1995

95 JAN 17 P2:57

ACTION

MEMORANDUM FOR THE PRESIDENT

FROM:

ANTHONY LAKE
PATRICK GRIFFIN

SUBJECT:

Response to Letter from Reps. Diaz-Balart and Ros-Lehtinen re: Cuba

*Before mail**Tony should call m*Purpose

To respond to a letter from Representatives Diaz-Balart and Ros-Lehtinen on Cuban policy.

Background

Representatives Diaz-Balart and Ros-Lehtinen, both Republicans from Florida with many Cuban-Americans in their districts, have written to you expressing concern that they have received reports from within the Administration that efforts are underway to consider changes in the Cuban embargo such as authorizing sales of medicine and food or opening news bureaus. They ask you to remain firm in resisting any proposals to change the embargo. The letter also expresses concerns that Morton Halperin is working for you on Cuba policy. Maria Arias Rodham has also faxed you a copy of the letter which you have seen.

RECOMMENDATION

That you sign the attached letter.

Attachments

Tab A Letter to Rep. Diaz-Balart
Tab B Letter to Rep. Ros-Lehtinen
Tab C Incoming Correspondence

cc: Vice President
Chief of Staff

THE WHITE HOUSE

WASHINGTON

Dear Representative Diaz-Balart:

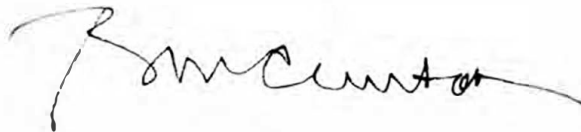
Please let me respond to your recent letter expressing concern that my Administration may be considering altering our Cuban policy.

Let me assure you that our Cuban policy will remain focused on bringing about a peaceful transition to a democratic regime and will be guided by the Cuban Democracy Act. As you know, the Act, passed with bipartisan majorities in both Houses of Congress, permits us to enforce a comprehensive economic embargo to press the Cuban regime to end human rights abuses and adopt democratic reforms while we reach out to the Cuban people through private licensed humanitarian assistance and an increased flow of information. Any specific actions with regard to Cuba will be within that framework.

With regard to Mr. Halperin, he, together with the other officials in my Administration working on Cuba matters, enjoy my full confidence. Their efforts will continue to reflect Administration policy and the principles of the Cuban Democracy Act.

I look forward to working with Congress in pursuit of our common objective of a free and democratic Cuba.

Sincerely,

A handwritten signature in dark ink, appearing to read "Ronald Reagan", with a long, sweeping horizontal line extending to the right.

The Honorable Lincoln Diaz-Balart
House of Representatives
Washington, D.C. 20515

THE WHITE HOUSE

WASHINGTON

Dear Representative Ros-Lehtinen:

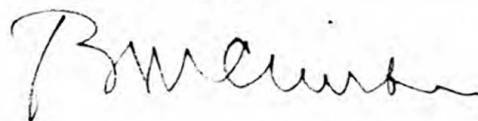
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With regard to Mr. Halperin, he, together with the other officials in my Administration working on Cuba matters, enjoy my full confidence. Their efforts will continue to reflect Administration policy and the principles of the Cuban Democracy Act.

I look forward to working with Congress in pursuit of our common objective of a free and democratic Cuba.

Sincerely,

A handwritten signature in dark ink, appearing to read "Bill Clinton", written in a cursive style.

The Honorable Ileana Ros-Lehtinen
House of Representatives
Washington, D.C. 20515

7778

34
25-32

Congress of the United States
Washington, DC 20515

December 19, 1994

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

Dear Mr. President:

We have received deeply disturbing reports from within your Administration concerning efforts by Mr. Morton Halperin to achieve the implementation of a policy initiative by the White House that would benefit the Cuban communist dictatorship.

These reports are made even more alarming by the fact that Mr. Halperin is the member of your National Security Council staff whose nomination to a sensitive Department of Defense position had to be withdrawn when the Democratic-controlled Senate would not confirm him. Throughout his career, Mr. Halperin has shown faulty judgement in relation to threats emanating from Castro's Cuba. After Castro's incursions into Angola and Ethiopia, for example, Mr. Halperin inaccurately wrote that "every action which the Soviet Union and Cuba have taken in Africa has been consistent with the principles of international law. The Cubans have come in only when invited by a government and have remained only at their request".

As you know, Mr. President, on August 5th of this year approximately 30,000 Cubans spontaneously took to the streets in Havana demanding freedom. Despite a terrible crackdown by the regime, Cubans throughout the island are demanding democracy in ever-bolder forms of action. Sugar production and Castro's ability to purchase oil are at an all-time low, the sanctions you implemented last August 20th are having a strong effect, and numerous signs point to the inevitable collapse of the communist tyranny.

Any gesture along the lines being sought by Mr. Halperin at this time, such as authorizing U.S. business to engage in the unrestricted sale and financing of medicine, medical supplies,

The Honorable William Jefferson Clinton
December 19, 1994
Page 2

medical equipment or food to Castro; Lifting your August 20th sanctions banning charter flights and remittances; Allowing financial transactions or travel for so-called academic, cultural and scientific exchanges, public exhibitions or performances, or activities of alleged religious organizations; Loosening travel restrictions to allow unrestricted travel by U.S. citizens or allowing business or tourist travel; Allowing the establishment of U.S. news bureaus in Cuba or Cuban news bureaus in the U.S., or ceasing to regulate financial transactions or activities related to the establishment of news bureaus in communist Cuba; Entering into "negotiations" with the Cuban government to allegedly settle U.S. property claims; Or any other friendly gesture toward Castro at this time of almost unprecedented repression, would constitute a form of complicity with the ferocious oppression of the Cuban communist dictatorship against its people.

We hope that you will remain firm in the enforcement of our sanctions against the Cuban dictatorship and in resisting the pressures of those who would throw the moribund Cuban totalitarian regime a lifeline, Mr. President.

Sincerely,



Lincoln Diaz-Balart
Member of Congress



Ilana Ros-Lehtinen
Member of Congress

LAW OFFICES
SIEGFRIED, RIVERA, LERNER, DE LA TORRE & PETERSEN, P.A.

SUITE 102

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FAX (305) 443-3292

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ONE FINANCIAL PLAZA

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BROWARD (305) 1132-4726

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STEVEN M. SIEGFRIED
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HELIO DE LA TORRE
BYRON G. PETERSEN
PETER H. EDWARDSMARIA VICTORIA ARIAS
DANIEL JAVIS, P.L.
JAMES F. HARRINGTON
ELISABETH D. KOZLOW
H. HUGH McCONNELL
ALBERTO N. MORIS
SAMUEL A. PERSAUD

12/20
cc: President
msg: Sam/John & Joe
Reply
COUNSEL

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

THE PRESIDENT HAS SEEN

12-22-94

FILE NO.

REPLY TO:

FAX TRANSMITTAL SHEETTO: PRESIDENT BILL CLINTON
FAX #: 1-202-456-6703
PHONE #:FROM: MARIA VICTORIA ARIAS RODRIGUEZ
FAX #: (305) 443-3292
PHONE #: (305) 442-3334
FILE #:RE: SEE ATTACHEDDATE: December 19, 1994
TIME: 6:43 pm
NUMBER OF PAGES TO FOLLOW: 2 3MESSAGE: Please read the attached letter which was faxed
to my office by Diaz-Balart's office.

The information contained in this transmission is attorney privileged and confidential. It is intended only for the use of the individual or entity named above. If the reader of this message is not the intended recipient, you are hereby notified that any dissemination, distribution or copy of this communication is strictly prohibited.

COLN DIAZ-BALART
21ST DISTRICT, FLORIDA

COMMITTEE ON
FOREIGN AFFAIRS

COMMITTEE ON
MERCHANT MARINE
AND FISHERIES

CHAIRMAN

NEW TASK FORCE ON LATIN AMERICAN
AND CARIBBEAN AFFAIRS



Congress of the United States
House of Representatives
Washington, DC 20515-0921

PLEASE REPLY TO:
WASHINGTON OFFICE
☐ 500 CANNON HOUSE OFFICE BUILDING
WASHINGTON, DC 20515-0921
(202) 525-4511

☐ DISTRICT OFFICE
2825 N.W. 83RD TERRACE
SUITE 102
MIAMI, FL 33166
(305) 475-8555

FAX COVER SHEET

Please deliver to:

Name: Maria V. Almas, Esq.

Office: _____

Phone: () _____

Fax: (305) 443-3292

Date: _____ Time: _____

From: _____

Re: _____

Total # of Pages (including this cover sheet): _____

Comments: As you'll see, this is very serious.

Congress of the United States
Washington, DC 20515

December 19, 1994

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

Dear Mr. President:

We have received deeply disturbing reports from within your Administration concerning efforts by Mr. Merton Halperin to achieve the implementation of a policy initiative by the White House that would benefit the Cuban communist dictatorship.

These reports are made even more alarming by the fact that Mr. Halperin is the member of your National Security Council staff whose nomination to a sensitive Department of Defense position had to be withdrawn when the Democratic-controlled Senate would not confirm him. Throughout his career, Mr. Halperin has shown faulty judgement in relation to threats emanating from Castro's Cuba. After Castro's incursions into Angola and Ethiopia, for example, Mr. Halperin inaccurately wrote that "every action which the Soviet Union and Cuba have taken in Africa has been consistent with the principles of international law. The Cubans have come in only when invited by a government and have remained only at their request".

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The Honorable William Jefferson Clinton
December 19, 1994
Page 2

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We hope that you will remain firm in the enforcement of our sanctions against the Cuban dictatorship and in resisting the pressures of those who would throw the moribund Cuban totalitarian regime a lifeline, Mr. President.

Sincerely,


Lincoln Diaz-Balart
Member of Congress


James Ross Lehtinen
Member of Congress

THE WHITE HOUSE
WASHINGTON

OK
cc Leon - FY1
Wingman my Director
in Am + Goodman
with PR

January 18, 1995

Mr. Richard W. Davies
Executive Director
Department of Parks and Tourism
One Capitol Mall
Little Rock, Arkansas 72201

Dear Richard:

Thank you so much for your letter about the U.S.
Travel and Tourism Administration and priorities
in the fiscal 1996 budget. I appreciate your input.

My Administration has begun to review specific budget
issues, and our goal is to create a federal budget
that keeps us on a course of fiscal responsibility
and reduced deficits. When the fiscal 1996 budget
is released, I think you will see that your views
have been considered.

As we strive to balance the many competing demands
in the federal budget and to prioritize our country's
diverse needs, I welcome your continued involvement.

Sincerely,

Bin



Arkansas

THE NATURAL STATE

DEPARTMENT OF PARKS & TOURISM

One Capitol Mall
Little Rock, AR 72201
Phone: 501-682-7777
FAX: 501-682-1364

History Commission:
501-682-6900 (V/T)
Personnel Section:
501-682-7742 (V/T)
State Parks Division:
501-682-1191 (V/T)
Tourism Division:
501-682-7777 (V/T)

Jim Guy Tucker
GOVERNOR

Richard W. Davies
EXECUTIVE DIRECTOR

STATE PARKS, RECREATION & TRAVEL COMMISSION:

Charles A. Yeargan
CHAIRMAN
D. "Bud" Shamburger
VICE-CHAIRMAN
Steve Chyrchel
Ed Folwell
Jephtha Futrell
Jim Gaston
Joe Harris
Billy Lindsey
Cone Magie
Donna Kay Matteson
Montine McNulty
Dean Murphy
Ness Sechrest
Ovid Switzer

DIVISION DIRECTORS:

Larry Cargile
ADMINISTRATION
Greg Butts
STATE PARKS
Joe David Rice
TOURISM
Nancy Clark
GREAT RIVER ROAD
John L. Ferguson
HISTORY COMMISSION

KEEP ARKANSAS BEAUTIFUL:

Anita Middleton
DIRECTOR

AN EQUAL
OPPORTUNITY/
AFFIRMATIVE ACTION/
AMERICANS WITH
DISABILITIES ACT
EMPLOYER

December 22, 1994

The Honorable Bill Clinton
President of the United States
The White House
1600 Pennsylvania Avenue
Washington, D.C. 20500-2000

Dear President Clinton:

We need your help. The future of one of the country's most promising and important industries is threatened by a recent recommendation from the Office of Management and Budget. I'm talking about tourism.

Tourism is the world's largest industry, and one of the few where the United States enjoys a favorable balance of trade. With the changes in the global economy, many world citizens are now in a position to consider a trip to the United States.

You and I both know that people go where they're invited. That's human nature. But inviting guests to our country is the job of the United States Travel and Tourism Administration -- the very agency that OMB has proposed for elimination. In the intensely competitive world of tourism promotion, that recommendation makes no business sense at all.

To top it off, USTTA is now targeted to die on September 30, 1995 -- exactly 30 days before the White House Conference on Tourism. Not only would the agency's demise throw this critical session into total confusion, it would send a very disturbing message to the entire travel and tourism industry.

Sincerely,

Richard W. Davies
Executive Director

LAW OFFICES
MATTHEWS, CAMPBELL & RHOADS
PROFESSIONAL ASSOCIATION

DAVID R. MATTHEWS
CRAIG A. CAMPBELL
GEORGE R. RHOADS**
EDWIN N. McCLURE
LARRY J. THOMPSON
RICHARD J. STOCKER
MARK T. FRYAUF**

MARY B. MATTHEWS
OF COUNSEL

* ALSO ADMITTED IN OKLA.
** ALSO ADMITTED IN TEXAS

THE PRESIDENT HAS SEEN
1-18-95

119 SOUTH SECOND STREET
ROGERS, ARKANSAS 72756-4525

(501) 636-0875

TELECOPIER
(501) 636-8150

January 16, 1995

VIA TELECOPIER 202-456-6703

The Honorable Bill Clinton
President of the United States of America
White House
Washington, D.C. 20500-2000

Dear Mr. President:

Our good friend Terry Shumaker sent me a copy of the memorandum he and John delivered to you in December. I just wanted to add my voice to those who are recommending that a new Hampshire strategy be developed NOW. I believe a strong showing in New Hampshire is critical and is certainly achievable. However, I think it would be very foolish to wait until late 1995 or 1996 to begin the process. Terry and John are both extremely loyal to you and have your best interest at heart. Please take their suggestions to heart and authorize them to get these things moving. In particular, I think their suggestions about helping raise money for the New Hampshire Democratic Party and being up there personally for "presidential" type events is very important.

You are popular in New Hampshire, you connect to the people of New Hampshire, and you can go a long way toward taking the wind out of any potential challenger's sails by solidifying your strengths there.

I know that you agree with all that. The point is, someone needs to be assigned the task of making sure that these things are followed up in concrete detail. I fear that is not getting done.

As always, best regards to you, Hillary and Chelsea. I continue to be extremely proud of your efforts.

Sincerely yours,

MATTHEWS, CAMPBELL & RHOADS, P.A.

David R. Matthews

DRM:sah

MATTHEWS, CAMPBELL & RHOADS, P.A.

PROFESSIONAL ASSOCIATION

DAVID R. MATTHEWS
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119 SOUTH SECOND STREET
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TELECOPIER COVER SHEET

MARY B. MATTHEWS
OF COUNSEL

*ALSO ADMITTED IN OKLA.
**ALSO ADMITTED IN TEXAS

TO: NANCY HERNREICH

FAX #: 202-456-6703

FROM: DAVID MATTHEWS

FAX #: (501) 636-8150

DATE: 01/17/95

TIME: 9:00 Am

 X ORIGINAL WILL NOT FOLLOW
 ORIGINAL OR COPY WILL FOLLOW

VIA: U.S. MAIL
 OVERNIGHT

TOTAL NUMBER OF PAGES 2 (INCLUDING COVER SHEET)

COMMENTS: PLEASE DELIVER TO THE PRESIDENT. THANKS - DAVID

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95 JAN 13 P3:33

Fax Cover Sheet

TO: John Solomon
202/828-6472

FROM: John Podesta

NUMBER OF PAGES: 2 (including cover sheet)

Gingrich's 'Cabinet' puts FCC on hit list

The Federal Communications Commission is history, if House Speaker Newt Gingrich and his intellectual ground forces have anything to say about it in the next few years.

The Progress and Freedom Foundation — better known these days as Mr. Gingrich's think tank — wants to make the FCC "obsolete." And it doesn't mince any words about it, either.

In the new climate that has descended on Washington, this is no idle threat. The FCC had better pay close attention. The issue is also crucial to the high-tech community in Washington, which is now second only to Silicon Valley in the number of high-tech firms it has (1,206 here vs. 1,845 there).

With Mr. Gingrich's ascension to power, the work of his foundation will obviously find receptive audiences in Congress — especially on such cutting-edge issues as "spread spec-



trum" technology and the digital revolution.

In fact, says the chairman of the foundation — George A. Keyworth II, who was President Reagan's science adviser — the discussions about the FCC's role in regulating the brave new competitive world of telecommunications are well under way.

"We've been talking to Newt and others in Congress who are interested in this. Many of them agree . . . that the role of the FCC has to be fundamentally less," Mr. Keyworth said in an interview with The Washington Times on the foundation's FCC re-

form project.

"We want to put forth a new approach, a regulatory scheme that would make the FCC obsolete," Mr. Keyworth said. "All the signals say the same thing to the government — get out of the way."

The Progress and Freedom Foundation, in case you haven't been paying attention, is rightfully known as Mr. Gingrich's intellectual brain trust on a number of key economic and domestic policy issues.

The foundation, which is supported in part by corporate sponsors that include AT&T, Cox Broadcasting, IBM, Bell South and Intel, produces Mr. Gingrich's TV show on National Empowerment Television (NET). In addition, the foundation's president, Jeff Eisenach, helped establish Mr. Gingrich's PAC and is one of the House speaker's closest confidants.

Mr. Gingrich recently lambasted
see NESBIT, page B10

NESBIT

From page B6

the FCC on his NET show and spoke of his hopes for substantial market-oriented deregulation of telecommunications in the new Congress.

So, for those reasons alone, the foundation's work on telecommunications reform will be taken very, very seriously in Congress. And its concepts are revolutionary.

Mr. Keyworth's basic contention is that the United States has already won the telecommunications war, through entrepreneurialism, risk taking and very limited government involvement.

The government's job now, he said, is to stay out of the way as the next two major revolutions hit — "spread spectrum" and digital technology.

"The FCC exists because of scarce spectrum . . . and because they can block the pipeline" for new products, Mr. Keyworth said. "But there will soon be plenty of spectrum. Digital will mean that companies will compete to get the products through the pipes to consumers."

Spread-spectrum technology, for instance, would allow 10 companies to essentially share the

The government's job now is to stay out of the way as the next major revolutions hit.

same location on the spectrum and provide 10 different products to 10 different customers.

"It's like 10 people screaming in a room, but you [the customer] can only hear one of them," Mr. Keyworth explained. With the advent of such technology in the next two to five years, he said, "the FCC won't need to dole out the spectrum."

The shift from analog to digital will similarly revolutionize the consumer marketplace, and the FCC will be hard pressed to find a role for itself as firms race to get products to consumers who will want the same high-quality products for different mediums.

"A digital communications system is so fundamentally different than an analog system. Most importantly, the consumers will own most of the infrastructure [digital TVs, phones, faxes, stereos, computers and the like]," Mr. Keyworth said.

Because digital will allow cross-fertilization across so many product lines — for instance, CDs could fundamentally work the same way for computers, stereos and TV sets

— there will be fierce competition to get the same product to every conceivable outlet.

"Competition is inherent in the digital technology world," Mr. Keyworth said. "The government's only role would be to block the pipeline. And [FCC Chairman] Reid Hundt has said as much . . . that it's the government's responsibility to manage the competition."

Mr. Keyworth believes that approach is wrong, and his foundation will flood Congress with policy papers, briefings and reports in the coming months to argue the case.

"Ronald Reagan would say it's un-American to build for the government and not for the people," Mr. Keyworth said. "If somebody doesn't take a look at how we won the war in telecommunications, we're going to lose the momentum."

Firms like IBM and Microsoft are "distinctly American" and "won the competition hands down . . . without the government's help," Mr. Keyworth said, and the future should be no different.



THE SECRETARY OF TRANSPORTATION

WASHINGTON, D.C. 20590

December 23, 1994

95 JAN 9 AM 11:31

MEMORANDUM TO: The President

FROM: Federico Peña *Federico Peña*

SUBJECT: Taiwan Trip

As a manifestation of the Administration's September review of U.S. Policy toward Taiwan, which authorized senior U.S. officials of economic and technical agencies to travel there, you, through the NSC requested that I visit Taipei December 4-6, 1994. I was the first Cabinet officer of your Administration and only the second Cabinet rank official to visit Taiwan since 1979. The purpose of the trip was to give substance to the September review, to assure Taiwan's leaders of our continued friendship and desire for economic cooperation, and to advocate the sale of U.S. goods and services. Plans for the trip were coordinated through the NSC.

I and my delegation, which comprised representatives of the State and Commerce Departments and the American Institute in Taiwan, met with President Lee, Premier Lien, Foreign Minister Chien, Chairman of the Council for Economic Planning and Development Siew, Transport Minister Liu, and President of the Legislative Yuan Liu. To each of them I delivered your personal best wishes and pledge of continued close economic and cultural ties. I also met with numerous U.S. companies present in Taiwan to hear first hand about the potential and challenges of doing business there.

The key points I raised with Taiwan's leaders included:

- U.S. support for the continuing process of democratization. Just before my arrival, Taiwan held first-ever democratic elections for the mayors of Taipei and Kaohsiung and governor of Taiwan Province. The elections were peaceful, above board, and efficient, with a turnout of over 70 percent.
- U.S. support for Taiwan's accession to the GATT. With much progress already having been made in negotiations with Taiwan, I assured them that the Administration would work hard to come to closure on the several issues that remain open. Taiwan's leaders stressed the importance of dealing with Taiwan's accession on its own merits, and that the issue not be tied to the PRC's accession, which might take longer to finalize.

CC: *Lee* 1-13-95
Lake
Bergin (Bergin)

- U.S. companies' keen interest in doing business in Taiwan. Taiwan will be spending hundreds of billions of dollars over the next decade to upgrade its power generating, transportation, telecommunications, and environmental infrastructure. While Taiwan has been a good customer for U.S. goods and services, as Taiwan's standard of living has grown -- per capita annual income is now over \$11,000 -- competition from Europe, Japan, and the PRC has greatly intensified. I urged that U.S. companies be given every consideration in this burgeoning market.

With respect to this last point, I made particular reference to the following:

- The \$6 billion Dragon Gate nuclear power project. I assured Taiwan's leaders that the two U.S. builders' capabilities, safety of design and operation, and track record for completing successful projects were superior to their French competitor's. While Taiwan's leaders told me they had no doubts about the U.S. companies' capabilities, they noted that some had raised questions about U.S. technology and safety; they suggested that the U.S. companies needed to expend additional efforts to dispel these concerns. We conveyed this to our companies. We could see a decision on this within two months.
- China Air Lines acquisition of new aircraft. Boeing and Airbus are competing for a \$3 billion order. We received positive signals from Taiwan leaders on this deal; we expect them to influence a China Airlines decision even though the company has been privatized. We shared this information with Boeing representatives.
- Transportation infrastructure development. Taiwan will be spending over \$100 billion in the next decade to build a high speed rail system, new freeways and mass transit systems, and expand its airports and seaports. U.S. firms--transportation service companies, planning, design, engineering, and construction companies, and equipment manufacturers--are keenly interested in participating in these ambitious projects.

On a definitive note, I witnessed the signing of a \$226 million contract for Westinghouse to build two refuse incinerators, the first such award for a U.S. company. Orders for additional incinerators could result in another \$1 billion in business for U.S. companies.

My delegation and I were most cordially received in Taiwan. Press coverage was intense and favorable. President Lee, Premier Lien, Minister Chien, and Director Siew each recalled having met you during your trips to Taiwan as Governor of Arkansas. They applauded the September policy review as a positive step in our relations, although in a speech President Lee urged more formal ties. They assured me that the process of democratization was irreversible, that they were eager to join GATT and accelerate their economy's liberalization, and that the business and cultural ties between us are stronger than ever.

On a related matter, I was also planning to travel to China in January to discuss a range of transportation issues and to advocate the purchase of transport-related goods and services. I was to be accompanied by approximately 30 U.S. business persons. Upon hearing of my trip to Taiwan, the Chinese protested to our Embassy in Beijing; the Embassy assured them that my trip represented no change in our "One China Policy." Nevertheless, on Friday, December 9, the Chinese rescinded their invitation for my January visit, specifically citing their concerns about the implications of my trip to Taiwan for U.S.-China relations.

**The
Washington Post
Writers Group**

THE PRESIDENT HAS SEEN
1-12-95

1150 15TH STREET, N. W., WASHINGTON, D. C. 20071-9200
TEL: (202) 334-6375 (800) 879-9794

On balanced budget

Leon / BS / Miller / Galt
Something to this

^bc-yoder-column advIMMEDIATE<

^EDWIN YODER COLUMN<

^(FOR IMMEDIATE RELEASE, Normally Advance for Wednesday, January 11, 1995)<

^(For Yoder Clients Only)<

^By EDWIN M. YODER, JR.=

WASHINGTON--The weightiest argument for a balanced budget amendment is that it is a perfectly awful idea whose time has come.

And what is the weightiest argument against it? Certainly not the one the Democrats have deployed at the moment. They argue that the Republicans dare not reveal in advance what cuts the amendment would force on the country during the next seven years. Budget projections suggest that something in excess of a trillion dollars must be squeezed out of public spending (or, less likely, raised by new taxes) to achieve balance by 2002. The Democrats offer terroristic visions of billions chopped out of Medicare and Social Security. The Republicans disclaim such intentions but, wisely, won't say who or what will be squeezed.

By pitching their case against the amendment at the level of appetite--by summoning various interests groups and entitlement claimants to wonder what will happen to their slice of the pie--the Democrats are behaving less like guardians of the Constitution than like keepers of the pork barrel. Their tactics, in fact, constitute a grim parody of the legislative processes that created the budget problem and lost them control of Congress and the nation's purse strings.

They can do better--much better; for the principled arguments against the balanced budget amendment are far more powerful than scare tactics based on whose programs might be cut.

Unlike Gramm-Rudman-Hollings legislation and other unsuccessful devices of budgetary restraint, the balanced budget amendment means a basic shift in constitutional ideas--from the idea that fiscal policy

(more)

is a political issue, to be settled by ballots, to the idea that it is an issue of structure.

There may be a principled argument or two for this drastic shift. But the strongest argument so far is not principled at all; it is the argument of dire necessity--that nothing else is working or seems likely to work. One by one, various statutory devices have failed to enforce fiscal discipline. The accumulated impact of the deep tax cuts and defense expenditures of the 1980s, compounded by interest costs and the indexation of tax tables--and, not least, by the demands of an aging population for publicly funded medical services--have wrecked fiscal discipline. The latest sign of distress was the failure of the Kerrey-Danforth commission even to agree on a united recommendation to the president and to Congress.

Yet no one really knows what the practical consequences of a balanced budget amendment would be--whether constitutional barriers are actually capable of containing the appetite for unfunded benefits, or whether trying to constitutionalize budget containment would stretch and possibly rip the constitutional fabric. Certainly a balanced budget amendment will invite the judges into the budget-making game. Court deliberations take time and legal wrangling over the constitutionality of this or that fiscal measure could reiterate the deadlocks of the 1930s, when the Supreme Court attempted to dismantle key items of New Deal legislation.

These are the concerns the Democratic opposition ought to be talking about. They ought to explore constitutional issues rather than try to rally constituencies to protect the fiscal status quo. That may work for a time but it is a short-term game. By playing on self-protective fears, the Democrats simply reinforce the argument of those who say that the constitutional amendment is the only way to curb chronic overborrowing.

The most damning argument against democracy has always been that it merely licenses mass appetite and tends to degenerate into a scramble for advantage--that it is incapable of self-denying choices. The

balanced budget amendment, substituting a mechanical process for genuine democratic deliberation, is a sad confession that there may be some truth in that argument as it applies to budget politics today. And the Democratic argument against the amendment does nothing to dispel that impression.

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OPINION USA

IE

Raise the minimum wage

How can anyone oppose it? Wages of \$4.25 an hour equal \$170 a week, or \$8,840 a year. How can a family live on that? A family can't.

AMES, Iowa — So the Republicans say they are against raising the minimum wage.

What did you expect?

The minimum wage does nothing to help the rich.

Richard Arment, the Texan who as House majority leader makes \$148,400 a year, says he will oppose "with every fiber of my being" the minimum-wage increase that the Democrats are pondering. That doesn't seem to leave a lot of room for compromise.

That means:

The Republicans are against welfare and food stamps. They're against mandatory health coverage. They're against raising the minimum wage.

But they're for the working man.

Especially the working man worried about capital gains.

Especially the working man who employs what amounts to slave labor.

The minimum wage is \$4.25 an hour. It went up regularly until Ronald Reagan became president. It's gone up but twice in the 14 years since. That \$4.25 an hour equals \$170 a week, \$8,840 a year.

How in the world can a family live in America on \$8,840 a year? The answer is simple: A family can't. The poverty level in this country for a family of four is \$13,190 a year. If you make less than that, you simply can't get by.

But millions do make less than that.

There are 63,316,000 hourly workers in America, and an astounding 4,186,000 of them make the minimum wage — or less. Even if you take out the part-time workers, you end up with nearly 1.5 million Americans who make \$4.25 an hour or less in their full-time jobs. And, of course, these are the men

and women with no health insurance, no pension plans and few other benefits.

These are also the hard-working men and women who must set aside their dignity to sign up for welfare and food stamps and those other helpful — but personally demeaning — programs. (Yet, somehow, these households that earn less than \$10,000 a year give to charity a greater percentage of their income than do families in any other bracket. They give twice as much, as a percentage, as do those making \$75,000 to \$100,000, and half again as much as those families with incomes over \$100,000. There must be a lesson there someplace.)

Wouldn't it be better if these men and women made a bit more at work so they could take a bit less from the government?

Wouldn't that help the country in a number of ways?

Wouldn't it reduce the welfare load, which the Republicans want? Wouldn't it add to the dignity of the human being and thus reinforce family values, which the Republicans want?

Wouldn't it force up the wages of those in the rungs next up on the wage ladder? And wouldn't that be a good thing?

Stagnant wages are, after all, one of the real problems in this country. Income today in a one-wage-earner family is actually lower, in constant dollars, than it was in 1970. Men's income has declined, and women's income has declined. The only reason family income as a whole is up is because in more and more families wives have been forced to go to work.

The middle class is, in fact, disappearing. In the past 20 years, the percentage of Americans making \$15,000

Changes in minimum wage

The Clinton administration is actively considering proposing an increase in the minimum wage to about \$5.25 an hour. Republicans say they are opposed. How the minimum wage has grown over the years:



Source: U.S. Labor Department

By Marcia Stalmer, USA TODAY

to \$50,000 — those are in constant, 1992 dollars — has declined markedly. The number making over \$50,000 has jumped, and the number making under \$15,000 has risen.

Yet the Republicans — with every fiber in their beings — are against raising the minimum wage.

This is somewhere between dumb and short-sighted from an economic standpoint, and it's somewhere between crass and racist from a social standpoint.

Economically, an increase of \$1 in the minimum — the amount the Clinton administration reportedly is considering — would simply raise the minimum annual salary to \$10,920 — still well below the poverty level for a family of four. And if every single one of the 4,186,000 Americans making the minimum wage or less got that \$1 increase, it would raise the nation's total wage bill by less than one-third of 1%.

Socially, an increase might help level out some injustices. The people most hurt by the low minimum are Hispanics and blacks. Fully 9% of hourly paid Hispanic workers make the minimum or less; for blacks, the figure is 7.1%; for whites 6.5%. Today in America, 31% of blacks live below the poverty level; for Hispanics, the number is 26.7%; for whites 10.3%.

Yet Congressman Arment — whose own hourly wage would be \$71.34 for a 40-hour week — will fight this raise with every fiber of his being.

So there's probably not much hope for those millions earning the minimum — unless this turns out to be a fiber-free Congress.

COUNTERPOINTS' four columnists provide views from diverse perspectives on today's issues. Wednesday: Linda Chavez on reforming the civil service. Thursday: Susan Estrich. Monday: Tony Snow. Tuesday: Michael Gartner.



COUNTERPOINTS
By Michael Gartner

Boarding school worked for me

Orphanages, like the elite group homes, can provide stability for kids.

By Blake Fleetwood

Raised by a single mother, I was sent off to a group home at age 13.



glect which enables, and funds, drug and alcohol abuse by parents. It is a brutal and expensive joke to inflict this culture of regression and dependency upon generation after generation of blameless children.

Being bounced from one foster home to another is no alternative to the stability and sense of security that kids need above all else.

No one wants to take children away from good homes and effective families.

ewt's shot

e Chung's sand-nom was repre-hers of political V journalists. ... the microphone Estate are forev-l invective. If we ; thoughts into the the solution."

ure, Connie Chung Mom Gingrich. No . In all my years in say: 'Why don't you a will Ms. Chung try 't you tell it to me in if the answer is yes, and me, I think Con-) Questions?"

AATHIS, syndicated low worldly wise, how how media savvy, in does one have to be don't go on national nd call someone 'a dicularly the nation's /hom you haven't met married to the man rports to engage only are, without personal /ouldn't even the most unhep ignoramus rceaseemliness of saying ? Or does 'bitch' mean lfferent in the Gng-ould hope the 'person-are us the she's-been-een Gingrich, you can bited, you can call her victim. She knew what

Elders chose home over muzzle



BY KAREN McALLISTER
Democrat-Gazette Health Writer

The day after Dr. Joycelyn Elders was fired as U.S. surgeon general, she rejected a federal job offer that stipulated she couldn't speak her mind.

Dr. Jo Ivey Boufford, principal deputy assistant secretary for health, asked her to remain in the Public Health Commission Corps in a lower-ranking position than surgeon general, Elders said.

"I didn't have to think about it for very long," Elders said.

"If I was going to just work at a hospital in Washington, if I wasn't going to be saying and doing the things I was about, I wanted to be at

See ELDERS, Page 11A

Arkansas Democrat-Gazette/Karen VanDonge
SHE'S BACK, MOUTH AND ALL — Dr. Joycelyn Elders, back on the job Tuesday at the University of Arkansas for Medical Sciences, discusses her 15 months as U.S. surgeon general and her views on health-related issues.

1-11-95
To Gary Toi
From Tom Poles

Elders

• Continued from Page 1A
home," she said in an interview Tuesday at her cluttered office at the University of Arkansas for Medical Sciences, where she has resumed teaching.

The offer didn't include a specific position, Elders said. But she was offered a rank three tiers below her former title, which would have allowed her to be chairman of a department in a government hospital.

A federal Health and Human Services press official refused Tuesday to confirm the offer.

After the Republican Party victory in the November 8, 1994, congressional elections, Elders knew it was a matter of time before "one issue or another" led to her ouster by the Democratic Clinton administration.

Her views on sensitive issues were "not what people that voted in the Nov. 8 election wanted," she said.

After the election, Health and Human Services officials met with Elders.

In an interview Tuesday, Elders spoke candidly about her 15 months in Washington and the pressures of not being a politically savvy surgeon general.

She said her meeting with Health and Human Services officials involved discussion about working together in broad, general terms. When pressed to elaborate on the theme of the meeting, Elders said:

"I must not have heard it, because I didn't know."

Elders' first postelection statement surfaced Dec. 1, at an AIDS meeting of public health officials at the United Nations in New York. She re-

sponded to a question about whether she favored "a more explicit discussion and promotion of masturbation" to discourage risky sex.

Elders replied that she favored sex education starting at an early age and that masturbation is part of human sexuality, part of something that perhaps should be taught.

At the AIDS conference, she said, 30 of the representatives were from African countries where the AIDS epidemic has hit up to 30 percent of some populations. And in several African countries, Elders said, 50 percent of the citizens are HIV positive. African ministers of health are teaching their people about masturbation as another means of sexual relief, she said.

"No one flinched," Elders said, when the question was asked or when she responded. Nor did any of the reporters question her about the subject subsequently at a news conference.

But a few days later, the White House learned from a reporter that Elders had discussed the "unmentionable."

Elders then received a call from Secretary of Health and Human Services Donna Shalala and Chief of Staff Leon Panetta.

Panetta said there had been too many problems with Elders, and she asked him to list them.

According to Elders, Panetta said the White House had been unhappy with:

- Her stand on gays in the military. But Elders said she never took a stand on that issue.

- Her criticism of the Catholic church. She said she never mentioned the church after her appointment.

- Her support for studying the

legalization of drugs, which she still believes is the only way to make a decision about the issue.

- Her masturbation comment. When asked a specific question, she said, she believes in giving the best answer she knows.

A White House official said Tuesday that Panetta would have no further comment on the matter.

But don't expect to hear remorse from Elders about her behavior. In fact, her tone deepened and her back straightened when the subject arose. "I was very proud of the way I carried myself," Elders said with conviction. "And if I had to do it over again, I'd be the same kind of surgeon general."

Elders expected conflict — not appeasement — to come with the surgeon general appointment. Holding such a position, a person has to spotlight the problems in America, she said.

"If I was walking around only talking about nice, warm and fuzzy things, I haven't done my job."

Even though her tenure was cut short, Elders is confident she accomplished some of her goals. Maybe in the end, she said, she accomplished more by leaving, by not pleasing her detractors, because her aim was to serve the country's children, not the president's pollsters.

Elders acknowledges that possibly she didn't serve the children well if she didn't bring about policy changes. But she said a surgeon general isn't supposed to make policy changes but should increase the health awareness of the American people, who should press politicians to make changes.

"I served them as best I could and the best I knew how," she

said. "If you never get awareness, nothing else ever happens. I think more people have talked about sexuality issues, about condom issues, about AIDS, even about masturbation, than ever in America. To me, that's awareness."

While she dealt with national health problems, Elders had her own family crisis to deal with while in office. Her son Kevin Elders was charged with and later convicted of selling cocaine to an undercover Little Rock police officer and a former friend.

Kevin Elders was arrested in December 1993, one week after his mother suggested at a National Press Club luncheon that the government study legalization of drugs as a possible means of reducing the nation's crime rate.

He has appealed his 10-year prison sentence and is attending Bridgeway treatment center four days a week and Alcoholics Anonymous meetings seven days a week, his mother said. She said she's grateful he's alive.

Last week, Elders returned to her tenured position at the medical school, the one place she feels truly suited to work.

"I'd say I'm best trained to be an academic pediatric endocrinologist. That's what I'm certified to do. I don't have any certification to do anything else, to be a surgeon general or even director of health," said Elders, referring to her previous state title.

But just because Elders feels comfortable here doesn't mean everyone else is. The criticism that trailed Elders to Washington has followed her back to Arkansas.

Dr. Harry Ward, UAMS chancellor, was forced to defend El-

ders' employment under her tenure agreement last week before the legislative Joint Budget Committee would approve the UAMS budget and Elders' \$137,000 annual salary. The committee decided last month to hold up the UAMS budget until Ward answered some Republican legislators' criticisms of Elders' rejoining the UAMS staff.

Ward received letters from people angry over Elders' return. A letter from former state Rep. Mark Riabie of Little Rock listed 12 questions about Elders' past employment, including the university's salary agreement with the Arkansas Department of Health while she was the agency's director. Elders was paid as a full-time professor at UAMS on loan to the health agency, which some opponents of the arrangement criticized as "double-dipping."

Pulaski County Chancellor Ellen Brantley will decide within three months a lawsuit aimed at forcing Elders to repay \$258,000.

Ward said he asked Elders to cut back on her speaking engagements and to check with her department chairman before making speeches.

Elders' first public speech since leaving the surgeon general's post will be before the Little Rock Kiwanis Club on Jan. 30. She said she speaks every time she's asked but doesn't intend to quieted.

She said her son Eric best described her style:

"If anybody tried to keep my mother from speaking out, from speaking her mind, they could have enough money to pay off the national debt, and it still wouldn't be enough to make a difference."

Voices

• • TUESDAY, JANUARY 10, 1995 • 7B

Items of follow-up and feedback

News doesn't always appear in a timely manner

Today we will concern ourselves with several items of follow-up and feedback from readers and newsmakers.

1. In a closing teaser on Christmas Eve, I quoted Pulaski County Judge Buddy Villines as saying local officials were very close to landing another megastar musical act for War Memorial Stadium. He said he was sworn to secrecy.

I now can tell you that he was referring to an Elton John-Billy Joel concert, perhaps for April. Negotiations continue.

Big-time concert promoters were mightily impressed with the sellout of high-price tickets at War Memorial for the Rolling Stones concert, which may have given the stadium a new and invigorated incarnation.

2. In a New Year's prediction column, I said that *Washington Post* reporter David Maraniss would cause a stir with February publication of his generational biography of Bill Clinton, which will follow the president from late teens to his election in November 1992.

So, *Washington Monthly* magazine's January issue quotes two Hillary Clinton anecdotes, one from a Clinton book by an Arkansas journalist that has been out since November and the other Maraniss'.

The former is about Hillary's staying mad at U.S. Sen. Dale Bumpers for joking at a roast-and-toast that Clinton couldn't finish his income tax return because he couldn't find Hillary to sign as head of household.

And this one from the forthcoming book by Maraniss: In the 1980s Hillary wanted to use public funds to build a swimming pool at the Governor's Mansion and was very angry when governor's aides counseled against this most impolitic proposal.

Hillary said she couldn't understand why she and her family weren't permitted to live as regular people.

As I have told you before, Mrs. Clinton

**John
Brummett**



has the political instincts of a brick. She is, in fact, a kind of elitist.

Regular people in Arkansas don't have swimming pools. And Clinton was forever trying to raise taxes on those people without swimming pools.

3. State Rep. Ted Mullenix of Percy, chief legislative demagogue of Dr. Joycelyn Elders' return to the faculty of the University of Arkansas for Medical Sciences, ripped me during a legislative meeting as "liberal tongue" and then called me to declare my column on him and the Elders' subject "chicken manure."

(I am, of course, "moderate tongue" or "New Democrat tongue.")

What most aggravated Mullenix was my describing him as a "gap-toothed comedian in a hillbilly music show outside Hot Springs." That, he said, was an attempt to ridicule a worthy business enterprise that offers wholesome family entertainment. Why, he asked, didn't I refer to him as a Hot Springs businessman?

I answered that I aim to be specific and accurately descriptive.

4. On Jan. 3, President Clinton was in town for rest and relaxation, including a predawn duck hunting trip.

That happened to be the day that an article by me outlining a proposed "Scandal Tour" of Little Rock — spots made famous by allegations against Clinton — appeared in this newspaper's features section.

Many readers called or wrote to criticize the article, mainly its timing. They saw a deliberate attempt to embarrass Clinton on

the occasion of his visit home.

That's not right. I should explain.

The article was assigned to me maybe two months ago. I thought it might provide an opportunity for a light, satirical look at the zaniness surrounding local people and institutions in the context of the Clinton presidency, and I tried to write it that way.

I finished it three weeks ago, but editors decided to hold it until the appropriate graphic display — a detailed map, mainly — could be designed.

The article was written for the Style section, which appears only on Tuesdays and Fridays, and which is prepared several days in advance.

Quite by absolute coincidence, the article appeared on the second day of Clinton's three day visit.

I thought of the horrible timing on New Year's Day. Others around here say they thought of it earlier in the holiday weekend. Either way, it was too late to do anything about a section printed in advance.

There was no deliberate attempt to do anything.

However, I sense general agreement around here that we should have thought about the timing earlier, and I believe I can say that if we had the matter to do over again, we would have run the article on a different day.

I surely hope a local civic leader was not serious when he suggested the article might have so offended Clinton that it will cost Little Rock the presidential library.

For what it's worth, I may write the president a letter apologizing for the timing and explaining the innocent coincidence.

It might be better, though, for me just to shut up about it.

John Brummett's column appears every Tuesday, Thursday, Saturday and Sunday

Taylor Branch
1806 South Road
Baltimore, Maryland 21209

THE PRESIDENT HAS SEEN

1/10

BL

MR. PRESIDENT:

Sumner M. Rie

B.

[1] I have come upon an apt Bible verse for the national baseball crisis: "There is no umpire between us, who might lay his hand upon us both." (Job 9:33, RSV)

You are the only umpire who can lay hands on both sides. I long to hear by skillful leak or after the fact that you have (A) contacted union head Fehr to lock in player concessions, plus any others recommended by Usery as necessary and prudent, and (B), commanded Bud Selig to have the owners settle immediately or risk your government's determined effort to eliminate and redress their anti-competitive practices. You will not allow a cartel to inflict crippling damages on two states (Florida and Arizona) and most American cities.

[2] On a lighter note, the Balanced Budget Amendment is like the note a drunk tapes to his mirror promising to join AA seven years later.

[3] On a minor note, today's Post story on Pete Wilson's inauguration is striking. If you substitute Alabama for California, Wilson gives a verbatim reprise on what George Wallace said beginning in 1964.

...the biggest ovation during Wilson's inaugural address Saturday came when he declared California will not submit its destiny to federal bureaucrats or even congressional barons. We declare to Washington that California is a proud and sovereign state, not a colony of the federal government. He also struck a responsive chord with the 100,000 Californians who packed the Sacramento to Community...

WPost
1/10/95
p.7

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THE PRESIDENT HAS SEEN

1/10

President

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McCurry
good!

^bc-yoder-column advIMMEDIATE<

^EDWIN YODER COLUMN<

^(For IMMEDIATE RELEASE--Normally Advance for Monday, January 9, 1995)<

^(For Yoder Clients Only)<

^By EDWIN M. YODER, JR.=

WASHINGTON--The burning matter of what Newt Gingrich's mom whispered to Connie Chung about Hillary Clinton on the CBS program "Eye to Eye" wasn't the biggest story of day one of the reign of King Newt I. But it was far from trivial. Indeed, it is symptomatic of a continuing collapse of the private into the public realm that may ultimately do more damage than all the runaway budgets in creation.

Most of the principals contrived to miss the point. The moguls of CBS pretended to view Chung's use of the comment as an issue of journalistic ethics, saying that "withholding those comments" would not have been appropriate--as if CBS didn't withhold miles of outtakes every day. The CBS statement stretches the limits of rationalization. It says that "approximately midway between the ... uninterrupted interview ... Mrs. Gingrich volunteered an unsolicited view."

Volunteered?

Mrs. Gingrich: "I can't tell you what he (Newt) said about Hillary." (To be fair, this might have meant, "Please ask.")

Connie Chung: "You can't?"

Mrs. Gingrich: "I can't."

Chung: "Why don't you just whisper it to me, just between you and me?"

This was "unsolicited"? Not if words mean the same at CBS as they do in the Oxford English dictionary. Moreover, the solicitation was baited with an implied promise of privacy ("between you and me"). The new speaker claims that his mother was ambushed. Lisa Caputo, Mrs. Clinton's press spokesman, said solemnly: "At some point we as adults

(more)

must take responsibility and show our children that disrespect and incivility toward others are just plain wrong."

Obviously. But at what point? I think there must be at least two reactions to this story. One comes from those self-contained folks who never blurt anything rude about anyone in fits of anger and vexation, who never swear at the unknown driver of the car that cuts ahead in the traffic jam, who never mutter at the anonymous queue-jumper in the movie ticket line, whose public and private faces and voices are a seamless whole. More power to them. But I am not among them; so little so, that I give silent thanks daily that my private epithets, some of them directed fondly at eminent public figures as I read my newspaper, are not under electronic surveillance. Even in the instance of the criminally accused, society recognizes privileged conversations, their privacy enforceable by a judge's contempt powers. Unfortunately, there is no law against gossip or hearsay, even when we are concerned with an eminent son's conversation with his mom.

No recent development in American public life and journalism seems to me as hazardous as the assault on the borders between private and public life. Some rejoice as bastion after bastion of reticence or discretion collapses, on grounds that all public/private distinctions are inherently hypocritical. We are expected to be as pure in impulse and thought as we are in behavior and public utterance.

Will it work, this defiance of human nature? And who's the real me? Is it really the behind-the-scenes ventilator? This is not an issue of Jekyll-Hyde dimensions, but I was interested to read, in a recent book by a Newsweek magazine team on the 1992 election, this description of Bill Clinton, in one of his private rages: "Almost as soon as Clinton had buckled into his seat for the flight south (from Baltimore to Macon, Ga.), the stage smile fell away, and he erupted again. His voice, raw with overuse, was a furious whisper. His fist pounded the armrest in time with each hoarse word. In the seats nearest him, Paul Begala and George Stephanopoulos sat looking blank and saying nothing. It was useless to argue with Clinton when he was in one of his moods;

(more)

it was best just to shut up and let him ventilate.'' Similar descriptions of Clinton rages are to be found in other recent books, including Bob Woodward's ``The Agenda.''

How significant are presidential ``ventilations'' in a rounded picture? Would it give a fair picture of the president's considered reaction if a literal transcript of one of these rages were to be printed, or repeated on a TV program? I think not; I suspect that it would be mischievous and misleading.

We gatekeepers of the press need to distinguish between useful journalism and naughty infotainment. But will we ever learn to do so unless our own privacy is as mindlessly invaded as we now see fit to invade the privacy of public figures?

(c) 1995, Washington Post Writers Group

01/10/95

Jim:

It looks like John has checked his
preference on his copy of this -- at least
that's what it looks like to me -- so I
am returning this to you.

Sharon

THE WHITE HOUSE

WASHINGTON

January 4, 1995

95 JAN 5 P5:01

MEMORANDUM FOR GEORGE STEPHANOPOULOS
MARGARET A. WILLIAMS
ERSKINE BOWLES

FROM: JIM DORSKIND 

SUBJECT: Proposal by Elaine and William Petrocelli

Marsha Scott has advised me that she sent to each of you copies of the Petrocellis' request for the President to write an introduction and commentary on articles by "50 or so of America's most famous writers," discussing the nation's most pressing problems. (I enclose a copy of the Petrocellis' materials for your convenience.)

Traditionally, we would turn down a commercial venture of this nature (although the Petrocellis propose to make significant, if unspecified, charitable contributions.) However, Martha Whetstone favors the proposal, and Marsha believes it warrants consideration.

Could you please indicate your preference below? Thanks.

☒ Approve ☐ Disapprove ☐ Set up meeting to discuss

cc: John Podesta
Marsha Scott

Rec'd
12/21 gm

THE WHITE HOUSE

Jim.

I've sent copies to
George, Maggie &
Eskine for their input.
Pls. follow-up with
them before you
reply. Scutha is really
pushing this & I don't
sound good. Let me
know.

Thanks,
JS



BOOK PASSAGE

51 Tamal Vista Boulevard • Corte Madera, CA 94925 • 415/927-0960

November 21, 1994

President Bill Clinton
The White House

Dear Mr. President

Our friend Martha Whetstone has kindly agreed to discuss with you our idea for a book, but she suggested that we write you a letter introducing ourselves and explaining our proposal.

The enclosed *Book Proposal* outlines our idea for a book that would be tentatively titled *Visions of America: A Dialogue Between the President and America's Great Writers*. It would consist of stories and essays from 50 or so of America's most famous writers focusing on our country's important social problems, and we are proposing that you write the introduction and commentary on these articles.

This book would be unique, and for that reason we think it would have great appeal. In the proposal, we have outlined a number of ideas for promoting the book and bringing it to the widest possible audience. But, frankly, the mere idea of the President and some of America's most creative writers reflecting on the country's problems in a tone far above the usual political din should make the book very appealing.

Between us we have more than 30 years experience in all aspects of the book business, and we presently own a bookstore and mail-order book service in Corte Madera, California. We've tried to list some of the more pertinent background information about ourselves in an enclosed *Background Information* sheet. In our years in the business we've come to know the authors listed in our proposal, and we believe they are just a few of the esteemed authors who would be happy to participate in this book. We also know which major publishers are the most innovative and reliable, and we have established personal relationships with several publishing executives whom we consider to be among the best. If you feel that you can participate in this book, we will meet immediately with one of these major publishers to move forward on the project.

One of the ways we want to promote the ideas in this book is through a series of events with the participating authors in bookstores around the country. Dialogues between authors and readers in community-based bookstores have become very popular in recent years, and we think they are an excellent way to focus attention on the issues raised in the book.

Finally, a personal note. We would never have conceived of this idea if you had not shown yourself to be a President who is interested in books, in new ideas and in the problems of ordinary Americans. Whether or not you feel that you can go forward with this proposal, you will always have our thanks for what you have done and will continue to do as President.

Sincerely yours

Elaine Petrocelli

William Petrocelli



BOOK PASSAGE

51 Tamal Vista Boulevard • Corte Madera, CA 94925 • 415/927-0960

Elaine Petrocelli
William Petrocelli
(415) 383-6007 or (415) 927-0960

November 21, 1994

Book Proposal

The Proposal:

To produce, edit and publish a book that would be tentatively titled:

Visions of America:

A Dialogue Between the President and America's Writers

The book would consist of essays, stories and poems written by several distinguished American writers and it would articulate their vision for America. As an integral part of the book, there would be an introduction by President Clinton and a commentary by him on the issues raised by the authors.

Between 50 and 75 prominent, selected writers would be asked to write original pieces (or adapt existing pieces with original commentary) on one of several themes. The authors asked to participate would initially include Isabel Allende, Barbara Kingsolver, Pat Conroy, Amy Tan, Alice Walker, Michael Dorris, Adrienne Rich, Oscar Hijuelos, Louise Erdrich, Terry Kay, Gloria Naylor, Larry McMurtry and several others. Based on our personal experience with these authors, we believe that they and many others would be quite interested in such a project.

President Clinton would be asked to write an introduction to the book, and he would also be asked to write a short introductory comment to each section, reflecting on the themes raised in the articles.

Further Description of the Project

The purpose of the book is to match the vision of the writers with that of the President on some of the broad social issues facing America.

The articles would be grouped together under suggested topics, such as literacy, the importance of education, helping people out of poverty, promoting tolerance of diversity, and similar themes.

By including stories and poems as well as essays, the book would provide not only a variety of visions but many different ways of articulating those visions. The book would be a broad attempt to describe problems and their solutions in human terms. The writers might suggest specific proposals, but the major thrust of the book would be to convey a message through the vivid imagery of fiction, poetry, memoir and similar writings.

We believe the book should focus primarily on fiction writers, poets, essayists and others who are not normally identified as political writers. The idea is to broaden the dialogue and find common elements of humanity beneath our current social crisis. We would begin by inviting the authors named above and other prominent writers whom we know would want to be involved in this project.

Production and Practical Arrangements

The production of the book would be put on a fast track that would make it ready for distribution to bookstores no later than January 1996 in order not to conflict with the 1996 presidential election.

The publisher would agree to commit senior editorial and public relations staff as is needed to help edit the articles, produce the book and develop an effective promotional campaign.

Elaine and Bill Petrocelli would be involved in the project on a volunteer basis and would be re-reimbursed only for their expenses. They would help with the solicitation of authors, assist in coordinating with the White House, and help edit the essays. They would be given appropriate editorial recognition in the book.

Promotion and Sale of the Book

In lieu of an advance against royalties, the publisher would agree to make a significant financial contribution to an agreed charitable organization focusing on poverty and related issues. The contributing authors, including the President, would also be asked to contribute their royalties to the same or similar causes.

The publisher would commit itself to a large initial print-run of the book and agree to contribute a significant number of copies (in an agreed ratio to the sales of the book) to schools, poverty organizations and people who would not otherwise have access to the book through bookstore channels.

All parties involved would work for maximum publicity, stressing the uniqueness of the book and the charitable nature of the endeavor. The publisher and the participants would work together to arrange the following types of publicity:

- A non-political speech by the President at the 1995 American Booksellers Association Convention in Chicago (June 3-6) stressing the nature and themes of the book.
- A White House reception for all the participating authors, timed to coincide with the release of the book.
- Arranging for a maximum number of bookstore appearances by participating authors immediately following the release of the book.
- Media appearances and print interviews with participating authors discussing their contribution to the book and their vision for America.
- Arranging for excerpts of the book to appear in magazines and newspapers throughout the country.
- Encouraging book groups and other groups to adopt the book as a focal point of discussions along with providing a printed discussion guide to facilitate such discussions.
- The use of videotapes, multi-media materials, on-line computer interviews and similar types of publicity in support of the book.

Background Information

Elaine Petrocelli

- Member of the *International Women's Forum*
- Member of *Steering Committee of the Northern California Democratic Policy Forum*
- Board of Directors - *Marin Education Fund* (Marin County)
- Frequent appearances on KGO radio in San Francisco on issues relating to books

Bill Petrocelli

- Board of Directors - *American Booksellers Association*
- Board of Directors - *San Francisco Bay Area Book Council*
- Former Attorney for the *Northern California Booksellers' Association*
- Past member of the *Marin County Library Commission*
- Author of:
 - **Low Profile: How to Avoid the Privacy Invaders** (McGraw-Hill 1980)
 - **Sexual Harassment on the Job: What it is and How to Stop it** (Nolo Press 1992)
 - "What's at Stake for Authors in the Survival of Independent Booksellers" (*Authors' Guild Bulletin* - Summer 1994)

Elaine and Bill Petrocelli

- Co-owners of **Book Passage**, a bookstore and mail-order book service in Corte Madera
- Co-directors of in-store book sales project for *Hospice of Marin*
- Co-publishers of **I Should Have Stayed Home: Worst Trips of the Great Travel Writers** and of the Virago Women's Travel Guides to *San Francisco, London* and *Amsterdam*

Home:

203 Ricardo Road
Mill Valley, CA 94941
(415) 383-6007

Business:

51 Tamal Vista Blvd.
Corte Madera, CA 94925
(415) 927-0960
FAX: (415) 924-3838
E-mail: bookpass@well.com

SPECIAL SCHEDULING REQUESTS
HONORARY CHAIR, HONORARY PATRON, HONORARY MEMBERSHIP

Today's Date: December 29, 1994

Date of Request: 12/05/1994
Request for: POTUS
Type of Request: Honorary Co-Chair
Requestor Name: Dr. Donald M. Isaac
Title: Founder and Executive Director
Organization: The Schindler-Sugihara-Wallenberg Foundation
17 Saxon Road
Worcester, Massachusetts 01602
Contact Tel. #: 508/755-2126
Event Date: n/a
Event Description: no event
Notes: The Foundation honors those who "risk their own lives and freedom so that others may have theirs." As of now, there are no other co-chairs.

Recommendations:

JP

ND
1-10-95

EB

January 10, 1995

To: John Podesta
Sue Eckert/John Richards
Bill White/Kyle Simpson
T.J. Glauthier/Gary Bennethum

WH Staff Secretary

DOC

DOE

OMB

95 JAN 10 P1:33

Cc: Bo Cutter

NEC

From: Heather Ross

NEC

Subject: Options Paper: Section 232 Review Process

Will you please look over this draft of the options paper and give me any comments by cob today. We are aiming for circulation tomorrow to attendees of Friday's Deputies meeting.

Note that, as agreed, the paper simply describes the process options. It does not go into substance -- of the import security issue or of the merits of the process alternatives.

Thanks very much for your quick feedback on this.

*copy Tom Angell
return original to me
1-10-95*

January 9, 1995

MEMORANDUM FOR DISTRIBUTION

THROUGH: BO CUTTER
FROM: HEATHER ROSS
SUBJECT: OPTIONS FOR PRESIDENTIAL REVIEW OF THE DEPARTMENT
OF COMMERCE REPORT ON OIL IMPORTS

The NEC Deputies group on oil and gas will meet Friday, January 13, from 10 to 11:30 am in Room 472 OEGB to consider options for structuring this Presidential review.

BACKGROUND

On December 30, 1994, the Secretary of Commerce transmitted to the President a report of the Department's investigation of "The Effect of Imports of Crude Oil and Refined Petroleum Products on the National Security," conducted in response to a petition filed by the Independent Petroleum Association of America under Section 232 of the Trade Expansion Act of 1962, as amended.

The President has 90 days from December 30 to determine if he concurs with the Department's finding -- that petroleum imports threaten to impair U.S. national security -- and if he does, to determine what, if any, action must be taken to adjust imports.

In his transmittal letter, the Secretary of Commerce does not recommend that the President use his authority under Section 232 to adjust imports, because, on balance, the costs of such an action would outweigh the potential benefits. He finds that the Administration's current efforts to improve U.S. energy security are more appropriate than an import adjustment, and he recommends no new Presidential initiatives as a result of the investigation.

OPTIONS

The issue before the Deputies group is how to structure the President's review process. There are three options:

1. Confine the Section 232 review process to a consideration of the Commerce Department report; in the event of concurrence with the report, make any recommendations associated with the pending Energy Department "Study of the Benefits and Costs of Oil Imports" consistent with the Commerce report.

2. Consider within the Section 232 review process possible additional policy actions outside the scope of the Commerce Department report.
3. Confine the Section 232 review process to a consideration of the Commerce Department report; use the present interagency review of the Energy Department oil import study to address any additional policy actions.

This memorandum gives a brief factual outline of each option.

OPTION 1: SECTION 232 ONLY

Content: Substance of Commerce Department report as transmitted.

Decision: Concur or not concur with report as written.

Logistics: Staff Secretary obtain views of relevant EOP advisers by Wednesday, January 18. Transmit concurrence package to President by Friday, January 20, or, if non-concurrence advice received, convene meeting to agree further steps.

If the President concurs with the Commerce Department report, the Administration position will be that no new Presidential initiatives are needed to address the national security implications of oil imports. Any policy actions coming out of the Energy Department import study, or any other related policy actions of the Administration absent further information, will be consistent with this position.

Note that the Commerce Department report has already been the subject of extensive interagency consultation, though not necessarily concurrence.

OPTION 2: SECTION 232 SUPPLEMENTED

Content: Substance of Commerce Department report as transmitted plus additional policy actions recommended by Department of Energy.

Decision: Concur with report as written or recommend to President additional policy actions as further response to Commerce Department investigation.

Logistics: National Economic Council obtain set of recommended additional policy actions from Energy Department; circulate Commerce Department report plus Energy Department recommendations to Deputies group on Oil and Gas; convene Deputies meeting in week of January 23 to determine areas of agreement and disagreement and any required further supporting analyses; establish process

and timetable to provide memorandum to the President by end February -- containing either consensus recommendation or options for decision, as necessary.

Presidential choice under this option would again set Administration policy on actions to address the national security implications of oil imports. Subsequent policy positions, including any associated with the Energy Department oil import study, would be consistent with this supplemented Section 232 action.

OPTION 3: SECTION 232 AND DOE STUDY

Content: Substance of Commerce Department report as transmitted.

Decision: Concur or not concur with report as written. Refer any recommendations received as to additional policy responses to interagency review process for Energy Department oil import study.

Logistics: Staff Secretary obtain views of relevant EOP advisers and cabinet agencies by Wednesday, January 18; transmit concurrence package to President by Friday, January 20, or, if non-concurrence advice received on finding, convene meeting to agree further steps. Advise NEC of any additional policy responses recommended by EOP advisers or cabinet agencies, for consideration in interagency review process for Energy Department oil import study.

In this option, the President may concur with the Commerce Department report without restricting the Administration's ability to consider additional policy responses based on the Energy Department study. The timing and Presidential involvement of the latter process can be administratively determined, as it is taking place under the DOE Domestic Gas and Oil Initiative, not by statute.

DECISION

A decision on structuring the Presidential review process is needed as expeditiously as possible to ensure completion of whatever process is selected by Thursday, March 30, the close of the statutory 90-day review period.

detail

agricultural as
 ssor No, in-
 g, tune in your
 row morning,
 30 a.m., to Mind
 iversity, the educa-
 channel. For the next
 MEU will air Mr. Ging-
 lege course, Renewing
 an Civilization.
 en he's not running the na-
 Mr. Gingrich is an adjunct
 ofessor at Reinhardt College,
 rom which the course originates.
 "His classes are compelling,"
 says MEU founder Glenn Jones.

More urgent business

"I'll be in the ladies' bath-
 room," Sen. Carol Moseley-Braun,
 Illinois Democrat, informed Bill
 Mattea, her legislative director,
 who had successfully tracked the
 lawmaker down in the hallway
 with some pressing business.
 "I can't go in there!" Mr. Mat-
 tea shouted at the senator as she
 disappeared behind the door.

Long and short of it

Overheard at a party celebrat-
 ing the new Congress at the
 home of Gingrich intimate Gro-
 ver G. Norquist, a conversation
 between Reagan White House
 chronicler Peggy Noonan ("What
 Saw at the Revolution") and
 Bush White House chronicler
 John Podhoretz ("Hell of a
 ride").

She is writing a book about the
 new political landscape for Times
 books. He is writing a book
 about the new political landscape
 for Putnam.

Ms. Noonan: "So, John."
 Mr. Podhoretz: "So, Peggy."
 Ms. Noonan: "So, book?"
 Mr. Podhoretz: "So, book."
 Ms. Noonan: "First hundred
 says?"
 Mr. Podhoretz: "First year."
 Ms. Noonan: "Oh, thank God."

INSIDE THE BELTWAY



Sen. Carol Moseley-Braun knew
 which door she could hide behind.

White House mess

Pundits, take note: Some guys
 really know how to hurt a pres-
 ident. The ushers and cooks at
 the White House, according to a
 new book that purports to have
 the inside poop, deliberately
 made President Clinton wait for
 his dinner and one of the chefs,
 now departed, substituted
 chicken fat for cream in certain
 Frenchified dishes.

The chef, Pierre Chamblin,
 now departed, was miffed be-
 cause the president was inevita-
 bly tardy, and because he was
 told that the president was aller-
 gic to cream and he should cook

more like Paris, Ark., than Paris,
 France.

A hundred pages of "Inside the
 White House," by Ronald Kessler,
 reads like an almanac of Clinton
 disasters, such as the firing of
 the White House travel office
 staff, the "cold" relationship be-
 tween Bill and Hillary and their
 obscene screaming matches, and
 Mr. Clinton's amours and other
 affairs, not necessarily of state.

This is the third book about the
 Clinton White House and contin-
 ues the theme that the Clin-
 tonians are disorganized and in-
 competent, and arrogant about it.
 Unlike earlier books, which fo-
 cused on policy development, the
 Kessler book reviews the "hidden
 lives" of modern presidents,
 some of whom, like Mr. Clinton,
 are portrayed as coarse men with
 the sexual appetites of goats. JFK
 and LBJ in particular.

The Clintons, Mr. Kessler
 avers, scream at each other up
 and down the stairs, not about
 bimbos, but about policy. They
 flinch at each other's touch until
 the cameras come out, and then
 grin and bear it while holding
 hands. According to an unnamed
 Secret Service agent, the fights
 are "about what they are going to
 do and how they are going to do
 it. It is who is going to win out.
 It's when they go upstairs. The
 ushers hear it. Late at night
 sound travels in that place."

Others on the White House
 staff seem not to be very im-
 pressed with the visiting Arkan-
 sans either. "These people are not
 organized," Lucille Price, a Gen-
 eral Services Administration

manager stationed in the Old Ex-
 ecutive Office Building when the
 Clintons moved in, told Mr.
 Kessler.

Some Clintonians are hard
 workers, she says, but many are
 inept. "They are just goofing off
 — a lot of walking around and
 drinking Cokes and hanging
 around," she says. "It's like a cam-
 pus. Nothing is happening. They
 don't like to work. They don't
 return calls. They are rude. They
 are the most unprofessional peo-
 ple I've seen since I've been here,
 which is since [Gerald] Ford."

The juiciest part is mostly old
 stuff. Indeed, a lot of the juicy
 stuff about Whitewater and
 troopers and bimbos seems to
 have been written from clips
 from newspapers and magazines,
 not all of it properly credited. Mr.
 Kessler, for example, imagines
 that The Post, his former em-
 ployer, has led the way in report-
 ing the unfolding White Water
 story — the journalistic equiva-
 lent, you might say, of substitut-
 ing chicken fat for cream.

Still employed

"Ambivalent" is how Sen.
 Chuck Robb, Virginia Democrat,
 described his emotions at this
 start of the 104th Congress.

But the senator told us, "Con-
 sidering the alternative, I'd
 rather be here."

Cutting fat

Sen. Barbara Mikulski was the
 most upbeat of the Democrats we
 interviewed on Capitol Hill.

"I'm wearing gold and black,
 Maryland's colors," she pointed
 out. "Indeed, this is historical
 change for the Congress, a new
 beginning, and I'm enthusiastic. I
 look forward to ... some needed
 changes. We all ought to go on
 diets — the budget needs to go on
 a diet, and members do, too."

"Cutting calories and the defi-
 cit — I'm doing my part."

Leon
Sum N. Run

THE PRESIDENT HAS SEEN 1/10/9.

this basically
informs
the whole head
man

Bee

The Rise of the Losing Class

Gary Halpern

By LOUIS UCHITELLE

THE PRESIDENT HAS SEEN 1-10-95

But the growing sense that people of different levels of salary, education and skill may be victims of the same economic forces lacks two crucial elements of class consciousness as the term has historically been used: a class vocabulary and a class enemy. The traditional adversaries — big business, owners of capital, managers — are no longer viewed that way.

Instead, business is seen as also a victim, caught in a global competition that forces cost-cutting and layoffs. That sort of thinking showed up in focus group sessions and follow-up interviews with 2,400 workers of various levels of income and skill for a soon-to-be released study directed by Richard Freeman, a Harvard labor economist, and Joel Rogers, a professor of law and sociology at the University of Wisconsin.

'My Boss Is Trying'

"They tell us, 'My boss is trying hard, but there is nothing he can do, either,'" Mr. Rogers said. "That does not mean they don't see their employer as often unfair and cruel. But then they say he does not have the ability to protect them, which is much different than saying, 'He could protect me if he wanted to but he chooses not to.'"

Different incomes, different educations, different jobs, but the same anxiety.

It is this forgiving attitude toward management that distinguishes today's unhappy workers from their forebears. If the boss were the target, it would be easier to know what to do: People might take action in groups. But public opinion polls show that while Americans are increasingly angry about their economic insecurity, neither business nor the forces that make companies so hard on workers are the targets of this anger. It is directed instead at government, immigrants and the poor, among others.

The 1994 electoral uprising suggested that if there is a class enemy it is an ill-defined political class, a combination of government and media that are seen as imposing their social and cultural views on an alienated

populace. But this modern populism, unlike the 19th-century movement that provided the name, sidesteps the main source of discontent: the economic changes that define America's new anxious class.

"You would think that in a free enterprise system, there would be more criticism of its warts," said Florence Skelly, vice chairman of DYG Inc., a polling company founded by Daniel Yankelovich. "Instead, we say that government should be run more like a business. And we deal with the boss by ousting the Congressman."

The anxiety, uncertainty and insecurity that characterize the new class consciousness show up in different ways in public opinion polls. Although the economy is growing briskly and unemployment is down, only 31 percent of those surveyed this month by Louis Harris & Associates see this improvement. "Over and over, people tell us they are concerned about their jobs, that they don't feel secure, that the economy is doing badly," Humphrey Taylor, Harris's chairman, said. "For most people, if the economy is not synonymous with jobs, it is at least highly coordinated with jobs."

Secretary Reich, who has argued that education

Continued on page 5

WHEN Karl Marx described an increasingly miserable and exploited working class, he never imagined that his oppressed workers might someday include Ivy League M.B.A.'s tossed out of \$200,000-a-year jobs.

But a changing economy is gradually linking highly educated managers and technicians with high-school-trained assembly-line workers and office clerks. The link is in their common place in an increasingly competitive economy that no longer values workers as much as it once did. What they share, public opinion polls show, are feelings of uncertainty, insecurity and anxiety about their jobs and their incomes.

A class consciousness may be emerging from this shared anxiety — an awareness among millions of Americans that they occupy the same unsteady boat, even if they are doing well in high-paying jobs. Labor Secretary Robert B. Reich, giving the phenomenon a name, describes "the anxious class" as "consisting of millions of Americans who no longer can count on having their jobs next year, or next month, and whose wages have stagnated or lost ground to inflation."

The Emergence Of the Losing Class

Continued from page 1

and training provide the best assurance of job security, contends that most members of the anxious class have only high-school educations. But he, too, now acknowledges that education is less and less of a buffer against the joblessness and stagnant incomes that are drawing people into a sense of shared uncertainty.

A variety of statistics shows that the incomes of college-educated people have been failing in recent years to keep pace with inflation. Men in their early 50's with four years of college, for example, have been stuck for 10 years at the same income, adjusted for inflation, according to the findings of Frank Levy, a labor economist at the Massachusetts Institute of Technology.

"In the old days, in the 1950's and 1960's, if

In the new order,
managers are not the
enemy. 'We deal with
the boss by ousting the
Congressman.'

you lost a job, you could get another, paying less, and within a few years your rising income would soon get you back to your old level," Mr. Levy said. "It was a safety net."

Two major polling operations — the University of Michigan's Consumer Surveys and the University of Chicago's National Opinion Research Center — describe the anxiety and insecurity that emerge from life without this safety net, even among people with good jobs at good pay. Ask such people about their current economic circumstances, and many reply positively. But ask them what they think the future holds for them or their children, and the anxiety surfaces.

The Fearsome Future

"For the first time in 50 years, we are recording a decline in people's expectations," said Richard T. Curtin, director of the University of Michigan's Consumer Surveys. "And their uncertainty and anxiety grow the farther you ask them to look into the future."

The source of these feelings, and the nascent class consciousness, appears to be rooted mainly in layoffs, both real and expected. Over the last decade or so, layoffs have spread from blue-collar workers and

the less educated across the income and education spectrum.

"Every day people open the newspaper and see that some major company has laid off workers," Mr. Taylor said. "I am sure that downsizing is now seen as a permanent function of management, and that is new."

Americans in the past dealt with labor problems differently than they do today, reflecting a different class structure. During the Depression, the thousands laid off at Ford Motor Company, for example, saw Henry Ford as the enemy and the source of a solution. They agitated for relief pay from Ford or shorter hours for those still working, to make room for those laid off.

Sense of Entitlement

"People thought of themselves as having rights from companies," said Joshua Freedman, a labor historian at Columbia University. That sense of entitlement grew even stronger in the early decades after World War II, and collective bargaining — or simply bargaining with management in the case of nonunion companies — became the arena for arguing out wages, pensions, health insurance, vacations, hours and job security.

That system is disappearing today. Career-long attachments to one employer, a notion born in the 1920's, are no longer the norm. The new class consciousness makes less distinction between workers and managers. Rights are relative, at best. An increasingly conservative electorate has reduced government's role in regulating the economy. Unions have lost influence and membership.

And against a background of rising competition, corporate America has gained the power to reorganize and relocate and downsize, almost at will — leaving, as Mr. Freedman put it, "no structure to deal with the new anxiety and uncertainty."

What people do is try to cope, by themselves, said Ms. Skelly, of DGY. Self-employment is one solution, DGY's polls show, and that is a rising trend. "They try, on the job, to hide any chinks in their performance," she said. "They work longer hours and take work home, without letting the boss know, to give the impression that they can do difficult tasks quickly. There is nothing like, 'We are all in this together.' There is too much competition. People talk of their vulnerability to friends and spouses, but not to co-workers."

And many Americans feel in their hearts that the layoffs might be justified. "There is a sense among people that we are inefficient and bloated," Ms. Skelly said. "And until they feel that is no longer true, they are reluctant to criticize the forces that are cutting out the fat and the inefficiencies."

THE PRESIDENT

~~POWERS~~ H. - FYI B

FYI. Thought
you would like
to see this.

Monica

THE ATLANTA CONSTITUTION

For 125 Years the South's Standard Newspaper

DENNIS BERRY
Publisher

JOHN C. MELLOTT
Vice president and general manager

RON MARTIN
Editor

JOHN W. WALTER JR.
Managing Editor

CYNTHIA TUCKER
Editorial Page Editor

JAMES M. COX, Chairman 1950-57 — JAMES M. COX JR., Chairman 1957-74

Hillary Clinton's class act

At last, folks are adding olive branches to all the brickbats being hurled in Washington these days.

Hillary Rodham Clinton made a gracious gesture in inviting House Speaker Newt Gingrich and his parents for a visit to the White House even as controversy swirled over a report that Gingrich called the first lady "a bitch."

While debate raged over whether Gingrich should apologize for use of the word or whether CBS anchor Connie Chung should apologize for the "disreputable" way she got Kathleen Gingrich to reveal what her son said in private, Hillary Clinton interjected a much-needed display of class.

It's not the only time someone has tried to bring a sense of conciliation to the uncivil war of words that has been escalating in the nation's capital. Given a chance to turn up the heat on Gingrich for the offensive remark, President Clinton instead turned to humor.

"God knows what she could've gotten my mother to say," the president told reporters as Gingrich sat next to him at a White House meeting. Yes, it would have been something. The late Virginia Kelley was known to have a sharp tongue.

Gingrich also must be credited with attempting to tone down his rhetoric of late. It is telling that the present contretemps concerns something he supposedly said in private in the past,

not before the cameras for maximum impact on the evening news. It is obvious that he understands that the House speaker's words have much greater impact than those of the partisan bomb-thrower Gingrich sometimes was as he climbed to power.

In fact, he has appropriately urged the Democratic president and members of his party to work with the Republicans in areas where they can find common ground. Clinton has responded in kind. He predicted that he and the new GOP congressional majority "can work together to make things happen," and promised to take a positive role, not simply using presidential power to say no by veto.

So does this sudden outbreak of good feelings mean a new era has dawned in Washington, an era in which all will be sweetness and light, with everyone going along to get along?

Let's hope not. That saccharin extreme is the opposite of the debate by character assassination and name-calling that Washington too frequently falls into, but it is not a better way to hammer out public policy.

There will be differences between the Democrats and Republicans over issues of great importance. Those issues will be worth fighting about with purpose and passion.

But the debate should be over whether the policies are the right ones for the country, not whether the people who propose them are evil.

Does this sudden outbreak of good feelings mean a new era has dawned in Washington, an era in which all will be sweetness and light, with everyone going along to get along?

MARGARET POLK
1301 SOUTH WALKER STREET
HOPE, ARKANSAS 71801



Jan 6, 1995

Dear Margaret -

Thanks for coming to see
me and for your note. Most of
all, thanks for a lifetime of friendship
Love to Mitzi
Bill Clinton

Margaret Polk

Hope, Ark

with love & affection

*CC: Heller
He's good D*

HITE HOUSE
SHINGTON

January 9, 1995

Robert S. Raymar
Suite 800
One Gateway Center
Newark, New Jersey 07102

Dear Bob:

Thanks for your letter and memorandum of December 28. I really appreciate your letting me know of Harold Hodes' willingness to help us and especially your insight into the contributions you think he could make here.

I'm pleased you thought the Yale event went well. It was a great opportunity for me, and I appreciate all the work you did to make it happen.

Please give Ronnie my best. Hillary and I hope to see you both soon.

Sincerely,

Bill

MEMORANDUM

To: Nancy Hernreich, Deputy
Assistant to the President
Tel: 202-456-6610
Fax: 202-456-6703

Dated: December 28, 1993

From: Bob Raymar
Tel: 201-621-9020
Fax: 201-621-7406

Re: Harold Hodes

Would you please give the enclosed to POTUS.

Thank you. Happy holidays!

RSR/cb
Enclosure

1/5
1/5
cc: Harold
cc: Craig
2. Memo to Pw
3. Reply to Hodes
Ray

MEMORANDUM

To: President Bill Clinton

Dated: December 28, 1994

From: Bob Raymar

Re: Harold Hodes

You will recall that Harold played a significant role in your 1992 campaign, and has since remained a loyal and helpful supporter who has coordinated your visits as President to New Jersey. Most recently, he helped me put together the list of invitees and events for New Jersey Day.

Harold asked me to let you know of his availability if you would like his help in The White House, at the DNC, or anywhere outside the Beltway on day-to-day political management.

I have known Harold well for over 20 years, since I was an Assistant Legal Counsel to Governor Brendan T. Byrne. He was Chief of Staff to the Governor, and has for years been the premier lobbyist in New Jersey. As you know, Harold is bright, has sound political instincts and contacts, and has excellent organizational skills. Harold Ickes and Susan Thomases know him well.

I recommend him most highly, and you may wish to invite him for a discussion of how he can most effectively assist you at this time.

RSR/cb

ROBERT S. RAYMAR
ONE GATEWAY CENTER
SUITE 800
NEWARK, NEW JERSEY 07102

December 28, 1994

Dear Bill,

Your Yale friends loved their visit to the White House. Many of them told me it was the most thrilling day of their lives. The briefings and dinner could not have been more special.

I hope we didn't pepper you with too many questions, and that you and Hilary enjoyed yourselves. Connie and I especially thank you for the honor and treat of sitting with the two of you for dinner.

Your friends came away invigorated. Their love and devotion was never in doubt. They appreciated being able to voice their deep concerns, and hearing that your staff and you remain fully in touch, and intent to respond to those concerns. In a few days, I'll send along a note building on a few of the matters we touched during dinner.

Thank you on behalf of the YLS supporters for treating us all so well, and with such affection.

Bob

CC/HURS

THE WHITE HOUSE
WASHINGTON

January 9, 1995

The Honorable Sargent Shriver
Suite 500
1325 G Street, N.W.
Washington, D.C. 20005

Dear Sarge:

Thanks for your letter of December 12. I apologize for the delay in responding, but I just received it.

I want you to know how much I appreciate your kind words of encouragement and support. You are right that we've had a number of important successes in the area of economic agreements, and I'm proud of all we've been able to do. I look forward to even greater progress in other areas in 1995 and am glad that I can continue to count upon your support.

Hillary sends her best wishes, and we hope that you will share with us any ideas you may have in the weeks and months to come.

Thanks.

Sincerely,

Bill

Encl

Rec'd Tray
1/5/95

SARGENT SHRIVER
1325 G STREET, N.W., SUITE 500
WASHINGTON, D.C. 20005

Department 12, 1994

The President
1600 Pennsylvania Avenue, N.W.
Washington, D.C. 20500

Dear Mr. President:

Congratulations once again!

Never before has our country ever achieved such extraordinary economic agreements so quickly. Despite losing the last election, the Democratic Party under your leadership is doing more for the economic and business welfare* of our country, and for our foreign policy, than any Administration since the Kennedy and Johnson years.

The worldwide puzzle of these days is simply this: --

Why is it that no elected leader of any country in the First World has the support of even 50% of the electorate in his own country?

The business people of our nation should be supporting you almost unanimously. You are the first President in at least forty years to reduce the size of our national budget and debt, to develop new economic relationships for our country around the world, and to preside over one of the most substantial increases in our national economy, while reducing unemployment simultaneously.

You have failed only to cater to neo-isolationists and economists of the Warren Harding/Calvin Collidge/Herbert Hoover era. As one who lived in those days, I'm glad you have not fallen to their level of do-nothingness.

Good luck to you. Also, please give my best to your energetic, bright, and competent wife.

Respectfully yours,

Sarge
Sargent Shriver

* I refer to NAFTA, The Summit of The Americas decisions, & your successes with The Pacific Basin nations.

[Signature]

HE

EN



His Royal .ness

NOPE, NOTHING funny, really, about Orange County declaring bankruptcy except that — namephreaks phorever! — Orange's treasurer is Robert Citron. No, but seriously, John Fredrickson asks: "How do the Republicans expect to run the country when they can't even run a county?" ... And what a circus in Sacramento this wk., with ringmaster Willie Brown, using only a chair and whip, coaxing elephants into making donkeys of themselves. As for the Big Kook from Cucamonga who wishes to become Speaker, he has yet to win any style points. No savoir-faire, too much avoirdupois ... Hot bulk among the grippies on Powell: a Muni crack-down next month on drivers suspected of using booze or drugs, as if such a thing could be possible ... Like something out of the 1960s: that prominent couple's Xmas card showing their three expensive sports cars, one containing the darlin' couple, one with Santa at the wheel, the third occupied by their darlin' dogs. The most conspicuous consumption since Mimi's in "Bohème" ... Rare tip to Tenderloin gourmets: Joe Betz, owner of the House of Prime Rib, is donating 1,307 lbs. of the primeest to Glide Memorial, and Cecil Williams will serve it between 11:30 a.m. and 1:30 p.m. on Dec. 24.

★ ★ ★

GETTING BACK to l'opera, Ann Doremus spent \$100 on an orchestra ticket for "Mefistofele" at the Opera House and has eight flea bites to prove it. Generations of the little buggers have flourished in those ancient red velvet seats. Meanwhile, Dr. Renata Mullen, a Palo Alto dermatologist, disbelieves the tales that the backstage infestation of scabies-producing mites came from "old sofas." She says, "Mites are unable to survive away from humans for periods of two days or more" so she suspects "personal contact." Oooo! Would any members of the itchy-scratchy chorus and orchestra care to respond? ... As for the awful puns engendered by the incident, Mary Ann Henningsen wonders if this latest scandal spells curtains for Lotflea Mitesouri.

★ ★ ★

LURCHING ON: Let us now ponder the awful possibility that the statuette of the Maltese Falcon, auctioned Tues. in N.Y. for an unreal \$398,500, could be a fakeroo. As several "Falcon" buffs point out, it has no scratches, and you may recall that when the Fat Man, Gutman, discovered the black bird was not jewel-encrusted after all, he hacked at it angrily with a knife, leaving deep gouges in the lead ... There were namephreak possibilities in Tuesday's sale, too. Ron Klein observes that the Christie's auctioneer was Kathleen Gurman, close enough to Gutman to coax a bleak smile out of Sam Spade. Sam would've loved the entire farce ... Another spin

PSS. funny line. by.

5

FINE JE

NOLES

THE PRESIDENT HAS SEEN
1-9-95

ARTHUR OCHS SULZBERGER JR., Publisher

The New York Times

Founded in 1851
ADOLPH S. OCHS, Publisher 1896-1935
ARTHUR HAYS SULZBERGER, Publisher 1935-1961
ORVIL E. DRYFOOS, Publisher 1961-1963
ARTHUR OCHS SULZBERGER, Publisher 1963-1992

Mike McElroy
See Mr. M. T. W.

B.

THE PRESIDENT HAS SEEN

Anybody Home?

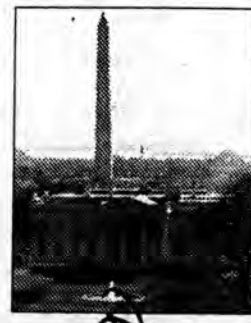
The Democrats are in the throes of an advice crisis. For once, there is a shortage of people eager to tell the President exactly what he needs to do. Meanwhile, the dangerous White House public-relations team continues to display its gift for feckless hairsplitting (the Hilton Head flyover) and humiliating imagery (the President posing with two terminally lame ducks).

Well, things do look bad for the Razorback Renaissance. Pretty soon, a bulb will have to blink on over Bill Clinton's head or they can turn the lights out at the re-elect office. But with time and discipline, Mr. Clinton could again become a factor in shaping the national policy agenda that was his alone to write only two years ago.

He has a couple of things working for him. One is that the old Democratic crustaceans are gone. Better a Dick Gephardt trying to bushwhack you than a Tom Foley saying "Don't worry, Boss." Second, House Speaker Newt Gingrich remains slightly out of control. His tarmac sermonette on the need for journalistic cheerleading is only the latest example of a Gantryesque conviction that he has been sworn in as maximum-leader-in-charge-of-all-known-thought. The betting here is still that the voluble Georgian will not self-destruct, but he is creating an opening for Mr. Clinton to look large, calm and — yes, say it out loud all you senior White House aides — even Presidential.

Presidents, of course, have programs, convictions and an overarching vision. Any Clinton comeback must start with a strategy for confronting this President's unique double-barreled credibility problem. The American people do not believe what Mr. Clinton says. In addition, they do not believe he knows what he believes. Homely vows about fighting until the last dog, or duck, dies will not fix this malady. What is needed is an attainable set of proposals, quickly embodied in streamlined legislation, that flow from the values upon which Mr. Clinton campaigned. Here's a starter kit:

1. Propose simplified health-care reform that sets universal coverage as a national goal, ends cherry-picking by insurers but — bowing to political realities — immediately subsidizes coverage only for low-income children and pregnant women.



2. Offer tough, but humane, welfare reform that recognizes the fact that a majority of Americans oppose Mr. Gingrich's punitive two-years-and-out rule.

3. Really push, this time, for a campaign reform bill that curbs PAC's and outlaws the lobbyist gifts that have just been endorsed by the new Republican majority.

4. Outsmart the Republicans on the politics of a bad idea by sticking to plans to target tax cuts on families making less than \$75,000 a year. That rewards the workers who elected Mr. Clinton, rather than the affluent beneficiaries of the Gingrich plan.

5. Oppose the balanced-budget amendment as a sham and, as an alternative, support abolition of the industrial and agricultural subsidies now costing taxpayers \$225 billion to \$250 billion a year. The Democratic Leadership Council believes that Mr. Clinton should challenge the Republicans to whack these subsidies by \$50 billion in the new budget.

Such steps would enable Mr. Clinton to make the embracing speeches he now lacks the political authority to deliver. He is, after all, still a better orator than Newt Gingrich, and once, not long ago, he had a better message. But right now the public sees the Democrats as a husk, a party ready for a long redefinitional agony like the one that consumed the British Labor Party for over a decade.

The Bill Clinton of 1992 could explain why America needs a Democratic Party. He described it as a party that invests in people, not corporations. He described a modernized party that responds to economic change by re-educating workers and battling special interests instead of warring on the poor.

In 1995, a weaker Bill Clinton faces a harder task. He must define a valid role for government to a people angry at government and tired of him. In other words, he is up against what George Bush inelegantly called the vision thing. Lack of a cohesive vision defeated Mr. Bush in 1992, and it can do the same for Mr. Clinton in 1996 unless he gets moving. An opportunity to do so still exists, but the moment is fleeting.

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THE PRESIDENT HAS SEEN

1-9-95

December 12, 1994

Dear Mr. President:

I hope to see you tonight at your Christmas party. But in case I do not (because I have to go to L.A. tonight on an 8:00 flight) I wanted you to have this.

It is a message that I truly believe will give you an anchor to speak on any domestic-oriented issue you so choose and it is a great and natural transition from your campaign focus. Instead of, "It's the economy, stupid" the focus of all you and your administration's message ought to be on, "It's The New Economy, stupid."

I think *The New Economy* ought to be the focus of your State of the Union speech. And if it is, then I'll bet you the headlines will read, "Clinton to focus the next two years on building *The New Economy*."

I look forward to discussing this with you when Gordon Giffen and Garry Mauro and I have dinner with you in the near future.

Best regards,

Roy M. Spence, Jr.

Bo Eshin / Bace / Gulman
Fyl

December 27, 1994

1

Clinton/Gore The Architects of The New Economy

The Situation:

Today's political landscape is forcing us to be reactive and insecure with our message. From a non-Beltway perspective it looks like our message is too tentative, too shotgun and too "me too." Again, from the outside it looks like the internal debate at the White House is focused upon all the wrong issues. The debate seems to be political instead of what's good for America. I won't dwell on this, because you already know what I am talking about. But as long as the impression is that Clinton is going to decide what to do based on politics vs. what he believes in and what is good for America, we will continue to be on the defensive.

The Message:

The Clinton/Gore administration is and will continue to be the ***Architects of The New Economy***. The simple and undeniable truth is that this message is *true*.

There is no question that *The New Economy* is now not just some guru's buzzword. *The New Economy* is real. It is alive. And it is on the move. The basic foundation of today's domestic and global economy is vastly different from the economic foundation of yesterday's economy. **And there is no question that the Clinton/Gore administration ushered in the focus on The New Economy.**

Let's take the credit, plus let's push *The New Economy's* agenda to the forefront of the national debate. (When we package this as *The New Economy*, we will have something to offset the Contract With America. And in a real sense, we become new and their principles old.)

The concept of *The New Economy* gives you a handle and a bigger and broader message from which to speak. If *The New Economy* becomes symbolic for all the things that are going on and the people

and press begin to attribute *The New Economy* debate to your administration, it will have a rub-off effect on the idea that there is a new era of economic principles and that the Clinton/Gore administration was the forerunner of the development of *The New Economy*.

The *New Economy* encompasses a lot of what you and the Vice President have been saying, but there has not been a handle for your message. So what you are now saying just sounds like what other people are saying.

A Message With Meat:

If any message is going to stand up to the test of credibility and relevancy, it must be full of substance as well as sizzle.

"I will veto any program, policy or legislative initiative that does not fundamentally support the basic principles of sustaining and growing The New Economy. On the other hand, this administration stands ready to fight and work alongside anyone, regardless of political party, who sees the future in terms of the realities and vision of The New Economy."

President Bill Clinton

The New Economy

1. Real job and wage growth.
2. Unleashing the power of entrepreneurs and small businesses (with emphasis on minority-owned businesses) by stripping away regulations and paperwork. (Introduce three bold new initiatives.)
3. Dismantling dysfunctional parts of government that contribute little to the stimulation of the growth of *The New Economy*. Eliminate and cut all those layers of bureaucracy, especially inside the Beltway. (There is no question in my mind that if we eliminate 20 percent of the cost of the administration of the federal government, no one would miss it but the bureaucrats and the lobbyists.) *One of the fundamental principles of The New Economy is to force government to be a low-cost, high-quality provider of services. Under The New Economy the federal government will be smaller and customer driven.*
4. Will veto any measure that will seriously reverse the positive trends of deficit reduction....a deficit increase is *a contract with the devil.*
5. Phase in a lower middle income tax break to help those in the \$24-30K household income level—those are the families who are being left behind in this restructuring of *The New Economy*.
6. Fight against any reduction of the training and social parts of the crime bill—*The New Economy* demands high priority on training and skills that will give all Americans the opportunity to earn a piece of the new economic pie.

7. GATT/NAFTA/Free Trade are the centerpieces of *The New Economy* both domestically and globally.
8. Real welfare reform fits within the principles of *The New Economy*.
9. A new health care initiative—controlling costs, less government and more marketplace driven—fits within the principles of *The New Economy*.
10. Tax breaks for “at home offices” and mothers who work at home fit within the realities of *The New Economy*.
11. Lower interest rates. (Take on the feds—high interest rates are the enemy of *The New Economy*.)

Final point: All of these ideas have been said by someone at some time within this administration, but because we have had no handle, really, since the new Covenant, our message has been single-event oriented and has not resonated in the hearts and minds of the American people. We will focus the message machine around the idea that “the Clinton administration is not only the architect of *The New Economy*, but it is prepared to champion the fundamental principles and not waiver when opposition arises.”

Mr. President, I am convinced that the message of *The New Economy* will allow you to seize the offensive again. It also allows all of our messengers to speak with one voice around the idea that “if it’s good for *The New Economy* we will champion it; if it’s bad for *The New Economy*, we will veto it.”

I remain committed and loyal.

Roy

PS. *The New Economy* would also be a "perfect" handle for the First Lady. She could start talking about the challenges, demands and the opportunities for women in this *New Economy*. She could become the champion of women, all types of women, from women in the work force to women working at home. She could champion "tax-breaks" for moms at home as well as "tax breaks" for home offices and even more incentives for flex hours for women.

Leon → Pls read this. I asked him
 first → We need to work this
 1 Through → BB

January 2, 1995

To: The President

From: Paul A. London PA

Subject: Memo You Requested re: Inflation Strategy.

THE PRESIDENT HAS SEEN 1/9/95

* The possibility of faster growth and more jobs with low inflation offers political as well as economic opportunities for the Administration. We have a chance to define the issue and take the offensive on it because it has been left conspicuously out of the Republican "contract". There are economic and political risks, however, including the accusation of Fed bashing and of being inflationists. The risk of not acting, however, is real also because supply side, populist Republicans like Gingrich oppose "hard money", slow growth policies of traditional economic conservatives and the Fed. Gingrich will certainly attack "go-slow" policies once he focuses on the issue (see Wash. Post, Jan. 1, 95, p. H-3) ATTACHED

* The Political Issues:

* — Key middle class constituencies including labor, minorities, small business, and the NAM are openly critical of the Fed's efforts to rein in GDP growth to 2.5 percent in the name of avoiding inflation. Congressional Democrats also are sharply critical, and there is much professional and press support for the view that faster growth would pose little inflation risk while high interest rates could cause an unnecessary recession. Support for faster growth could unite our middle class constituency, help the middle class in economic terms, and give us a focus different from that in the Republican Contract. But we have to do it quickly to avoid being upstaged and carefully to avoid appearing to be just another administration criticizing the Fed for doing a job it has to do. This means spelling out an anti-inflation policy of our own and laying out a convincing economic rationale for our position.

* The Economic Issues:

* In my view, and that of many others, intense domestic and global competition abetted by technology and communications has made the economy less inflation-prone. Competition is what has reduced the danger of inflation, not tight money and slow growth, and domestic and international competition is Administration policy.

* Competition in labor markets is sharper than during the regulated, oligopolistic 1960's and 70's. It has eliminated most of the "competition-sheltered" jobs that existed then and is restraining wage increases. It also is causing some and perhaps much of the wage stagnation and anxiety in the middle class. Faster job growth would relieve some of this anxiety.

The CPI actually rose a bit less in 1994 than in 1993. Sharp price increases in 1994, were limited to primary industries like paper, plastics, metals, and cement. Market forces are already solving some of these problems in primary industries, and only

modest, spotty increases will move through to finished products in the next year. There is, therefore, no reason to slow the economy to reduce price increases that markets are stabilizing already.

The Payoff If We Can Responsibly Push Faster Growth.

1 - Faster economic growth helps solve social problems.
 - It creates opportunities for the young and minorities, the two groups which continue to have high unemployment.
 - It gives middle class people chances to advance.
 - It makes better places for those who lose jobs.
 - It encourages companies to train workers and to increase investment. Tight labor markets are good so long as they are competitive.

2 - We can develop the theme that the Republican "contract" ignores jobs which are the key to middle class empowerment.

- The Republicans are more interested in helping the well-off (capital gains), and punishing the poor (Draconian welfare measures) than in middle class job opportunities.

- Better jobs not social vindictiveness are the answer to middle class economic and social problems.

- The balanced budget amendment is no substitute for a focus on growth and jobs. We've created 5.5 million jobs and we want to create more and move those in lower paying jobs into better ones.

3 - It is important to repeat that jobs/fast growth may be the only issue that unites our old base of labor, minorities, women, and liberals, and gives us the chance to reach out to the disaffected middle class working people. They don't like us for Viet Nam, gays in the military, the loss of "muscle jobs," feminism, guns, GATT and NAFTA but they will be flat out with us if we argue for growth and jobs as opposed to hard money.

Getting the Administration Together on the Economics and Politics of this Issue.

A problem is that key people at CEA and Treasury are not fully convinced that the world has changed with regard to growth and inflation, or are not willing to risk acting on the assumption. Greenspan himself has made noises along these lines but he, like the top people in the CEA and Treasury, sees more risks in going for faster growth than in erring on the other side. These economists, however, may understate the social and political costs of slow growth, and fail to weigh the risk that Republicans -- when they focus on the growth/inflation issue -- will take the pro-growth position. If we stand pat, we could find ourselves in the ironic position of either saying "me too" when the Republicans take on the Fed or becoming the defenders of high interest rates and slower growth.

For you, a first step to assess competing risks should be a series of meetings. We have to see which position makes you most comfortable. I hope the final position will be one that does not challenge the Fed directly on interest rates, but says that the Administration believes that in today's competitive economy faster

growth will not mean more inflation, and its policy is to encourage competition as the most effective way to keep inflation under control.

Who Should be at the Meetings and What Are Their Views?

The new head of the NEC should chair these meetings under instructions (from you I hope) to give the "pro-growth" view a full airing. Growth advocates like myself are going to be heavily outgunned within the Administration, so we will need support to develop competing options for you. Many outside economists and economic journalists agree with us but Tobin, Eisner, Kuttner, Popkin, Hormats, Rowen, Uchitelle, Pearlstein, Jack Sheinkman and labor and business economists of our persuasion are on the outside.

Treasury - Larry Summers has to be there with Bob Rubin. Larry is skeptical about faster growth and believes the economy is reaching its "output potential" and "full employment." He told me it was "bullshit" to think we could aim for 4-5 percent unemployment. Latter, however, he said that there is a 33 percent chance I am right. Rubin probably is on Larry's side because of his background on Wall Street, but maybe I am wrong.

CEA - Laura Tyson, Martin Baily, Joe Stiglitz. I have talked to Laura, Blinder, Baily and Stiglitz about this approach over the past year, but not since November 8. I thought Laura was on my side, but this Fall she refused to co-sign an OpEd with Ron Brown, which said that monthly industry by industry discussions with Commerce experts did not show inflation accelerating.

Martin Baily conveyed Laura's decision on the OpEd to me. He said Laura, Gene Sperling, and perhaps Bob Rubin 1) were afraid it would be seen as criticizing the Fed, 2) did not want Commerce playing in this league, and 3) thought our claims in the OpEd for the role of technology, trade, and deregulation in reducing inflation would not be taken seriously.

Joe Stiglitz agrees with me that 4-5 percent unemployment may not be inflationary but I am not sure he will fight.

Commerce - Ron Brown, Ev Ehrlich (the U/S for Econ. Affairs) and myself should attend. I'm pretty low-level to be in this group so I need your backing. Ron sees the public believing that the Fed runs the economy and giving it the credit for it. He wants to stress the role of things the Administration does in fighting inflation, and he is positioned to work with the business groups who want growth.

Labor. Bob Reich and Larry Krueger, his chief economist, need to be there. I suspect Bob is on my side. He should be.

SBA. I would like to see Phil Lader there because he has a feeling for this issue, and you trust him.

I have believed that Democrats would have to unite around this set of issues -- competition to control inflation, full-employment, opposition to hard money -- since 1968. I hope you will agree and keep me in it on your behalf.

The Fed Faces Growth and Growth

Wash Post JAN 1, 95
H2, H3

By John M. Berry
Washington Post Staff Writer

Perhaps they didn't think of it. Or maybe they thought about it and decided nothing needed to be done. But a striking fact at the Republicans' celebrated "Contract With America" is that it doesn't mention the Federal Reserve.

Which probably means that the Fed, usual, will be left to do the dirty work—playing its usual lonely role as the nation's economic balance wheel.

Consider what must be going through Chairman Alan Greenspan's mind as he contemplates the New Year: The President and Congress are proposing to cut taxes at a time when, in Greenspan's view, the last thing the economy needs is more stimulus. And the new Republican speaker of the House seems willing

to countenance wider budget deficits in an economy that can grow at 3 percent a year—about double the rate at Greenspan thinks is sustainable.

So how will Greenspan cope with the new political alignment in Washington? Little recent history offers some clues about how he—and the Fed—will behave during 1995.

Two years ago Greenspan was criticized by many on Wall Street for ap-

pearing to cozy up to the new administration, particularly in his strong support of Clinton's effort to cut large federal budget deficits. The complaints centered on the president's plan to raise taxes on higher-income taxpayers.

Greenspan and other Fed officials aren't crazy about the tax increases, if they believed that bringing down the deficit was more important for the nation's economic health than the details of how that was accomplished. And the central bank policymakers indicated that they would respond with lower interest rates if the tax increases and spending cuts weakened the economy.

As it turned out, the move toward smaller deficits was just what the doctor ordered—and the economy surged. Even with the mild restraint from the budget cuts, 1994 growth was so strong that by November, the unemployment rate had fallen by more than a percentage point, to 5.6 percent. That figure is regarded by many analysts as near the worrisome level where tight labor markets create inflationary pressures.

To slow the pace of growth and prevent any resurgence of inflation, the Fed raised short-term interest rates repeatedly in 1994. Many forecasters predict that these higher rates will cool off the economy sometime in 1995—especially since the Fed is likely to raise rates again in coming months, in their view. However, at year's end there were still only a few scattered signs that growth was actually slowing.

Which brings us to Greenspan's dilemma. At the very time the Fed is struggling to prevent a buildup of the sort of inflationary pressures that in the past have led to recessions, politicians from both parties seem intent on pursuing tax and spending policies that will make the Fed's job harder.

"The bidding has started," said economist Daniel Bachman of the WEFA Group, an economic forecasting firm in Rala Cynwyd, Pa. "Republicans promised to cut taxes by over \$500 billion in five years [by WEFA estimates, in the "Contract With America" plan, two Democratic tax cut proposals on the table as well]."

"Investors should be worried about this contest. It raises the risk of higher inflation," he said.

See FED, B3, Col. 1

FED, From B3

future deficits leading to higher interest rates," Bachman warned. He said that both the Republicans and the Democrats have tailored their proposals so that the revenues lost to tax cuts appear to be offset by spending cuts over the next five years. But he cautioned that even if those spending cuts materialize, some of the tax cuts would likely cause much larger revenue losses in the future, after the initial five-year period.

Richard Berner, chief economist at Mellon Bank in Pittsburgh, said the out-

come of the tax and spending proposals could shape the nation's economic performance through the rest of this decade, and beyond.

Added deficit reduction this year would help restrain growth "and make the Fed's job of curbing inflation easier," Berner said. But he noted that, given the proposals on the table, that doesn't seem likely to occur.

"For now, the Fed is the only game in town," Berner said.

That probably would be true with Fed officials, if it were true. They believe

that when the Fed plays its game well, the economy usually prospers. When it falters, the financial well-being of American families and farms suffers.

For the past four years, consumer price inflation has remained at or below 3 percent. Greenspan and other Fed policymakers argue that the way the central bank can contribute most to maximizing long-term growth is to prevent the sort of feverish exuberance that have forced the Fed to crunch the economy with high interest rates.

As the Fed chairman said on Capitol Hill last month: "The hallmark of a successful monetary policy will be an inflation rate that does not rise."

So why has Greenspan had so much trouble making his interest rate medicine work? Why, despite six interest rate increases last year that were supposed to put on the brakes, is the economy still barreling along like a hay wagon rolling down a steep hill? Here again, we can try to read Alan Greenspan's mind by peering a bit of history.

When the Fed began raising short-term interest rates last February to keep the economy from overheating, it ran into some sharp criticism. A number of congressional Democrats, labor leaders and liberal economists said inflation was so tame that there was no need to slow economic growth.

But Greenspan and other Fed officials saw that they had kept interest rates unusually low in 1993 to help troubled financial institutions—as well as debt-ridden companies and households—regain their footing. That generosity with cheap money and credit helped perk the economic engine, as it was meant to. By the start of 1994, Fed policymakers knew it was time to put on the brakes—not because the economy was overheating then, but because by a time higher interest rates began to slow the economy, it would probably need a dose of cold water.

The problem for the Fed is that changes in interest rates—its only real tool for influencing the course of the economy—don't turn off the credit spigot. They just make credit more costly. Initially, most borrowers are willing to pay more, so there is little economic impact. Later, as rates keep rising and sales and firms begin to factor in the higher cost of borrowing, they delay some purchases and investments—and growth gradually slows.

From February until May, the Fed allowed key rates up only about a quarter of a percentage point a month, a steadily slow tightening. The policymakers feared larger moves might pose severe problems in financial markets where many investors had taken positions that rates would stay low indefinitely. Indeed, for bonds, whose prices drop when rates go up, 1994 was the worst year in two decades.

As May and again in August, the Fed

raised short-term rates by half a point and, finally, with the economy still forging ahead, by three-fourths of a point in November. Altogether, the moves lifted the federal funds rate, what financial institutions charge each other for overnight loans, to 5.5 percent last month from 3 percent in February.

Many analysts assume that the Fed will raise short-term rates by at least another percentage point in the next few months to ensure that growth does, in fact, slow. Some of the analysts are worried that growth has been so strong that by the time rates are high enough to really make a difference, the nation will face a boom-and-bust cycle.

Moreover, some Fed policymakers—though, importantly, not yet Greenspan—have indicated they think a period of growth of less than 2.5 percent may be needed to push unemployment back up slightly to a level more consistent with a stable inflation rate.

Nevertheless, the consensus of private forecasts for 1995 is that the Fed will achieve the "soft landing" it wants. Many forecasters expect the rate of economic growth will slow to about 2.5 percent this year—perhaps with a few slower quarters along the way—from about 4 percent in 1994. A typical forecast also shows inflation increasing by about half a percentage point, to around 3.4 percent. The unemployment rate is expected to change only slightly.

A number of Fed officials, as well as those in the Clinton administration, caution that this 2.5 percent rate is the economy's current "potential" rate of growth—linked to work force expansion and productivity gains—and that a higher figure may put undue inflationary pressure on the economy's ability to produce goods and services.

On this 2.5 percent growth target may hang the most important economic debate of 1995. That's because, according to some Fed officials, the economy is not growing fast enough to keep inflation under control. The higher rate is possible, he argued, because an increasingly competitive world economy works to discipline companies and workers; they might like to raise prices and wages—but they know they would lose out to

foreign competition. The higher rate is possible, he argued, because an increasingly competitive world economy works to discipline companies and workers; they might like to raise prices and wages—but they know they would lose out to

To which Alan Greenspan might respond: Prove it. He has made it clear that Fed policymakers believe they cannot safely assume that the economy's growth potential is greater than around 2.5 percent a year until experience shows otherwise. "If we ignore experience, we would be taking unacceptable risks of higher inflation, economic and financial instability, and ultimately subpar economic performance over time," the

TRANSMISSION COVER SHEET

DATE: JANUARY 3, 1995

TO: NANCY HEINREICH
DIRECTOR OF APPOINTMENTS & SCHEDULING

FAX NO. (202) 456-6703

TRANSMITTING 4 PAGES (INCLUDING COVER SHEET)

FROM: **PAUL A. LONDON**
DEPUTY UNDER SECRETARY FOR ECONOMIC AFFAIRS
U.S. DEPARTMENT OF COMMERCE
14TH & CONSTITUTION AVE., N.W., ROOM 4850
WASHINGTON, D.C. 20230
TELEPHONE NO. (202) 482-3523
FAX NO. (202) 482-0432

RE/COMMENTS: This is the memo you asked for on New Year's Day
re: a strategy toward inflation and growth.
We could move on to a press strategy, etc. once
there is agreement within the Administration on a
substantive line.

11/9/95
THE PRESIDENT HAS SEEN

THE WHITE HOUSE
WASHINGTON

December 30, 1994

95 JAN 5 P6:24

MEMORANDUM FOR THE PRESIDENT

FROM:

HAROLD ICKES (15)

SUBJECT:

Letter and memo from Roy M. Spence

*We should
see new and
other info from
- need to fix list
get or write
Pre*

On 27 December, Roy Spence called me to make sure that you got his 12 December 1994 letter to you as well as the five page accompanying memorandum captioned "Clinton/Gore: The Architects of the New Economy."

Several weeks ago he requested a meeting with you, himself, Gordon Giffen and Garry Mauro during December to discuss overall message and themes with you for the next two years. I told him that December had been an extraordinarily hectic month, which he understood, but urged very strongly that a meeting be put on before the State of the Union speech.

I will work with Erskine and Billy Webster to accomplish this.

cc: Leon Panetta

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Meunig

[Handwritten signature/initials]

MORTON KONDRACKE

Tuition tax plan masterstroke

It won't save Bill Clinton's presidency all by itself, but the tuition tax deduction idea in his "Middle Class Bill of Rights" speech last week was a political masterstroke that Republicans will be hard put to ignore.

The deduction will help middle-class parents send their children to college in a way government never has before, and also help workers finance their own retraining programs.

The idea was primarily the brainchild of Labor Secretary Bob Reich, who won support from Treasury Secretary Lloyd Bentsen and then pushed it through fierce opposition in White House budget meetings, and also of White House domestic policy aide Bill Galston, who introduced it into postelection presidential staff deliberations.

White House Chief of Staff Leon Panetta, Deputy Chief of Staff George Stephanopoulos, and congressional liaison Pat Griffin reportedly fought the tuition deduction on grounds that it would take attention away from the middle-class tax cut Mr. Clinton also proposed.

Had Mr. Clinton proposed only his \$500 per child tax credit, however, he would have been open to the attack — made anyway by Republicans — that he was merely copying their ideas.

By the time President Clinton spoke to the nation last Thursday, three other middle-class tax cut proposals had already been put on the table — by House Republicans in their September "Contract With America," and by House Democratic Leader Richard Gephardt of Missouri and Sen. Phil Gramm, Texas Republican, in speeches last week.

Mr. Clinton's idea for expanding tax-free IRAs for the middle class — pushed in White House debate by Mr. Bentsen — also was part of the GOP contract, albeit in a form skewed toward upper-income taxpayers.

The tuition tax deduction, however, is a distinctively Clinton proposal, demonstrating his dedication to educating Americans to

compete in what he called the "new economy" of global markets and high technology.

Under the proposal, families earning up to \$100,000 per year will be able to deduct up to \$10,000 per year in postsecondary education costs, reducing their taxes by up to \$2,800.

Practically every parent who has sent children to college — or contemplated it, with dread — presumably has wondered why money

Under the proposal, families earning up to \$100,000 per year will be able to deduct up to \$10,000 per year in education costs

paid out for tuition isn't deductible while expenses for medical care, charity and business expenses are.

In one White House meeting after the election, an aide recalls Mr. Galston asking, "If corporations can deduct the cost of their investments, why shouldn't families?" That's a theme that Democrats certainly can use to pressure Republicans to adopt the Clinton idea.

Mr. Galston's question led to the inclusion of the tax deduction idea in a set of policy proposals prepared for Mr. Clinton by a White House staff group headed by long-range planning chief Mark Gearan.

Other ideas were designed to meet the staff's perception that Democrats lost the 1994 elections because of middle-class resentment at economic insecurity, moral disintegration, and political dysfunction in the country.

Also included in the Gearan document, for example, were cuts in the size of government, welfare reform emphasizing teen pregnancy prevention, and reforms of lobbying and campaign finance.

White House aides, however, give primary credit for the tuition

deduction idea to Mr. Reich, who first proposed it to Mr. Bentsen last year as part of a package of programs to help workers get better education and training.

At the time, Mr. Bentsen opposed the idea as too expensive, but Mr. Reich assigned an aide, Jack Donohue, to work on it with Treasury tax policy chief Leslie Samuels. By September, Mr. Bentsen was more agreeable, and later Deputy Treasury Secretary Frank Newman became a supporter of the idea.

The idea ran into trouble, though, in early December budget-planning sessions, which merged with meetings to fashion themes for Mr. Clinton's speeches.

Mr. Stephanopoulos argued that a tuition deduction would "clutter up" Mr. Clinton's message.

And Mr. Bentsen argued at first for a trimmed-down, \$9 billion version of the deduction rather than the \$20 billion that Mr. Clinton ultimately approved.

Vice President Al Gore reportedly favored the deduction if it could be paid for, but was most interested in protecting the children's tax credit, a version of which he sponsored as a senator. Mr. Reich's key allies in favor of the deduction were Budget Director Alice Rivlin and Laura Tyson, chairman of the Council of Economic Advisers.

Ms. Tyson and Gene Sperling, a staff member of the president's National Economic Council, were Mr. Bentsen's key allies in arguing for including a provision to expand IRAs.

Mr. Clinton clearly has a steep road to climb from 38 percent approval back into public acclaim. He's got to repair self-inflicted damage to his moral authority and reputation as a leader, but helping families send their kids to college and helping workers prepare for new careers should demonstrate that he understands the economic insecurities of the middle class.

Morton Kondracke is a senior editor for Roll Call and is a nationally syndicated columnist.

Deduction for Post-Secondary Education Expenses

A deduction will be permitted for up to \$10,000 of the amounts spent by a taxpayer for expenditures on post-secondary school education and training expenses for the taxpayer, the taxpayer's spouse, and dependents (i.e., persons for whom the taxpayer is entitled to claim a dependency exemption). This deduction will be allowed "above-the-line," i.e., it will be used in determining the taxpayer's adjusted gross income (AGI).

Payments to post-secondary institutions and programs will be deductible if such institutions and programs are eligible for Federal assistance. This will include most public and nonprofit universities and colleges and certain vocational schools. Deductible education expenses will include tuition and fees but will not include meals, lodging, books, or transportation. Education involving sports, games, or hobbies will not be deductible, unless that education relates to the student's current profession or is required as part of a degree program.

The maximum allowable deduction will be phased-in. For 1996, the maximum deduction will be \$2,000. The maximum deduction will increase by \$2,000 each year; for 2000 and later years the maximum deduction will be \$10,000. In addition, the maximum deduction will be phased out ratably for taxpayers filing a joint return with AGI (before the proposed deduction) between \$100,000 and \$120,000. For taxpayers filing a head-of-household or single return, the maximum deduction will be phased out ratably between \$70,000 and \$90,000 of AGI (before the proposed deduction).

12/16/94

THE PRESIDENT HAS SEEN 1/9/95

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THE WHITE HOUSE
WASHINGTON

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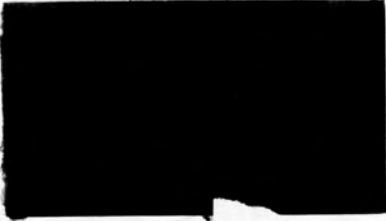
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THE PRESIDENT HAS SEEN 1/9/95



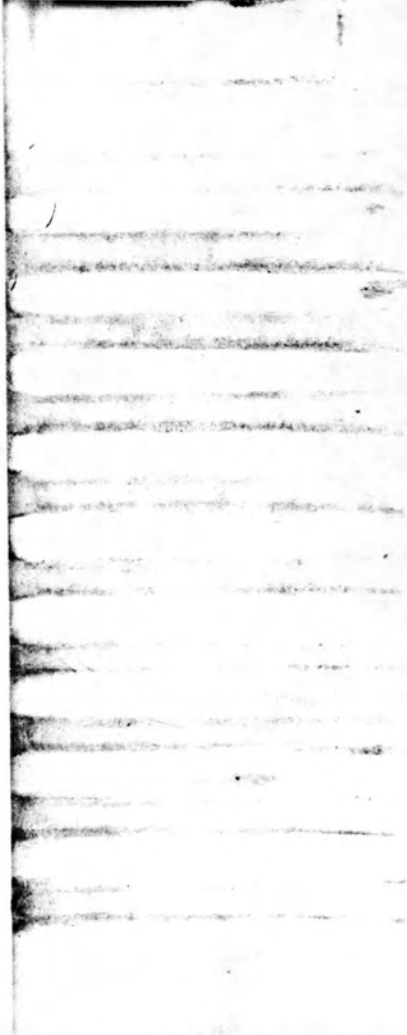
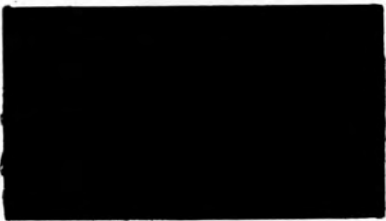
Leon - Let's Discuss

Budget Issues → functionality
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THE PRESIDENT HAS SEEN

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THE PRESIDENT HAS SEEN

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Mc POTUS Paul Berry's broth

The recent election reflects a sense, vague or keen, that our national life is somehow falling apart. The sense provides a thread that ties together otherwise disparate phenomena. In foreign affairs, we are indisputably the strongest power in the world. Yet, we seem incapable of asserting our power. The sense of disintegration contributes to the reaction against immigration. Behind the response lies the fear that we will wake up one day and no longer be America or Americans. The sense also arises from and reinforces the anxiety over a perceived collapse of moral standards. The concern is that there is no longer a core of fixed ideals that defines the nation, gives it unity, and allows communities and individuals to assert moral authority. The result is that individuals, communities, and the country no longer believe in themselves, hence can no longer defend themselves.

What President Clinton needs to do at the most basic level is define a new community (a phrase that he might use), one that combines social consciousness with individual responsibility. There are a number of communitarian philosophers currently active. Communitarianism is usually seen as conservative, and, at the behest of key Republicans, a few of the more conservative thinkers have testified to Congress. Communitarianism rejects liberalism's emphasis on the individual. It contends that communities define and constitute the individual rather than the other way around. We are, in short, the products of communities and their histories, a position that Southerners of all stripes should find congenial.

Whatever the conservative premises, the philosophy has liberal roots and implications, as liberal communitarians such as Michael Walzer and Charles Taylor make manifest. It counters by definition individual greed and the more unrestrained forms of capitalism. It assumes mutual responsibilities, including tolerance, sensitivity to others, a conviction of brotherhood/sisterhood, and a common commitment to social betterment -- the well-being of the larger family.

A philosophical base in liberal communitarianism would help Clinton overcome malicious charges that he lacks a core. It would unite his Southern Baptist background with his liberal outlook and would reconcile the conservative and liberal elements of his policies. It would lend coherence to his program and allow voters to understand him and his proposals better. It would supply "the vision thing."

Representative of the more conservative school would be the following writings:

- (1) Michael Sandel, *Liberalism and the Limits of Justice* (NY: Cambridge University Press, 1982).
- (2) Alisdair MacIntyre, *After Virtue* (Notre Dame: University of Notre Dame Press, 1984).

Liberal communitarian readings would include:

- (1) Stephen Macedo, *Liberal Virtues* (Oxford: Clarendon University Press, 1990).
- (2) Will Kymlicka, *Liberalism, Community, and Culture* (Oxford: Clarendon University Press, 1989).
- (3) Michael Walzer, *Spheres of Justice* (N.Y.: Basic Books, 1983). This is a pioneering work, but the Kymlicka and the Macedo books are probably more useful. That also applies to Charles Taylor, *Sources of the Liberal Self*, which I think is a Cambridge University Press book.
- (4) A useful and fairly readable introduction is Stephen Mulhall and Adam Swift's *Liberals and Communitarians* (Oxford: Clarendon University Press, 1992).

Paul
seen
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can
obtain
copies
for me

1/2/95
gram

Bill Berry

THE PRESIDENT HAS SEEN
1/9/95

To Bill Galston
Don Baer

Autumn - on 17
Don might want to
be a close friend -
his guy - his body

Commentary

Counting the Days With Clinton's Broken Promises (Note to editors: David Reinhard is an associate editor at The Oregonian of Portland, Ore.) By DAVID REINHARD

c.1994 Newhouse News Service

(UNDATED) If President Clinton is searching for some explanation for last week's midterm shellacking and he should be, given his sorry performance at his first post-election news conference he might try chatting with Marla Hecht.

The 34-year-old homemaker-businesswoman could tell Clinton more about his low political fortunes than George Stephanopoulos and the other whiz kids at the White House.

Hecht, of Portland, Ore., voted for Clinton in 1992. But she now publishes the sassy Bill Clinton "Broken Promises" calendar for fun, profit and (her now anti-Clinton) political principles. While Clinton's broken promises left her politically disgruntled, the Clinton presidency has been good for her business. Hecht is doing well because, well, Clinton isn't.

To some extent, the White House's road map to ruin this month might be read in the business plan for Hecht's Calendar Marketing Group.

A Democrat by upbringing, Hecht liked what she heard from candidate Clinton in 1992. She liked his pledge of a middle-class tax cut and his New Democrat rhetoric about rewarding people who work hard and play by the rules.

As a mother of two small children, she was never too crazy about Hillary Clinton. The put-down of women who stay at home and bake cookies was just too much even for someone with an M.B.A. from New York's Pace University: "It's the highlight of my 6-year-old's day to come home after school and have freshly baked cookies, and to have Hillary Clinton denigrate it annoyed me." Still, Hecht had high hopes for the new president right into early 1993.

That is, until the night of Feb. 15. Hecht remembers the exact moment of her epiphany. It was when President Clinton unveiled his economic plan.

"We just have to face the fact that to make the changes our country needs, more Americans must 'contribute' today so that all Americans can do better tomorrow," Clinton said that night.

It was a far cry from the middle-class tax cut that candidate Clinton promised. It was a far cry from what candidate Clinton had said during his fall campaign. "I will not raise taxes on the middle class to pay for these programs," Clinton said at that time. "If the money does not come in there to pay for these programs, we will cut other government spending, or we will slow down the phase-in of the programs."

Says Hecht of that February night: "My mouth fell open. I was just incredulous and I thought how like President Bush he was in breaking his 'read-my-lips' promise. I thought there might be more broken promises."

Hecht began looking for more cases where the Clinton rhetoric failed to match the Clinton reality, finding them in abundance. Had Clinton said in May 1992 that he was tired of "Beltway Democrats who want to spend more of your tax money on programs that don't embody your values?"

He had, but Hecht noticed along with others the pork-barrel projects in his stimulus package. A whopping \$1.1 million for an indoor baseball field in Alabama, for example.

Looking for a business she could do part time from her home, Hecht lined up an artist to do Clinton caricatures and started collecting these inconsistencies. The result is The Bill Clinton "Broken Promises" calendar, now turning a small profit in its second year. Who says the Clinton administration has done nothing to grow U.S. businesses?

Hecht's calendar is but a small part of a robust cottage industry that Clinton himself has given birth to: anti-Clinton merchandise manufacturers who put out everything from wrist watches to board games, coffee cups to calendars.

Hecht's calendar, available at bookshops across the land and through

direct sales is actually one of the industry's tamer offerings. "It's not very subtle, but it's not mean-spirited either," she says. "We have fun with it."

Might last week's Republican romp sap some of the anti-Clinton animus out of the electorate? Might the 1994 elections and a GOP Congress halt the boom times for this tiny industry? Hecht doesn't think so.

"I think people really really viscerally dislike Clinton," she says. Actually, Hecht sees signs of market growth in the fact that customers themselves ask if she has additional merchandise. As a result, Hecht may branch out into T-shirts and mugs.

It may say something about the shift in U.S. politics that there likely won't be a big market for broken promises calendars for congressional Republicans. In fact, House Republicans have vowed to start each day's proceeding with a reading of their Contract with America. They don't seem to fear their own campaign promises or having them recalled come the next election.

The Clinton administration may not be over yet, but as that keen political analyst Michaelangelo of the Teenage Mutant Ninja Turtles has said, "The clock's tickin', dude." And Portland's Marla Hecht is still collecting quotations for her next calendar.

NK END REINHARD

THE PRESIDENT HAS SEEN
1/9/95

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Sumner: Phil
Be



DIRECTOR

Leon

THE PRESIDENT HAS SEEN
1/9/95

all our Senior people
should read all these

B.

December 16, 1994

The President
The White House

Dear Mr. President:

Enclosed are four articles which appeared between June and December in the Wall Street Journal. The author is Dennis Farney. The series was called "Great Divides." I am asking all of my senior associates here to read these pieces for a better understanding of what is happening "out there."

They are worth your time.

Anne and I send love and best wishes to you both.

Sincerely,

Joseph Duffey

Joseph Duffey

Bill
You should
require some of
your associates to
read these! Some!
[Signature]

DOCUMENT= 5 OF 7 PAGE = 1 OF 14

ACCESS # 940719-0090.

HEADLINE Great Divides:
Scenes From the Politics of American Culture---
Blackboard Rumble:
For Peggy McIntosh,
'Excellence' Can Be
A Dangerous Concept---
Her Ideas to Remake Schools
On Feminist Theory Get
Praised -- and Ridiculed---
'The Pol Pot of Education'

* By Dennis Farney

Staff Reporter of The Wall Street Journal

LENGTH ESTIMATED INFORMATION UNITS: 18.9 WORDS: 2421

DATE 06/14/94

SOURCE WALL STREET JOURNAL (J), PAGE A1

First of a Series

WELLESLEY, Mass. -- "It's not their fault," Peggy McIntosh once observed of white males. "They didn't ask to be born white males."

Standing at a blackboard here, chalk in one hand and eraser in the other, the associate director of the Wellesley College Center for Research on Women looks like the classroom teacher she once was. Her manner is shy, but her words and writings challenge some of the most cherished assumptions of American culture.

It's not their fault, she argues, that white males find themselves cast as "winner-killer" combatants in a struggle for power and position. And white females? It's not their fault that, although often oppressed, they themselves can be oppressors. Before congratulating themselves -- "I came up from nothing . . . from pink booties to briefcase on Wall Street" -- they should remember that they may well be beneficiaries of "skin-color privilege."

No, she argues, these are the results of a culture that projects harmful roles upon people of both sexes and all races, shaping the way they see themselves. And so Peggy McIntosh is trying to reshape that culture -- by reshaping the institution that, arguably, is more intimately bound up with the American dream than any other.

She wants to change what schools teach and how they teach it. At a time when "educational excellence" is a national catchword, she warns that excellence can be a dangerous concept. At a time when national leaders from President Clinton on down urge the nation to gird for global economic competition, she warns that competition in the classrooms can be hurtful, cautions against giving out gold stars, and envisions schools that go "beyond win/lose."

Such ideas make this soft-spoken, almost hesitant woman of 59 a protagonist in a broader upheaval in American culture. Shared values and traditions that once provided society's glue -- notions of how to teach and how to learn, how to live and how to die -- are fragmenting. Increasingly, they are now the province of academicians and lawyers, plaintiffs and defendants, politicians and pressure groups. Culture -- the bundle of values and assumptions that American society lives by -- has become politicized.

Dr. McIntosh has spoken about her ideas in some three dozen states, Europe, Asia and the Middle East. She was a contributor to the Wellesley center's report for the American Association of University Women, "How Schools Shortchange Girls," which, in turn, helps underpin a package of education bills moving through Congress. She co-directs a program, Seeking Educational Equity and Diversity, or SEED.

So far, SEED has enrolled about 3,000 educators, in some 30 states and nine other countries, in voluntary, teacher-led seminars on multiculturalism and what she calls "gender-balanced" curriculums. Drawing upon feminist and multiculturalist theories, SEED programs aim to sensitize teachers to the perceived perils of "male privilege" and "white privilege." They encourage teachers to put more emphasis on cooperation among pupils, and less on competition between them. They advocate fundamental changes in what students learn; history, for example, should be "the history of inclusion" -- a history that heralds the doings of ordinary people (often women and minorities) doing ordinary, unheralded things. But critics assail such views as egalitarianism run amok, a kind of schoolhouse socialism that both trivializes and politicizes course work.

Indeed, Dr. McIntosh's critics, who cut across traditional liberal-conservative political lines, see her as a threat to academic standards -- even an affront to Western civilization itself. "She has a Pol Pot approach to education," charges Brookline, Mass., parent David Stillman. "She seems to be trying to make everybody equal by making sure that nobody knows anything." Mr. Stillman and his wife, Ronni Gordon, were civil-rights marchers in the 1960s and Dukakis liberals in the 1980s. But they have since helped found the Brookline Committee for Quality Education, a 100-member organization that is fighting what it regards as politically correct thinking, fostered by Dr. McIntosh among others, infusing Brookline's public-school curriculum.

"The very type of stereotyping we fought against on the civil-rights lines is now the basis of her educational policy," he says. "What we fought against was the assumption that race or ethnicity or sex determined character, cognition and ability. And now we find someone like Peggy McIntosh arguing that they do."

Should American schools emphasize American culture -- and just what is "American" in today's welter of ethnic groups and cultural traditions? Or, to take the opposite tack, is it possible the American curriculum is already too "American" -- that is, too bound up with the classic American dream of striving and winning? Is it elitist, or worse, for parents to want their children to strive for the gold star and the brass ring -- or simply common sense?

A measure of the explosive nature of such questions is the passion Dr. McIntosh's ideas provoke. Gender-equity advocates are cheered by her theories. "She simply put into words what I had observed in myself," says Cathy Nelson, a former Minnesota teacher and now co-director of that state's SEED project. "I had taught for years without talking about women in history. I just assumed they hadn't done anything."

But Lynne V. Cheney, while chairman of the National Endowment for Humanities during the Bush administration, wrote a broadside against political correctness that singled out Dr. McIntosh, and her notions, for sharp criticism. "The aim of education, as many on our

campuses now see it," Ms. Cheney wrote, "is no longer truth, but political transformation -- of students and society." Now a fellow at the conservative American Enterprise Institute, she argues that Dr. McIntosh represents a strain of feminism that "regards truth and evidence as simply a 'perspective' that white males have on the world. . . . This is the most basic assault on the West that you can imagine, because it is an assault on rationality itself."

Peggy McIntosh demurs. The nation, she argues, should be careful about "being in thrall to a narrow definition of excellence." The question, she says, is what one means by the word. A tournament produces excellence of one sort: one winner, many losers. A healthy family produces excellence of another sort: "Parents are not taught to make sure that one child in a family wins and that all others lose." On balance, she advocates classrooms that resemble families more than tournaments. "The aim is not to win," she insists, "but to be in decent relationship to one another."

Thus she cautions teachers against an "over-emphasis" on giving out gold stars. The stars, she argues, can reinforce a judgmental "vertical system" that wounds losers and bends winners out of shape. "The gold flips you immediately into the vertical," she explained in a videotaped lecture at nearby Brookline. Talking there of a little girl who couldn't do math problems like 1 plus 3 plus 5, she suggested that it would be both futile -- and psychologically damaging -- to keep confronting her with the "crazy . . . and crazy-making" worksheet. She says a better alternative would be to let her work in a group, perhaps using objects to make abstract concepts concrete.

Dr. McIntosh didn't design the Brookline curriculum, but she clearly left her mark on it. She was hired several years ago to address Brookline staff-development conferences; later a then-assistant superintendent for curriculum praised her ideas at length before a League of Women Voters forum. Today, superintendent James Walsh says that Dr. McIntosh, while "terrific" in her presentations, had "no systemic effect" on the Brookline curriculum.

Critics think otherwise, and she has come to symbolize much of what they are fighting against. A videotape of one of Dr. McIntosh's staff-development talks -- obtained by the Brookline education committee, then copied and recopied like a kind of underground movie -- has become Exhibit No. 1 for critics of the curriculum generally, and Peggy McIntosh specifically.

In that talk Dr. McIntosh decried a culture that assigns a "deficit identity" to many people except "young, preferably blond, white males" -- and burdens even them with a "win-lose-you-lose" mentality. This culture, she said, "has made a few, especially our young, white males, dangerous to themselves and the rest of us, especially in a nuclear age." She envisioned a curriculum freed of this male "ideal of excellence."

Such thinking appalls her critics, who accuse her of the very things for which she berates others -- rampant sexism and condescension. "Let me take a bold stand here," wrote Robert Costrell, then president of the Brookline education committee, in a letter to the Brookline Citizen newspaper. ". . . We want our children to strive for excellence, even if they don't achieve it. . . . Who could have dreamed this would be a point of contention?"

"What we see is the dumbing-down of the curriculum," argues Ms. Gordon. "Between social engineering and psychotherapy, there's

little time for anything academic. . . . What's the ultimate aim of this? It's a way to redistribute power and money in society. And isn't that always the name of the game at the political level?"

Dr. McIntosh asserts that the committee is a "small, very powerful" pressure group that, in conjunction with conservative foundations, is part of a concerted effort to discredit multiculturalism. (Committee members deny this, saying the group grew out of strictly local concerns within the 5,000-student school district.) She says her critics carry an "ideology of individualism" to extremes.

"Some people cannot think beyond winning and losing," she says. "'Excellence' -- they associate it with test scores. I'm about excellence, too. But there is another way of seeing where it doesn't have to be 'win' or 'lose,' their children against other children, dog-eat-dog."

In a sense, her way of seeing is a reaction against lessons she learned in grade school and junior high in the New Jersey suburbs. Her schools, she says, rewarded "the ability to be right. The ability to be controlling. The ability to be judgmental, in the sense of knocking down others' arguments. The ability to work in isolation. The ability to compete against each other."

All those lessons, she now feels, were "incomplete" lessons. She excelled academically; in fact, she would eventually graduate summa cum laude and Phi Beta Kappa from Radcliffe College. But what she remembers vividly from those early days is her "terror of being wrong."

To illustrate her broader philosophy, she turns to the chalkboard and draws a pyramidal mountain. Its top is jagged with pinnacles; part way down, the mountain is divided horizontally by a geologic fault line. The part above the line represents the "vertical," competitive, upward-climbing aspects of society and of the individual psyche; the lower part, the "lateral," collaborative, nurturing aspects of each. She would give more emphasis to the lateral and less to the vertical.

In teaching history, this would mean greater emphasis on what she considers the undervalued work of "making and mending the social fabric" -- on traditional "women's work," for example. Instead of teaching about Beethoven, she says, why not also teach about Beethoven's mother? Beethoven produced symphonies -- but she produced Beethoven. Instead of reading Ralph Waldo Emerson's "Self-Reliance," why not also teach about "the invisible, effective female support system which prepared Emerson's meals?"

The approach also means less emphasis on people whom history has put up on pinnacles, who are sometimes women but more typically men. In one lecture, Dr. McIntosh compared these people to mountain-climbers "half-crazy from lack of oxygen." "We can laugh," she said, ". . . but when a person . . . like George Gilder an early advocate of supply-side economics sits on his own little pinnacle and writes works which Ronald Reagan calls works of 'protean intellect,' -- when these people . . . start making public policies for us all, that's when it gets dangerous."

Isn't Peggy McIntosh doing the same thing? Critics think so. "It's the pot calling the kettle black," says Sandra Stotsky, a research associate at the Harvard graduate school of education. Dr. McIntosh sees a basic difference. "I'm about re-seeing, not prescription," she argues. Although born white and privileged -- and

though her children have graduated from elite colleges identified with traditional notions of excellence -- "my aim has been to use that power to share power," she adds.

As grand theory, Dr. McIntosh's thinking is too much for critics to swallow. "What she's expressing is a kind of '60s counter-cultural baggage," says historian and educator Diane Ravitch, an assistant education secretary in the Bush administration. "It would be nice if there were no winners or losers. That was the socialist dream, wasn't it? And as we know, it hasn't worked out very well."

Moreover, as applied in the classroom, the McIntosh thinking has some parents up in arms. Mr. Stillman and Ms. Gordon, the Brookline parents, pulled their 12-year-old daughter Mimi out of school last September and are educating her at home. They say their decision was the result of several years of agonizing about curriculum changes brought about by McIntosh-like thinking. But a particularly telling incident for them was when a fourth-grade teacher placed Mimi, a gifted student, at a table with three children of lower achievement levels and directed the four to work as a team on math problems. Then the teacher gave a collective grade to the table as a whole.

"I thought the collective grade was a message," says David Stillman. "She will be penalized if they don't learn." (Superintendent Walsh doesn't dispute the parents' recollection, but says that collaborative learning is used by "every school system in the country" to teach "teamwork and respect for differences.")

It also alarmed Mr. Stillman and Ms. Gordon, authors of foreign-language textbooks, when the school system removed an advanced-placement European history course from the curriculum; angry parents got it put back after a year of skirmishing with administrators. To Mr. Stillman, the removal was part of a more pervasive "hostility toward anything European."

David Stillman and Ronni Gordon have never met Peggy McIntosh. In the end, their world views pass like ships in the night. Of Dr. McIntosh, Mr. Stillman says: "What she's done has turned her own guilt into an education program."

Of no critic in particular, Dr. McIntosh says: "It can be a tremendous shock for some people to see themselves as oppressors, when all they're doing is what was expected of them. My sympathy is with anybody whose world falls apart."

(See related letters: "Letters to the Editor: Riled Up Over Peggy McIntosh" -- WSJ July 19, 1994)

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DOCUMENT= 4 OF 7 PAGE = 1 OF 15

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HEADLINE Great Divides: Scenes From the Politics of American Culture

Natural Questions:
Chaos Theory Seeps
Into Ecology Debate,
Stirring Up a Tempest

If Nature Is Not Governed
By an Ultimate Order,
What's the Place of Man?

Pride and Secular Humanism

* By Dennis Farney
Staff Reporter of The Wall Street Journal

LENGTH ESTIMATED INFORMATION UNITS: 20.0 WORDS: 2578

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Second of a Series

LAWRENCE, Kan. -- Nature herself is at the window-rattling the panes, roaring in the treetops, shouldering inside to rustle the scholarly papers on Donald Worster's desk. The gale seems bent on rearranging the very thoughts the papers contain.

Another, metaphorical gale is now roaring through the fields of scholarly thought about nature -- and, by extension, threatening the confident faith in progress that has informed Western thought for centuries. This storm is the special province of Dr. Worster, a nationally recognized environmental historian here at the University of Kansas. He and others see one of history's great intellectual upheavals unfolding. It amounts to a reshaping of the thought-world that Western man inhabits like a turtle in its shell.

At bottom, these observers see the breaking up of secular, rationalist humanism, a philosophy that germinated during the Renaissance, reached full flower in the 18th-century Enlightenment and still permeates Western culture today. Progress is the promise of humanism; reason is its tool.

Through reason, man would discover the "laws of nature." If man could just know enough and apply that knowledge, things would get better and better.

But now doubts are eroding this secular faith. Nature, once viewed as inherently orderly, is coming to be viewed by many (although certainly not all) scientists as inherently disorderly. And human history, once viewed as something that rational man could bend to his liking, is increasingly viewed as a force unto itself.

"If you give nature a history it winds up looking a lot like human history," Dr. Worster says as the wind buffets his campus office building. "Change is the norm. Disturbance is the norm. The world is nothing but flux and flow."

Nothing but flux and flow. Change without end, change that doesn't necessarily "progress" toward anything. In ecology, in history, in psychological outlooks, Dr. Worster has written, is a "postmodernist, poststructuralist age, when all that has seemed solid melts into the air" What is melting into the air is an old paradigm: a faith, really, that explained the way the world

works. One of the things undermining that faith now is the scholarly emergence of chaos theory, which holds that many complex phenomena are inherently unpredictable.

But the dramatic change in scholarly thought ultimately reflects something much broader: a fundamental shift in the larger culture. Is it a coincidence that during the New Deal, ecologists talked of a forest in terms of "communities" of plants -- while, by the Reagan era, they were more likely to describe it in terms of plants as competitive entrepreneurs (or in Dr. Worster's words as "nothing but a temporary gathering of strangers")? Is it a coincidence that 1950s movies portrayed a world benignly progressing through the miracles of science, while four decades later "Jurassic Park" portrayed a terrifying world of science run amok? Observers like Dr. Worster think not, and the sea change they sense goes beyond science to raise questions about ethics and morality.

As Dr. Worster asks in an essay: "What is there to love or preserve in a universe of chaos? How are people supposed to behave in such a universe? If that is the kind of place we inhabit, why not go ahead with all our private ambitions, free of any fear that we may be doing special damage?"

Other thinkers, ranging from social commentators to physicists, are asking the same basic questions. They are a diverse lot, of course, and far from agreement on many points. But listen to some of them and one can almost hear the old thoughtworld dying and a new world -- less confident, less certain of itself -- being born.

Irving Kristol, a fellow at the American Enterprise Institute, talks of "a shaking of the foundations of the modern world." He is convinced that "we are at a unique moment in Western culture, the collapse of secular, rationalist humanism."

Of course, religious traditionalists have long warred against the philosophy of secular humanism, even prayed for its collapse. But now critiques of that philosophy seem to be spreading among scientists as well. One such critic is Rutgers University biologist David Ehrenfeld, author of the book "The Arrogance of Humanism." In his book he acknowledges that humanism has much to its credit, including its emphasis on human dignity, tolerance and individual freedom. But all this must be weighed against another, darker characteristic: its overweening hubris.

* "The idea of 'progress' is the disease of our time," he argues in an interview. "In truth, we are not inventing our future. We are just engineering changes whose outcomes we cannot predict and which often turn out to be terrible."

This massive cultural shift has special implications for the U.S., arguably the purest expression of Enlightenment thinking of any nation on earth. The Declaration of Independence and the Constitution, drafted by men steeped in Enlightenment philosophy, celebrate the power of reason and the promise of progress.

This secular religion -- neatly encapsulated in the Jeffersonian phrase "Life, Liberty, and the Pursuit of Happiness" -- is the great linchpin of a stunningly diverse nation otherwise in danger of splintering along ethnic, class and value fault lines. If this core religion is now eroding, what will be left for Americans to hold in common? Possibly not much. "At the moment," says Mr. Kristol, only half-jokingly, the glue is "organized sports."

What Mr. Kristol and others see is a yawning philosophical vacuum in American life, with people urgently trying to fill it in myriad

ways. "There's a transition going on -- but to what, nobody knows," he says. This great transition is the common denominator of a host of social phenomena that otherwise seem unrelated. Membership in evangelical religions is growing, even as New Age philosophies proliferate. The environmental movement, the feminist movement, the rise of alternative medicine, the explosion of street gangs -- each represents a hunger for something beyond scientific rationalism, beyond material progress. "People want more," Mr. Kristol says. "They want community and they want transcendence."

They may get both -- or neither. For their search carries as much peril as promise. The inward-turning impulse toward community and family could degenerate into xenophobia. The impulse toward mysticism could lead to fanaticism; the hunger for stability to authoritarian government. "I hope the process takes decades," says Dr. Ehrenfeld. "Because if it doesn't, it's chaos."

Even as the secular faith of rational humanism erodes, it remains as pervasive in daily American life as oxygen. It is evident in the faith that education will lead to a better life, that technology will spawn a higher standard of living, that new laws from Congress will curb violent crime.

Among scholars, however, the faith has been crumbling for quite some time. A succession of catastrophes, beginning with World War I and continuing through the Holocaust and the ethnic wars of today, battered the faith among social scientists. "The hope was that if you made people rich through science they would be less consumed by passions like rape and murder," observes Mark Sagoff, director of the University of Maryland Institute for Philosophy and Public Policy. But hate and anger have turned out to be deeply rooted, and deeply satisfying, things. "Revening one's ancestors or spreading the true faith -- now that is the kind of thing that can motivate a 19-year-old to throw a grenade," he says.

Meanwhile, the faith has been eroding among physical scientists as well -- a long, slow process whose implications have sometimes troubled the very thinkers whose thoughts advanced it in the first place. As early as the mid-1920s, German scientist Werner Heisenberg formulated "the uncertainty principle." In layman's terms, the principle holds that it is impossible to get an absolutely precise measurement of even a relatively simple thing -- his example was the position and velocity of a particle -- because the very act of measuring subtly disturbs the thing being measured. And without an absolutely precise measurement, it is impossible to predict with certainty how that thing will behave in the future.

For a scientist or a philosopher this is at best humbling -- and at worst terrifying. Even Albert Einstein, whose own thinking built upon the uncertainty principle, recoiled against its ultimate implication: a universe governed by chance. "God does not play dice," he protested.

Or does he? Chaos theory, a more recent but equally unsettling development, holds that the long-term behavior of a system (the weather, for example, or the universe itself) cannot be predicted with certainty unless the initial conditions of that system are known to an infinite degree of accuracy -- which is impossible. Nevertheless, one of the most brilliant minds of the 20th century, British theoretical physicist Stephen W. Hawking, is more optimistic.

In his book "A Brief History of Time," he argues that it may well

be possible to discover the Holy Grail of physics, the "unified theory" -- and with it, "the ultimate theory of the universe." Still, this relative optimism is tempered by a built-in sense of limitations. Even if the unified theory is discovered, Dr. Hawking writes, the uncertainty principle seems a permanent roadblock to man's ability to ever "predict events in general."

Clearly, something has eroded away over time: The supreme confidence -- or hubris -- that characterized earlier eras of science. Dr. Worster, the University of Kansas historian, has examined this erosion during the 20th century by using the science of ecology as a prism. Ecology, as defined by ecologists themselves, has changed radically in recent decades. As Dr. Worster has written with some dismay, it has metamorphosed from "a study of equilibrium, harmony and order" into "a study of disturbance, disharmony and chaos."

What intrigues him is why.

Donald Worster, at 52, has the deliberate, reflective manner of the scholar he is. He won the Bancroft Prize in 1980 for his history "Dust Bowl." But his beard and rakish Snowy River hat suggest another side of his nature: a consuming interest in the outdoors and the American West. He grew up on a Kansas farm, and some of his fondest memories are of fishing along Cow Creek there. Cow Creek wasn't much, as streams go. But it was a ribbon of wildness in a landscape tamed by mechanized agriculture, a connection to a larger natural world of sun and wind and sky. That is the memory he carries with him now: the wildness -- the aliveness -- of that place. In good measure, it explains why he thinks of himself as a conservationist.

Dr. Worster begins his story with an early ecologist, Frederic L. Clements, whose ideas have influenced ecological thought since the turn of the century. His central thesis was that nature, if left alone by man, would inexorably progress from disorder to order, from "lower" to "higher" forms of organization.

Suppose, for example, some great force erased the virgin prairie of Mr. Clements's native Nebraska, returning the land to a blank slate. The Clements theory held that the bare earth would initially be colonized by tough but weedy "pioneer" plants. The pioneers would set the stage for something better, an intermediate plant community which, in the fullness of time, would prepare the way for the noble mix of grasses and wildflowers that existed originally.

Mr. Clements regarded this final stage, called the "climax" community, as self-sustaining and self-replicating. Indeed, to him, it was something almost mystical. He called it a "superorganism," implying that the individual plants had, in some sense, fused into a single coherent being. Echoes of this live on among some environmentalists today in the so-called Gaia Hypothesis; it holds that an ancient forest, for example, has something -- call it a soul, perhaps -- that a tree farm simply doesn't.

To Dr. Worster, the striking thing is how closely the Clements paradigm echoed the themes of progress that dominated American history at the time. Instead of pioneers in Conestoga wagons, preparing the way for cities and symphonies, Mr. Clements had plants. But the end result in each case was the same: "civilization."

Then something began to happen to this early optimism. The change was small at first. In the 1950s, ecologist Eugene P. Odum was

popularizing a concept that, even today, remains the intellectual underpinning of the environmental movement: the concept of the ecosystem. Although a step back from Mr. Clements's "superorganism," this concept still retained his core thesis. Nature remained a complex of communities, each progressing toward harmony. "Odum gave the impression that nature was 'love thy neighbor,'" says Dr. Worster. Indeed, his view seemed to reflect his philosophy of life as the son of a New South progressive who believed in a human community progressing toward racial harmony.

But by the mid-1970s, ecologists, with their scientific training, had begun to distance themselves from environmentalists (who are often laymen) and their holistic, reformist and ultimately moralistic approach to nature, Dr. Worster says. They had begun to doubt nature was progressing toward anything in particular. In their studies, those scruffy pioneer plants didn't obligingly yield to something "higher" and "better." They hung on stubbornly until some random disturbance -- a fire or flood -- dislodged them. The notion of randomness, of chaos, was moving into ecological theory.

At the same time, some ecologists were also moving, in a sense, from New Deal thinking to Ronald Reagan thinking. Instead of viewing a prairie or a forest as a love-thy-neighbor co-op, they increasingly viewed it as an atomized collection of competing entrepreneurs. Paul Colinvaux, in his 1978 book "Why Big Fierce Animals Are Rare," caught the spirit of the change. Individual plants, he wrote, were "earning their livings as best they may." What looked like a community was merely the "summed results of all these bits of private enterprise," he wrote.

Today, some observers detect a countertrend in "restoration ecology," a trend paralleling the 1990s reaction against the 1980s "Greed Decade." The movement represents a belief by a growing body of ecologists that nature sometimes needs a hand in re-establishing an ecosystem's "highest" and "best" use. "Restoration is a ritual of hope," says the University of Wisconsin's William Jordan III, editor of Restoration & Management Notes.

Donald Worster, as a conservationist, finds the countertrend encouraging. But he doubts there is any going back to the sweeping optimism -- to the underlying assumption of wholeness -- that characterized earlier ecologists and historians. "It becomes harder and harder," he says, "to see some sort of natural order and balance and harmony out there."

He can sense the change in himself. Although "fairly hopeful" that human beings will survive, he is "deeply pessimistic" about the prospects for uncounted other species. "The heritage of evolution, the beauty and the intricacy" -- that is all in danger now. Where scholars like Frederic Clements once talked confidently of the whole, Dr. Worster worries about "saving the pieces."

The gale roars on, its fury unabated. Wildfires are breaking out in the Kansas countryside. It's a difficult day for anyone who believes, or wants to believe, in harmony and order and a history that progresses inexorably from bad to good to best. "If you ask me what a historian is, I would say a storyteller," muses Dr. Worster. "Once we thought we knew what the story was. In American history, in nature -- we had a story. Today there's just enormous uncertainty about the narrative."

(See related letters: "Letters to the Editor: All Is Not Chaos" -- WSJ Aug. 1, 1994)

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HEADLINE Great Divides: Scenes From the Politics of American Culture

Shaky Ground:
Gay Rights Confront
Determined Resistance
From Some Moderates

A Push for 'Sexual Parity'
Fuels a Backlash Begun
By the Religious Right

A Stinging Rebuke in Austin

* By Dennis Farney
Staff Reporter of The Wall Street Journal

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* Third of a Series

GRESHAM, Ore. -- Are homosexuals an oppressed minority -- or just another special-interest group with an agenda? Is sexual proclivity really no different from race, creed or religion for the purposes of civil rights?

Is the gay demand for "sexual parity" -- a demand that goes far beyond mere tolerance -- a bridge too far for American heterosexuals? Is affirmation of homosexuality even a realistic possibility when tolerance itself is hard enough to achieve in American society?

This November Oregonians will be pondering these issues -- directly or indirectly -- when they vote on a polarizing ballot initiative called Measure 13. It is the latest of more than three dozen local and state initiatives that form a two-year-old backlash to the gay-rights movement.

Measure 13, placed on the ballot by the conservative Oregon Citizens Alliance, would amend the Oregon Constitution to omit sexual orientation from a list of other characteristics -- race, creed, gender, age, national origin -- protected by law against discrimination. Like gay-rights battles fought elsewhere, there is no middle ground.

Sex and Biblical quotations, computerized direct-mail drives and multimilliondollar campaigns all roil together in a confrontation that rivals a U.S. Senate race in sophistication and the abortion battle in intensity.

* This is the politics of virtue and victimization, not a pretty sight. "I've polled in Oregon for 20 years," says pollster Tim Hibbitts. "This is the ugliest, most divisive issue I've ever seen."

Many such measures fail or fizzle, beaten back by well organized gay-rights groups and sympathetic liberal supporters. But some of them succeed spectacularly, or depressingly, depending on one's political persuasion. Consider the landslide majority -- 62%-to-38% -- by which liberal Austin, Texas, voted earlier this year to overturn a city ordinance granting health insurance to unmarried "domestic partners" of city employees. Before that, and by exactly the same margin, Cincinnati repealed gay-rights protections in a

city statute.

The conventional wisdom among gay-rights proponents is that such defeats are strictly the doing of homophobes and the religious right. The truth seems more complicated. The religious right does have the numbers to place such initiatives on the ballot -- but not the numbers to roll up 60%-plus margins for them. Obviously, something more is at work: A profound uneasiness among many voters who consider themselves moderates or even liberals on other issues.

Many middle-of-the-road Americans are being forced to pick sides -- by gay-rights advocates insisting that homosexuality be declared a normal practice and by religious conservatives attempting to portray homosexuality as a wrong, not a right. A decade ago, perhaps, there was a middle ground, staked out on the old-fashioned American notion of tolerance; a notion that held that neither society nor the government had business punishing the private sexual practices of consenting adults. But among many gay-rights advocates, this version of tolerance isn't tolerance at all.

Listen to Suzanne Pharr, founder of the Little Rock, Ark., Women's Project, in an essay for the nonprofit Sexuality Information and Education Council of the U.S.: "Equality is more than tolerance, compassion, understanding, acceptance, benevolence, for these still come from a place of implied superiority: favors granted to those less fortunate. . . . The elimination of homophobia requires that homosexual identity be viewed as viable and legitimate and as normal as heterosexual identity."

Many heterosexuals aren't buying that argument and don't see why they have to. They react with astonishment and outrage when, on occasion, they find it being advanced in the public schools. Two years ago, for example, the San Francisco public school system invited two homosexual speakers to address sixth-grade children on AIDS awareness and tolerance; instead, the speakers used the occasion to discuss, graphically, the joys of gay sex. When parents protested, they were accused of homophobia by San Francisco's gay-rights establishment.

"We were portrayed as a couple of prudish parents," says Bruce Budnick, who describes himself as a political liberal.

Such visceral concerns have a way of working themselves into the debate in gay-rights clashes all over the country. Oregon's Measure 13 is no exception and starkly symbolizes America's politicized culture. Cultural values and beliefs, once the province of individual conscience, are political issues now, inexorably pushed into the shredding machine of interest-group politics. That, in turn, is propelling politics into issues that politics can't reasonably be expected to resolve. The result is politics as a perpetual-motion machine: Always in motion . . . but rarely going anywhere.

Gay-rights activists, who are trying to raise \$2 million to fight Measure 13, say it would declare "open season" on gay men and lesbians -- permitting employers, for example, to fire people for no other reason than their real or perceived sexual orientation. "For some this is an 'issue,'" says Nathan Smith, an openly gay 20-year-old Portland artist. "For me, this is my life."

But Measure 13 supporters say homosexuals have moved beyond seeking tolerance to demanding affirmation. "They say, 'We're here, we're queer, get used to it,'" says OCA chairman Lon Mabon. He argues his group, a power in Oregon politics, is simply trying to

deny them "special rights." Mr. Mabon continues: "I believe there are people who are predisposed toward homosexuality, just as there are people who are predisposed toward lying. But we don't make lying an acceptable behavior by assigning liars a 'minority' status."

Gay-rights advocates accuse the OCA and similar groups of exploiting the issue as a membership-building tool. "The extreme right is showing an uncanny ability to tap into . . . a feeling that 'this civil-rights thing has gone too far,'" argues Sue Hyde of the National Gay and Lesbian Task Force's "Fight the Right" program.

She's right. By November 8, election day, the OCA expects to send out at least 350,000 pieces of mail on Measure 13 alone. Homosexuality has become as hot a membership-building issue as antiabortion, another OCA cause. Maybe hotter.

* For his part, Mr. Mabon argues that gays are "moving out of the bedroom and into the public arena, and demanding that homosexuality be seen as good and normal." He's right, too.

This push for acceptance raises uniquely American questions. Is the gay-rights movement a logical extension of the civil rights movement of the 1960s -- or something different in kind? Does the push for sexual parity risk rolling back some of the gains in tolerance that gays have achieved in the quarter-century since the Greenwich Village Stonewall riots launched the modern-day gay-rights movement? Finally, do society's gains outweigh its losses when the focus shifts from individual tolerance of private behavior to public, polarizing culture wars between interest groups?

Whatever the answers, those wars are well under way. Capturing national attention, Oregon and Colorado considered statewide initiatives denying sexual orientation civil-rights protection in 1992; Oregon's failed and Colorado's passed. Along with Oregon, this year Idaho and Alachua County, Fla., will vote on similar measures. In eight more states, 1994 petition drives failed due to a lack of signatures or to court challenges. (One of the eight, Maine, is likely to vote next year.) At another level, a lacerating debate is raging from the U.S. Senate to city streets to American classrooms.

Last June, Seattle Police Chief Norm Stamper marched, in uniform, in a gay-pride parade -- after barring subordinates from wearing their uniforms in a March for Jesus the day before. The resulting Seattle Times headline: "Police could walk for gays, not for Jesus." On the Senate floor last August, Sen. Robert Smith, a New Hampshire Republican, angrily brandished books now used in some U.S. classrooms to educate primary-school children to the values of diversity and tolerance. He waved "Heather Has Two Mommies," a story about a little girl with two lesbian parents, Mamma Jane and Mamma Kate. (Mama Jane conceives Heather through artificial insemination.) Then he brought up "Daddy's Roommate," a story about a boy living happily with "Daddy and his roommate Frank." Sen. Smith further invited senators to take a look at other materials used in some schools; he called the materials "so obscene I cannot show them" to the Senate television cameras and the watching public. "Do we really want our children subjected to that?" he demanded. "Do we want to educate them to it just to make sure they have a good shot at becoming lesbian or homosexual?"

A Smith amendment barring the use of taxpayer funds in any educational program "encouraging or supporting homosexuality" then passed on a 63-to-36 vote. (The amendment, itself amended, was ultimately dropped by a House-Senate conference committee.)

As the Senate debate suggests, the classroom is ground zero in this conflict. "The one thing people understand is their kids," says Cathy Mickels, a leader in an unsuccessful effort this summer to put an antigay-rights initiative on the ballot in Washington state. "They don't want their kids taught that it's a healthy, alternative lifestyle."

Some parents fear this is happening, at least occasionally, under the guise of AIDS awareness and sex-education classes. San Francisco's Mr. Budnick has been fighting for two years against a public-school program that he argues "glorifies" homosexuality. It started when his then-sixth grade daughter, Alicia, attended a class lecture given by two speakers, a gay and a lesbian, provided by the speakers bureau of Community United Against Violence, a gay and lesbian support group.

N The speakers had been invited by the school district, part of a CUAV-district program intended to promote tolerance. The Budnicks gave permission for Alicia to attend. It's generally agreed that what happened next was that some pupils asked explicit questions -- and got explicit answers. As Mr. Budnick sees it, the two speakers "just kept promoting how great it [homosexuality] was," accompanying their talk with graphic descriptions of gay and lesbian sex. He says Alicia emerged visibly shaken. "She knew she had been violated," he adds.

The San Francisco PTA quickly protested as well. "These speakers were not instructing the children on how to avoid AIDS; they were describing in the most graphic way how to use all their bodily orifices for pleasure," stated then-PTA president Diana Schindler. She says the PTA would have felt the same way about a similarly graphic lecture on heterosexual sex.

Ultimately, the PTA "backed off," says Mrs. Schindler in an interview. "No politician, nobody elected, wants to offend the gay community in any way."

Dr. Joyce Fetro, district supervisor of school health programs, says the protests by the PTA and Mr. Budnick did result in an overhaul of the CUAV guest speakers program. She says the middle-school classes have been withdrawn from the program and that guest speakers are strictly warned to limit their talks to the subjects of tolerance and AIDS awareness. She agrees that the remarks to which Mr. Budnick objects were "explicit and inappropriate. . . . I was very upset about them as well."

Lester Olmstead-Rose, executive director of Community United Against Violence, says the group has since tightened its guidelines on how explicit its speakers may be. Nevertheless, he argues that parents misjudge the need of young people to have accurate information regarding sexuality; instead, parents "want them to be lied to, and we just won't do it."

* As gay rights become ever more completely enmeshed in electoral politics, two core American values are colliding. Americans value tolerance and want to see themselves as tolerant. By a 55%-to-39% margin, they favor legal safeguards against discrimination on the basis of sexual orientation, according to a June poll conducted by Peter Hart and Robert Teeter for The Wall Street Journal and NBC News. At the same time, when asked whether homosexuality "should be considered a socially permissible lifestyle," respondents said no by a 56%-to-39% margin.

The long-term trend has been toward greater tolerance of

homosexuality. This summer New York hosted Gay Games IV, with an Olympics-like torch carried in by six-HIV positive Rollerbladers. The Los Angeles public-school system has a Gay and Lesbian Education Commission. Here in Oregon, the legislature has four openly declared gay or lesbian incumbents; two more gays are seeking legislative seats. And in perhaps the surest sign of cultural tolerance, corporations now target advertisements at gay consumers.

But the vote in Austin last May suggests there remains a yawning gap between passive tolerance and active affirmation, particularly if that affirmation costs money. Austin voted 62% to 38% to overturn a city ordinance granting health insurance to unmarried "domestic partners" (both heterosexual and homosexual) of city employees. The vote jolted the local Travis County Democratic organization, which had thrown its organizational weight behind preserving the insurance.

Austin is a liberal city, particularly by Texas standards. Ordinarily the local Democratic Party can build a winning vote around four gut-Democratic areas of the city. But in this election, three of the four building blocks collapsed. Only central Austin, populated with government employees and University of Texas students, voted heavily to keep the insurance. Two other areas, working- and middle-class neighborhoods north and south of downtown, gave the insurance only tepid support; the fourth, African-American and Hispanic east Austin, narrowly voted against insurance.

It was far from enough to offset the more conservative parts of the city. Two ugly words defined the Austin debate: "shack-up insurance." The phrase, a protest against both heterosexual and homosexual unmarried couples seeking insurance coverage, surfaced on talk radio and quickly spread into the general debate.

Interviews suggest that many African-Americans and Hispanics rejected the argument that gays are another minority group just like themselves, struggling for equal rights. "I don't want to be put in that bag," declares Billy House, 47, a black carpenter. Homosexuality, he says, is different because homosexuality is wrong.

Ardee R. Owens, 83, sitting in a living room hung with photographs of Martin Luther King, John F. Kennedy and Robert F. Kennedy, also voted to repeal the insurance. "The Bible speaks against woman with woman and man with man," she says firmly. "I don't believe the Bible would lie."

At the same time, many working- and middle-class Anglo voters apparently drew a line between passive toleration and active support. "If you say, 'Thou shalt not discriminate,' that's one thing. But if you say, 'Thou shalt provide spousal benefits,' that's something else again," concludes Tim Weltin, executive director of the Travis County Democratic Party.

Here in Oregon, the same cross-currents are running again. If anything, this traditionally moderate state is more polarized than Austin was: It has gone through this before -- many times.

In 1992, Oregon voted down a similar, but much more harshly worded, measure also placed on the ballot by the Oregon Citizens Alliance. That measure, defeated by a 56%-to-44% margin, equated homosexuality with pedophilia, sadism and masochism. Now the OCA is back with a modified version that, while dropping this language, would have much the same legal effect. As a tuneup for this November's statewide battle, the OCA already has taken local versions of its initiative to five counties and 19 smaller cities,

concentrating on areas where its 1992 measure ran strongly. It won majorities in all 24 contests.

Here in Gresham, a working- and middle-class suburb of 73,000 just east of liberal Portland, voters split right down the middle. The OCA-backed measure won slightly more than 50% of the vote but fell well short of the 60% required to amend the city charter.

Now Gresham is debating the issue yet again -- this time as its voters prepare to vote on the statewide initiative. Interviews reveal a community torn by an issue that, for many, is intensely personal. Brian Jones, 25, will vote no. "I'm gay," he explains while pausing at a shopping center here. "Rather than helping people come together, this is the kind of thing that drives them apart."

But the very next person interviewed, a burly man in jeans and a T-shirt, asks that his name not be used. Because then, he explains matter-of-factly, the homosexuals "will single me out. And then I'll have to shoot 'em."

Here and elsewhere, the issue comes down to two competing ideas, each of which has resonated throughout American history. The OCA, arguing that existing civil-rights laws give gays all the protection they need, builds its campaign around the theme of "no special rights." It is an appeal to native American populism.

The gay-rights organization, Save Our Communities Political Action Committee, counters that passage of the measure would legalize "discrimination." It is an appeal to the ingrained American belief in tolerance.

The striking thing is that neither side really expects November's result to settle the issue. Should Measure 13 pass here in Oregon, it will surely be challenged in court. Should it fail, the OCA has already prepared similar initiatives for 1996. Gay rights, like abortion, is well on its way to becoming a perennial issue -- a monument to both the passions of politics and the limitations of politics.

"They'll be back," predicts SOC PAC executive director Julie Davis. "So will we."

(See related letters: "Letters to the Editor: We Just Want to Live Our Lives Openly" -- WSJ Nov. 7, 1994)

(See related letters: Letters to the Editor: The Rainbow Roll For the End of AIDS" -- WSJ Nov. 10, 1994)

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End of Story Reached

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 HEADLINE Great Divides: Scenes From the Politics of American Culture

 Elite Theory:
 * Have Liberals Ignored
 'Have-Less' Whites
 At Their Own Peril?

 Anger in a Tennessee Town
 Unmasks Deep Divisions,
 Trouble for Democrats

 Mud on the Glass-Tower Set

By Dennis Farney

Staff Reporter of The Wall Street Journal

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Last of a Series

MUNFORD, Tenn. -- Listen to the angry, anxious voices of white voters here and you can hear the splintering sound of something even bigger than last month's Republican landslide.

It is the sound of the American middle class -- rending apart and lashing out.

The middle class, long the balance wheel of American society, is beginning to fissure along fault lines of income, values and lifestyle. It is cleaving into the havemores -- "the glass-tower people," Labor Secretary Robert Reich calls them -- and the have-lesses. The glass-tower people are generally college-educated, economically ascendant and comfortable with cultural diversity and change; indeed, they prosper precisely because of their ability to manage and adapt to these forces. But the have-lesses are generally undereducated, trapped in unrewarding and sometimes dead-end jobs, economically and socially vulnerable. They constitute a beleaguered subculture: un-chic, un-minority and, in their opinion, unheard. Liberals, they believe, seem able to muster sympathy for every group -- feminists, gays, welfare mothers -- except theirs.

In fact, they have a great deal to say -- and their message signals class warfare with the glass-tower people and the whole complex of values the glass-tower people hold. Listen:

"The working man, he ain't got a chance," bursts out a bitter Sidney Tracy, walking his dog on the main street of this little town north of Memphis. After 25 years in the food-processing business, the 49-year-old Mr. Tracy has just lost his job as a lab technician. He lays much of the blame on President Clinton. "Clinton said he was for the working man. But he went up there and did everything for blacks and gays."

Carl Biggs, 33, a telephone-service technician, recently lost his job, too. That forced him to plunge into the brave new world of entrepreneurship: He is now the proprietor of a doughnut and snack shop here. Go out on Highway 51 during morning rush hour, he says with a pained smile. Half the vehicles have a woman driver, headed for work in Memphis. "You just know that has got to emasculate a die-hard, big-ego, male chauvinist. Men have got to have a scapegoat

. . . and Clinton is just perfect for everybody's ailment." That's pretty much how he sees things himself; he voted Republican for every office but one this time, and doubts he will be voting much for Democrats from now on.

"Everything Democratic liberals do, everything they want to do, is against us," maintains David Elston, a 49-year-old maintenance man for an electric cooperative. "Work and pay taxes -- that's all they want from us."

White males like these, each of whom voted Republican last month, were the single most decisive factor in the national Democratic rout. Here in Tennessee, they blew away three-term Democratic incumbent Jim Sasser as well as Jim Cooper, the Democratic candidate for an unexpired Senate term. For good measure, they elected a Republican governor and provided swing votes that helped Republicans capture two Democratic House seats. "The big story of the election is the hostility among blue-collar men who haven't gone to college," concludes Democratic pollster Geoffrey Garin.

White men weren't the only factor. Almost as striking, says Mr. Garin, was a 10-percentage-point drop nationally in support for Democrats among white women, who have customarily been more sympathetic to Democratic causes. Like men, "they feel the world is changing on them and that nobody in high places seems to care," he says.

Similarly, Republican pollster Neil Newhouse couched his post-election analysis in terms of "angry" white men and "ambivalent" white women. White women as a group remain more sympathetic than white men toward the president and what he is trying to do; indeed, they split 47% to 47% in a Newhouse post-election poll when asked whether Washington should change direction or continue the president's policies. (White men wanted change by a decisive 66%-to-32% margin.)

White homemakers, however, differed sharply from career women. They also emphatically wanted change, by a 54%-to-34% margin. Many women, like men, feel "forgotten," says Mr. Newhouse. As they see it, "affirmative action is helping minorities and the rich are getting richer," but nobody is looking out for them.

But something beyond politics happened last month -- and something beyond economics, too, although economic anxiety was its catalyst. What happened was cultural backlash against a professional and managerial "knowledge class," cosmopolitan in outlook, that claims to speak for places like Munford but, as Munford sees it, speaks mostly to itself and for itself. Politicians are only the most visible symbol of this class -- and one of the few members of it that ordinary people can reach out and topple. But the same gulf estranges Middle America from lobbyists and bankers, from consultants and artists, from journalists and academicians -- from a whole class that has come to dominate the nation's internal dialogue.

It is unlikely the backlash is over -- a point of great glee to Republican conservatives now brimming with ideas on how to dismantle much of what they consider to be the failed notions of American liberalism. There is a sense, shared by some of the most acute social observers of our time, that an era -- political, cultural and historical -- may be coming to an end.

Author Gore Vidal, for example, was asked at a National Press Club appearance days before the election who would be a leading

character if he wrote a book about this period in American history. He replied, only half-jokingly: "Rush Limbaugh, I suppose." Then, taking a broader historical view, he added: "This is a twilight time, you know. . . . There's a smell of the Weimar Republic in the air now; something is going to happen."

Something did. Reading the election results, Labor Secretary Reich concluded that the nation had just witnessed "the revolt of the anxious class." He explained in a post-election address: "We are on the way to becoming a two-tiered middle class composed of a few winners and a larger group left behind, whose anger and disillusionment is easily manipulated. Today the targets of rage are immigrants, welfare mothers, government officials, gays and an ill-defined 'counter-culture.' As the middle class continues to erode, who will be the targets tomorrow?"

Christopher Lasch, author and social critic, ventures a suggestion in a book to be published posthumously next month. The target, he writes, will be "upper-middle-class liberals" and the whole complex of values they hold. The great liberal blind spot, he suggests, is "their inability to grasp the importance of class differences in shaping attitudes toward life."

In "The Revolt of the Elites," Mr. Lasch sets forth a provocative thesis. He argues that the same upper-middle-class elites who control the international flow of money and information . . . and thus set the terms of public debate have paradoxically "lost faith in the values, or what remains of them, of the West." In a reversal of historical roles, Middle Americans now perform the social function once assumed by elites: They are society's conservative force, clinging to tradition and serving as a brake on potentially destabilizing social experiments.

To the upper-middle class, Mr. Lasch continues, Middle Americans "are at once absurd and vaguely menacing -- not because they wish to overthrow the old order but precisely because their defense of it appears so deeply irrational that it expresses itself, at the higher reaches of its intensity, in fanatical religiosity, in a repressive sexuality that occasionally erupts into violence against women and gays, and in a patriotism that supports imperialist wars and a national ethic of aggressive masculinity."

But the upper-middle class ignores Middle America at its peril. Whatever its faults, "middle-class nationalism provides a common ground, common standards, a common frame of reference without which society dissolves into nothing more than contending factions . . . a war of all against all."

The previous stories in this series have explored a gathering traditionalist backlash against the central tenets shared, almost unconsciously, by the upper-middle class, a backlash that culminated in last month's political upheaval.

Article one examined the controversial educational theories of feminist Peggy McIntosh, associate director of the Wellesley College Center for Research on Women. She believes that the curricula of American schools -- indeed, many aspects of American society -- should be restructured to "become more inclusive." This would entail acknowledging "colossal unseen dimensions" of "unearned advantage, or privilege," race, gender and class among them. She uses white skin privilege and male privilege as prime examples of what she considers to be unearned advantage, but says both are intertwined with class -- a factor, she adds, that Americans have traditionally

been reluctant to discuss.

Article two traced the erosion of an idea -- a secular faith, really -- that has sustained and undergirded the American experiment from the beginning. This is the faith in progress through reason. One name for this faith, which germinated during the Renaissance and reached full flower just in time to inform the thinking of America's Founding Fathers, is secular humanism. Now the emerging field of chaos theory is shaking secular humanism to its foundations -- and with it, a confidence that verged on hubris. History, once confidently viewed as something that rational man could bend to his liking, is increasingly viewed as an irrational force unto itself. And history, once viewed as progressing neatly to ever-higher stages, is increasingly viewed as not necessarily "progressing" toward anything.

The third article examined the phenomenon of middle-class, moderate support that proved pivotal to the passage of antigay rights measures in places like Austin, Texas, and Cincinnati. It suggested that Middle America sees gay rights as more complex and problematic issue than liberals, who are typically gay-rights champions; that while moderates value tolerance, including for gays, they have become alarmed over demands by some gay-rights activists that homosexuality not merely be tolerated, but affirmed as a healthy and normal lifestyle. It also demonstrated how the religious right and conservatives leverage this concern into an argument that gays are merely another special-interest group seeking "special rights" -- an argument that has proved persuasive in times of economic anxiety.

The past election can be seen as a reflection of -- and a reaction to -- all these forces.

It could be argued that the ballot-box results represent a lashing out against the theories of Peggy McIntosh and many liberals -- theories that depict men as holding "unearned advantages" over many women and minorities. Ms. McIntosh begs to differ: The results aren't a contradiction of her analysis, but a "confirmation that privilege systems exist and efforts to alter them have created poignant difficulties" for those who, wittingly or not, have benefited from them. "Sharing of power is hard, especially for those who thought the turf was all theirs."

But there is another way of viewing the world. Working white men like Sidney Tracy don't see themselves as privileged. They see themselves as victims. And if the world is viewed in terms of economic class, rather than in terms of gender and skin color, they are victims.

Labor Secretary Reich laid out the stark statistics. Last year, the top fifth of the nation's households took home nearly half (48%) of the nation's total income; the bottom four-fifths shared the other half. He noted that working men who lack college degrees have been particularly hard-hit. "This group, which includes nearly three out of four working men, has seen its economic prospects shrivel . . . and has suffered a 12% decline in average real incomes since 1979."

With real incomes falling, with their jobs in jeopardy, ordinary people actually feel what scholars only talk about: The ground is shifting beneath their feet; the old promises, the old assumptions, aren't working any more. Looking back on the election, University of Kansas environmental historian Donald Worster, who was featured in

the second article, sees evidence of a great disillusionment.

"Somehow, it isn't adding up," he says. "I'm struck by how we seem to be running faster and faster after a set of ideas that don't seem to be working any more . . . basically, the whole cluster of material values that have helped define Western culture for centuries."

But although the voters lashed out, there were limits to their anger. Despite recent setbacks in Austin and Cincinnati, the antigay backlash sputtered out, at least for this year. What began as a conservative drive to put antigay resolutions on the ballots in 10 states dwindled to two as failed petition drives and court challenges derailed the other attempts. Voters in those two states, Oregon and Idaho, then rejected the initiatives by thin margins, 51.5% to 48.5% and 50.4% to 49.6%, respectively. (One Florida county, Alachua, did vote to delete protections for homosexuals from an antidiscrimination ordinance.)

To gay-rights forces, the results were a double message, at once reassuring and cautionary. "Voters won't support 'special rights,' but voters do support 'fairness,'" concludes Tim McFeeley, executive director of the Washington-based Human Rights Campaign. A lot depends upon the way the issue is framed.

President Clinton framed the issue badly when he made acceptance of gays in the military one of the very first issues his administration tackled, Mr. McFeeley now believes. This sent a jarring signal to voters preoccupied with other issues like jobs and crime. "They asked, why is Clinton, after 12 years of Republican rule, spending his first month doing this? In retrospect, I think the people were right."

This town, population about 2,300, is a good place to examine the anxiety and the anger that roil middle-class white voters. The Munford area voted better than three-to-one against incumbent Democratic Sen. Sasser. The town is a bifurcated community -- two distinct communities in one, really. But each threw the Democrats out.

The old, original Munford remains blue-jeans, plaid shirt and pickup country. Its archetypical resident is a middle-aged white man driving a pickup truck. Two billboards up Highway 51 neatly encapsulate its religious fundamentalist, assertively masculine character. The first asks: "Hurting? God Cares." The second advertises a guns and ammo shop.

This Munford is anxious about the future -- and bristling with anger. "I'm an educated white male and I don't stand a chance," says Richard Robinson, 32 years old, out of work and living with his aunt, Beverly Cox, in a mobile home outside town. "The people who've got it best are uneducated women with kids." The future? Ms. Cox, 43, and just getting along on welfare and part-time work, doesn't see much of one. "America isn't America any more," she says bitterly.

Alongside the old Munford a new one is springing up just as fast as contractors can build \$100,000-plus houses. These new developments are heavily populated by retired military personnel and by whites who have fled Memphis. The new Munford is considerably more hopeful about the future, but only marginally more sympathetic to the poor.

It is, in fact, fed up with being made to feel guilty about them. "A lot of people just want the American dream and not to be

ashamed of it," says Curtis Taylor, 36, a Navy officer who did two tours in the Persian Gulf. He works for the Navy by day, works as a Firestone salesman by night and, in addition, is completing a master's degree. "But somehow," he says with heavy irony, "it's my fault that people are on welfare."

Janice Cheston, a 45-year-old homemaker living in the same development, voted Republican to draw the line against what she sees as a too-liberal Clinton agenda, including efforts to boost the number of women in the military. Although she favors equal pay for equal work, she doesn't consider herself a feminist. "Some of them go too far, like being for equality in the military," she says. More broadly, she is worried about a liberal drift in society as a whole. "I don't know if we'll get change for the better," she says. "I just don't want it to get any worse."

What the two Munfords ultimately have in common is an erosion of faith. It is a faith that Americans have traditionally claimed as their birthright: the faith that tomorrow will be better than today. Few here take that for granted any more.

Carl Biggs, the snack-shop proprietor, finds himself selling doughnuts now -- hardly the thing he expected to be doing when he graduated from high school a decade and a half ago. "You know it's funny," he says as he bustles around in his apron, preparing for his noontime customers. "We used to vote Democratic for family values, to protect the common man. Now, it seems like it's just the opposite."

End of Story Reached

Meet w/ Dems

- ① Mentors (Cayman)
- ② Issues: I Rate, Min Wage, MC tax, Japts
- ③ Anti GOP - tax (SS/Med)
- ④ Definit by theme & vision (Borah)
for using John, MC values, US as usual
vs Paul Ort -
- ⑤ Commun. / Techn
- ⑥ EQ vs GOP Kents (Boonin)

* ⑦ Can w/ Recus / Oblig (Fazio)
(AS too)

* ⑧ Ever Cab / Ant say (Aick)

⑨ JTF → Med, com, K,
mtr - Rec, vid, culm, Leon
(Kearney)

* ⑩ BC as NY / BC among goodlies

⑪ Program - teen prog, tax (Borah), Meds
and ⑫ club (Borah)

⑫ out for ; US (MC BQ / Empow → Self / Rich

Leon
my note from
meet w/ Dems
Get for ones
[Signature]

This is the insightful article I mentioned to you at
 Melanne's the other night Happy New Year -
 A CRITIC AT LARGE

THE PRESIDENT HAS SEEN

1/9/95

Laura

(HANDMAN
ICKES)

READ ALL ABOUT IT

What made the press so snide and aggressive? Everybody blames TV and the tabloids. But an examination of the many recent books on the subject suggests that part of the problem may come from the high-minded guardians of the media—crusaders who have become detached from conviction.

BY ADAM GOPNIK

*To
 Allen McCleary - (ask him
 you've read this - we should
 discuss even is aggressive thing)*

THERE'S a wonderful moment in Ian Fleming's 1961 novel "Thunderball" that captures the way a certain kind of high-end journalism once worked in America. Ernst Blofeld and SPECTRE—the Special Executive for Counterintelligence, Terrorism, Revenge, and Extortion—have stolen a couple of atomic bombs from NATO and are holding the free world for ransom. This is supposed to be top secret, but when James Bond is in the Bahamas, where the bombs are (M figured this out instantly, on a hunch), he picks up the *Times* and notices that Arthur Krock, the leading columnist of his day, has "a heavy-weight column about the security aspects of the NATO alliance." The *Times*, Bond speculates grimly, must know all about the missing bombs. It was part of the credibility of the story, in other words (and Fleming, himself a newspaperman, had a peerless sense of how to make local details sell the fantasy), that the *Times*, knowing that SPECTRE and Ernst Blofeld had stolen two atomic bombs and were threatening the entire world, would prudently decide not to panic the public by publishing the news, while allowing Arthur Krock to signal the paper's knowledge to other insiders in a sapient, elliptical column.

Nowadays, the *Times* would put a profile of Blofeld on the front page above the fold ("Controversial Mastermind from Gdynia"), while Anna Quindler would write a column about the pain of women executioners stuck on SPECTRE's Mommy track—stranded in Revenge, and never promoted to Extortion and Counterintelligence. But in the old days that was how the dispensation of access and collusion between the press and the government really worked: you would find out about Op-

eration Thunderball and would be expected not to write about it. In exchange for access, the reporter would show discretion.

The difference between James Bond's era and our own is pretty apparent. When Tom Clancy introduces a journalist into one of his novels, you can be sure that the only person in the book more unreliable will be a liberal woman. (If the journalist is a liberal woman, you will be looking at a portrait of pure evil.) A media that in its upper, more self-conscious reaches—in the *Times*, that is, and in the *Washington Post* and the news magazines and on the big networks—once dealt in quiet signals now sounds loud and acts mean. However you feel about Bill Clinton, no other American President since the eighteen-seventies has been hung up by his thumbs so soon, and left there to hang for so long. To read about the Roosevelts in the White House, with their intimates sleeping upstairs, and the reporters knocking away the Speed Graphic of any photographer who tried to show that F.D.R. was in a wheelchair, and then to contemplate our own moment, with Maureen Dowd announcing on the front page of the *Times* that the President on a trip to Oxford had "returned today for a sentimental journey to the university where he didn't inhale, didn't get drafted, and didn't get a degree," is to consider a change not only in tone, or even in kind, but in worlds.

Clinton is just the most visible object of this malicious manner. It affects everything, from the way that sports reporters write about football games ("It will go down in the books as one of the great chokes in this cursed franchise's history," a scribe reflected in the *Post* recently, after the Jets lost a close game)

to the way that religious scholars write about the Old Testament: "King Saul—A Bungler from the Beginning: The Israelites Got the Ruler They Deserved" was a cover line on a recent issue of *Bible Review*. (It is also a manner that has over the years made its way into this magazine, which has published its share of inquisitorial reporting and criticism.)

The particulars of the complaints against the press, though—accusations about what has caused this transformation—have become so diffuse as to be nearly self-cancelling. The media are accused of being populated by fanatic ideologues, ready to twist any fact or blacken any reputation to suit their "agenda," and, at the same time, of being composed of jaded cynics who don't give a damn about anything at all. Torquemadas on Mondays, Wednesdays, and Fridays, reporters are assumed to be laptop-pounding Oscar Wildes the rest of the week.

The Torquemada aspect is easy to spot. Though the media have in the past twenty years claimed what amounts to prosecutorial and judicial powers—the right to peer into private lives, turn up old stories, taunt, judge, etc.—they have had, on balance, very few unequivocal successes in proportion to the amount of human misery they have caused. Some of the public figures who have suffered most in the new dispensation—Gary Hart, Dan Quayle, Vincent Foster—were guilty mostly of being human. It is the arbitrary and almost haphazard nature of these shoves from grace, and particularly the tone of self-righteousness that accompanies them, that makes nearly everyone in a public position, from museum administrator to President, feel beleaguered. Any ordinary television viewer who has

watched Presidential news conferences over the last couple of Administrations can't have failed to pick up a tone of high-minded moral indignation in the reporters' questions, which seem designed not so much to get at a particular fact or elicit a particular view as to dramatize the gulf in moral stature between the reporters and the President. Not long ago, an interrogator from *USA Today* explained (meaning to be charming? lovable?) that his young daughter thought the President was behaving exactly the way she did when she turned in her homework late. The questions are not particularly rude, or even "hectoring." They merely assume that the President owes a moral accounting, grand or small, to his inquisitors.

Along with the sanctimony comes a love of sensation far more ~~absorbing~~ ^{allureless} than anything the boys in "The Front Page" would ever have tried to get away with. A few obsessively overstudied stories seem to seize the entire media and wring them (and us) out, rising to a pitch of hysteria that feels almost sexual. The O. J. Simpson or Tonya Harding stories, for example, appear to follow a narrative plot of lust and exhaustion (and then, occasionally, remorse). Everybody feels, at some level, that this kind of overattention is wrong, but nobody wants to be the first to stop. It is this shamelessness that shades over into what is generally called "cynicism"—that is, a willingness to ascribe base motives to anyone who happens to be the object of attention. (The sanctimony is frequently hard to tell from the cynicism, of course; they sometimes sound like different names for the same thing.)

Among journalists and reporters, the sense that something has gone wrong

with the American media can create a defensiveness that touches the fringe of paranoia. When it comes to accusations of rough play, we have settled on what might be called the Modified Menendez Defense: Hey, they were asking for it. Everybody gets it in the neck equally, the argument goes, which is not quite true, and anyway it's beside the point. And the argument that if the press is under attack from all sides it must be doing something right is also specious. If you're attacked from all

may not have seeped up from the sewer so much as sunk down from the top, and are the consequence of a peculiar twist in the logic of skeptical journalism that Bernstein helped to reinvigorate.

In the past twenty years, the American press has undergone a transformation from an access culture to an aggression culture: the tradition, developed after the Civil War, in which a journalist's advancement depended on his intimacy with power, has mutated into one in which his success can also depend on a willingness to stage visible, ritualized displays of aggression. The reporter used to gain status by dining with his subjects; now he gains status by dining on them. But because his aggression still has to thrive within the old institutions of the commercial press, whose whole point and historical achievement was the suppression of political thought in the interests of an ideal (or at least an appearance) of objectivity, the new culture has forced on the reporter a double life. The media now relish aggression while still being

SOME BOOKS MENTIONED IN THIS ARTICLE

The Press Gang: Newspapers and Politics, 1865-1878
by Mark Wahlgren Summers
(North Carolina, 1994)

The Journalism of Outrage: Investigative Reporting and Agenda Building in America
by David L. Protess, Fay Lomax Cook, Jack C. Doppelt, James S. Ettema, Margaret T. Gordon, Donna R. Leff, and Peter Miller
(Guilford, 1991)

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by John Anthony Maltese
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by Thomas E. Patterson
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(Simon & Schuster, 1994)

sides, it's possible that you're doing something right; it's also possible that you are doing everything wrong.

Among those who feel that something has gone awry with the press—and by now so many people do that a whole literature has grown up around the subject—there is a tendency to reduce the recent history of the press to a simple dichotomy: the forces of "tabloid journalism" and those of serious journalism, which are seen to be in constant battle. Carl Bernstein, for example, argues passionately that the "idiot culture" of scandal and sensation has to be constantly countered by a reassertion of the investigative tradition that he champions. In the long run, though, the new attitudes in the press

prevented, by their own self-enforced codes, from letting that aggression have any relation to serious political argument, let alone to grown-up ideas about conduct and morality. Aggression has become a kind of abstract form, practiced in a void of ideas, or even of ordinary sympathy. In a grim paradox, the media in America, because their aggression has been kept quarantined from good ideas, have become surprisingly vulnerable to bad ideas. Having turned themselves into a forum for the sort of craziness that was previously kept to the margins of American life, the media have nothing left to do but watch the process, and act as though it were entertaining; the jaded tone and the prosecutorial tone are masks,

switched quickly enough so that you can appear active and neutral at the same time. Or, to put it another way, the cynicism and the sanctimony turn out to be a little like electricity and magnetism—two aspects of a single field, perpetuating themselves in a thought-free vacuum.

ONE of the overlooked turning points in the history of American journalism occurred in the spring of 1864, after General Meade, the hero of Gettysburg, publicly humiliated a reporter he happened to dislike. In retaliation, as Shelby Foote relates, the Northern press for the rest of the war carried out a complete and successful blackout of his activities, except when his name was connected with a defeat, reducing the hero of Gettysburg to a nonperson. (Every American kid knows, or used to, who *lost* Gettysburg, and how nobly. General Lee knew how to spin.)

The Meade blackout may mark the moment when the American press first realized its power as a more or less unified body, and the consequences of that realization are the subject of "The Press Gang: Newspapers and Politics, 1865-1878," a vivid and entertaining new book by Mark Wahlgren Summers. The book retells a series of absurd episodes in the history of the post-Appomattox press, but Summers has a serious point to make. Briefly, it is that the Civil War produced a largely new profession: "reporting" in the modern sense, in which the reporter not only gets news from a variety of sources but is expected to string it all together into a "story." (Before the war there had mostly been "correspondents," or glorified letter writers, and political news had been taken directly from congressional records.) Once the war was over, many reporters ended up in Washington, in part because the Associated Press had agreed to supply its subscribers with common reports from all locales except Washington (and, of all places, Albany). You had to send your own reporters to the capital, because that was where the competition was.

Papers in the eighteen-seventies

were in transition from their prewar role as unapologetic party organs, funded largely by subscriptions and political money, to their modern role as commercial enterprises funded by advertising. The reporters had learned during the war that they had much more power than anyone had previously thought. Now the press, sensing that power, and freed from neat party affiliations, became the vehicle for a kind of free-floating belligerence that would not return until our own time. The favorite targets of the Washington pack were President Grant and Reconstruction: Grant because he was vacillating, weak, and distant; Reconstruction because, like most well-intentioned government social programs, its successes were diffuse and its failures obvious. (Anyone who is inclined to feel nostalgic for the post-Civil War era, before the press was reined in by its owners, ought to recall, as Summers does, that one of its most important contributions to American life was the dissemination of the mythology of Reconstruction, with its vicious carpetbaggers and dim-witted scalawags, which lasted until the day before yesterday.)

Summers also points out that it was James A. Garfield who was perhaps the first American politician to act effectively on the insight that reporters needed access as much as they enjoyed aggression, and that the way to save yourself from the second was to provide

the first. The system that Garfield helped invent, in which information was, in effect, exchanged for protection, remained in place for almost a hundred years, both in the national capital and in the local capitals that looked to it for an example. It became the expected thing for an ambitious politician to cultivate reporters, to feed them soup and stories. American journalists, who had previously been just a cut above circus roustabouts, now joined the establishment—or many of them did—and learned, or were taught, an elaborate protocol of "professionalism," objectivity, and self-censorship: "All the News That's Fit to Print." Presidents fed White House correspondents; first basemen fed sportswriters; and Broadway press agents and, later, movie stars fed columnists. The fix was always in: you got access, but at the cost of absolute honesty.

In its upper reaches, the access culture produced results that can look preposterous now. To read, for instance, fifty years of the letters of Walter Lippmann (as compiled in "Public Philosopher," edited by John Morton Blum), the most widely revered American journalist of the first half of this century, is to see how bizarrely intermingled observers and their subjects could become. Lippmann remains vital because he is, to a remarkable degree, still the Great Cham of a "responsible" press. Thomas E. Patterson, the author



"There have been gains for a peahen here and a peahen there, but from a practical standpoint it's still a peacock's world."

of "Out of Order," begins each of his chapters with an epigraph from Lippmann; even Noam Chomsky, the most relentless left-wing critic of the collusion of the press with power, draws his pet phrase "manufacturing consent" (meaning the way that capitalism dictates the media's views) from Lippmann. But if consent is manufactured, Lippmann was its Fabergé. He was admired in his day for a tone of lofty, magisterial disinterestedness—a tone that fills his letters, too. (Lippmann could be lofty about *anything*: "I am very grateful indeed for 'Winnie-the-Pooh.' You are quite right in calling it irresistible.") But, beneath the pose of high-minded detachment, he was involved with the mechanics of governing to a degree that would be almost unthinkable today. (George Will and William Safire may be involved in the process of Republican politics, but they don't try to micro-manage the government.)

Lippmann, in his letters, tenderly thanks Cabinet members for their attentions, proffers advice to generals, offers campaign counsel to candidates (sometimes to two candidates in the same race), and even meets with Polish and Indian ambassadors, for instance, and reports back to the C.I.A.'s Allen Dulles on the results. Lippmann's columns were offered as the ruminations of an independent-minded public man rather than as what they were—a complicated series of signals and compromises, broadcast from one end of the establishment to the other.

The old collusion has been much mocked and put upon, and it is easy to say what was wrong with it. For a journalist not to print what he or she knew to be true—whether it was that F.D.R. had to have help to take his pants off or that J.F.K. needed help to keep his on—was to enter into a conspiracy to suppress truth. Yet, in view of what the new order has brought

about, it's hard not to feel a twinge of nostalgia for the old system. One good thing about an establishment is that it *establishes* things. NATO, the United Nations, the Marshall Plan—to read Lippmann's letters or the memoirs of James Reston is to see how the process that built consensus for all these things worked. When Kennedy confided something to Reston—for instance, that Khrushchev had "savaged" him at their 1961 Vienna summit—Reston may have kept it from his readers the next day, but he didn't put it out of his mind. Discretion about small things seemed a small price to pay for understanding about big ones.

At the lower level, where ordinary reporters worked, the system had its points, too. Anyone who has ever tried to get a long interview with a contemporary ballplayer and then reads, say, the sportswriter Fred Lieb's manically detailed account of Lou Gehrig's wedding reception and married life will be stunned at how much access was once *available*. Whether this was, on the whole, a good or bad thing is hard to decide. Morally, though, knowing vaguely disreputable things about someone which you refuse to print seems indisputably superior to printing vaguely disreputable things about someone just because you happen to know them.

THE best thing to be said for the access culture was that, almost inadvertently, it produced something truly first-rate, and that was the worldly tradition in American reporting. The old system gave American reporters an efficient, unsentimental education in American realities. Liebling in Providence and Mencken in Baltimore, to name only giants, learned rapidly that corruption and collusion and ambiguity were part of the daily run of democratic life. But they learned, too, that reforming the system was not always a self-evident consequence of exposing its shortcomings. (Liebling's first venture into investigative journalism, as he recounts it, a little ruefully, in "The Wayward Pressman," ended up revealing that the state lunatic asylum operated on the cheap but in the process ruined a frightened and inept Indian technician who had been hired as a pathologist.) Nobody can describe Mencken



"I hope that isn't real fur."

as "soft" or "in the tank," but his experience made him cautious about judging from a distance what was and was not a sin. When Mencken, for all his reputation as a hatchet man, tried to define his credo, he wrote that the man he had come to mistrust most was the one whose "distinguishing mark is the fact that he always attacks his opponents, not only with all arms, but also with snorts and oburgations—that he is always filled with moral indignation—that he is incapable of imagining honor in an antagonist, and hence incapable of honor himself." The kind of man he admired most was one who had "a serene spirit, a steady freedom from moral indignation, an all-embracing tolerance," he wrote. "Such a man is not to be mistaken for one who shirks the hard knocks of life. On the contrary, he is frequently an eager gladiator, vastly enjoying opposition. But when he fights he fights in the manner of a gentleman fighting a duel, not in that of a longshoreman cleaning out a waterfront saloon. That is to say, he carefully guards his amour propre by assuming that his opponent is as decent a man as he is, and just as honest—and perhaps, after all, right."

The conclusions that the worldly reporters came to were often perverse, or could seem that way. Liebling crowned his career as a reporter with an affectionate book-length paean to Earl Long, a corrupt and half-crazy segregationist governor. But he saw that Long was a more interesting man and, in a complicated way, a greater force for good than the reformers who were his critics. (Long was a segregationist but not a hater; he kept the redneck vote from going overboard.) What the old dispensation, high and low, understood was that the world's work gets done, and always will get done, in the space between official pieties and human possibilities. The press used to recognize the human possibilities; today it sometimes seems to be the chief source of the official pieties. The old, worldly tradition in American newspapering now belongs almost exclusively to diehards like Murray Kempton, whose sometimes deliberately perverse judgments—that a gangster can display more honor than a mayor of New York, or that Richard Nixon had more character than Bill Clinton—often feel



"Millions is craft. Billions is art."

like a kind of final Flamboyant Gothic flourish placed by the one remaining craftsman on the peaked roof of the old church.

THE decline of the access culture and, with it, of the worldly tradition in American reporting is, among other things, the latent subject of "Spin Control: The White House Office of Communications and the Management of Presidential News," by John Anthony Maltese, which is out in a newly revised edition. Maltese details the way that the access system, having been weakened by the Kennedys, suffered a fatal blow during the first Nixon Administration and was replaced by a system of prepackaging, in which news was bundled into bits by hired pros and was then sent out into the world over the heads of the reporters. Maltese also shows that the destruction of the old system was a conscious, obsessive ambition of Richard Nixon's. Nixon hated the access system, in part because he saw how Kennedy benefitted from it and in part simply because he was Richard Nixon. He became convinced that television could be used as a transpar-

ent medium, allowing the President to speak directly to the people. Maltese produces a wonderful memo from the Nixon White House of 1970, which argued:

RN's effectiveness in using the television medium is remarkable. This is due, of course, to the tremendous amount of preparation that he takes before making a TV appearance. With the exception of TR, Wilson, and Hoover, RN is probably the only President in this century who still sits down from time to time and completely writes a major speech himself. This makes it possible for him to use the television medium much more effectively than anyone had before him.

The author of this touching tribute to RN's hypnotic powers on TV was none other than RN himself.

Maltese goes on to elaborate the ways that the over-their-heads system got refined and institutionalized by Nixon's successors. That system—of "spin control" and prepackaged information—became an all-purpose model for dealing with the press, used by everybody from a politician running for President to a celebrity running from (or to) *Vanity Fair*. The details, like that memo, are terrific; but Maltese is perhaps too impressed by the mendac-

ity of the people who invented the new system to see that the notion of making an end run around the reporters to the people, even if it worked, had its drawbacks: the reporters were still there, only now they were in a bad mood about having been run around.

The conventional account has it that what happened next was a welcome return to the lost crusading traditions of the American press, whose early history is compactly related in the first chapters of "The Journalism of Outrage: Investigative Reporting and Agenda Building in America," a study of contemporary investigative reporting by seven (count 'em) professors of journalism and communications. As Liebling wrote, the yellow press, as it evolved in the hands of Pulitzer and Hearst, tended to be lubricious rather than strictly investigative; crime rather than political chicanery was its major subject. "The public is interested in just three things: Blood, money, and the female organ of sexual intercourse," a tabloid executive told the young Liebling. The crusading journalism of the turn of the century, on the other hand—the famous "muckraking" that led to the Pure Food and Drug Act and to trust-busting, among many other things—tended to appear mostly in books and middlebrow magazines, and was, or tried to be, systematic rather than sensational in its effect. Those crusaders had causes, and the muck they raked was evidence intended to prove points in which they passionately believed.

The restoration of that tradition and the triumph of the new crusaders during Watergate and in the years just afterward has become a well-loved, not to say a twice-told, tale of the establishment press. ("All the President's Men" is back out in a twentieth-anniversary version, which has the solemn look of a nineteenth-century gift edition of "The Pilgrim's Progress.") In this version of history, the insider and the crusader had at last changed places, to everybody's benefit.

There was a crucial difference, though: the new crusaders had no causes, or were not allowed to admit to them. The men who brought about the President's fall did not want to be seen to be trying to do so. A telling moment in "All the President's Men" occurs when Woodward—who at that point had a

clearer picture of Nixon's dishonesty than anyone—blandly refuses to cast a vote against him in the 1972 election. The new aggression had to be attached, understandably, to an elaborate show of impartiality. What no one could have foreseen was that this pointed the way, in the long run, to the current style—to abstract aggression, divorced from wisdom or any real moral experience.

A related point is well made in "The Journalism of Outrage." Looking closely at what actually happened in six different episodes of investigative reporting, on television and in newspapers, the authors discovered that, while the reporters themselves passionately believed in a Mobilization Model of their actions—reporter sees wrong; reporter investigates wrong; reporter publishes truth; people act; reporter collects prize—most of them were hostage to the interests of a "policymaker" (an insider), with whom they had joined in an alliance. What actually happens is more like: disgruntled insider has grievance; insider finds reporter to tell it to; insider chuckles to himself as reporter's story makes other insiders miserable; reporter collects prize. "Adversarial" journalists nearly always depend for their information on people with a grievance to air, and are as much hostage to the interests of these people as the old journalists were to the people they had access to. "Mutually self-interested ad hoc alliances appear to be commonplace," the team concluded. The press, trying to become independent, remained just as much of a conduit as it had been before. The aggression culture is often just an access culture with a fright mask on.

But even on the worried, honest terms in which Woodward and Bernstein presented their work, there is in it a kind of implicit bad faith. Woodward's new book, "The Agenda: Inside the Clinton White House," is the fruit of the Watergate aggressiveness, still paying dividends twenty years on, and still being presented in the same terms—disinterested investigation, without fear or favor or prejudice. Yet what is so odd about Woodward's books is the disparity between the elaborate, and doubtless quite sincere, claims of impartiality and the comically obvious system of rewards and punish-

SHOWCASE

TRUFFAUT'S TWIN

IN the fall of 1958, a young filmmaker named François Truffaut searched for someone to play François Truffaut—or, rather, a teenage version of him, whom he called Antoine Doinel—and he found Jean-Pierre Léaud. "Jean-Pierre," the director later wrote, "was, like Doinel, solitary, anti-social, and on the verge of rebellion." At the end of the film "The 400 Blows," Truffaut froze an image that depicted those qualities indelibly, and fixed forever in viewers' minds an eerie convergence of identities: the boy standing on a deserted beach, gazing straight into the camera, with a gray, cold-looking sea behind him, was simultaneously Truffaut, Doinel, and Léaud. For the next twenty years, the director and the star would periodically keep us posted on Doinel's progress. They couldn't just leave him stranded on the shore: the whole world wanted to adopt him.

From December 16th to January 5th, the Film Society of Lincoln Center is presenting a fourteen-film Léaud retrospective which offers the full Doinel cycle—"The 400 Blows," "Antoine and Colette" (a segment from the 1962 anthology film "Love at Twenty"), "Stolen Kisses" (1968), "Bed and Board" (1970), and "Love on the Run" (1979)—and an impressive selection of the actor's other work. The Léaud we see in Godard's "Masculin-Féminin" (1966) and "La Chinoise" (1967) and in Jean Eustache's "The Mother and the Whore" (1973) isn't Doinel, but he remains solitary, anti-social, and on the verge of rebellion. In his later movies, like Aki Kaurismäki's "I Hired a Contract Killer" (1990), he displays a highly original kind of comic melancholy, the odd vitality of a middle-aged survivor. Léaud is fifty now. He has begun to take on the look of a Beckett character: resourceful but somehow burdened—as if his pockets were full of stones he had found on the beach thirty-six years ago. The great final shot of "The 400 Blows" loaded him with the weight of representing an entire generation that felt orphaned and defiant, and he has carried it with unusual grace. —TERRENCE RAFFERTY



"Make it a double, Al. It's been hell in Toyland."

ments. The system seems to work like this: If you talk to the reporter, you are portrayed as worried, honest, disturbed, and thoughtful, and other people are quoted talking about how worried, honest, disturbed, and thoughtful you are. Keep your mouth shut, out of loyalty or discretion, and all the worried, honest, disturbed, and thoughtful people will be talking about how worried and disturbed they are about you. A whole cast of subsidiary figures has become to a certain kind of investigative reporting what nymphs and sylphs were to pastoral poetry: slightly unreal representations of the writer's necessities—the "friend," who can be counted on to say something unfriendly; the "thoughtful observer," whose thoughts mimic those of the writer; the "concerned" protagonist. This is not to say that what Woodward writes is not true, or mostly true, but, rather, that his is a truth arrived at through a polite extortion: nice little White House you have here—hate to see something bad happen to it.

At the same time, as James Fallows pointed out in a review of "The Agenda" in the *Washington Monthly* earlier this year, the elaborate pretense

of objectivity and impartiality means that everything is levelled out: real intellectual debates are placed on the same plane as gripes about unreturned telephone calls. No one can be portrayed as being right even though "disorganized," for example, since judgments about right and wrong are exactly what the reporter has disallowed himself in advance. The "disorganization" may then become the sum of the characterization. By placing intellectual differences on the same level as personal squabbles, the Woodward system inevitably tends to discount the importance of ideas.

EVENTUALLY, it was plain that the way ahead for a journalist might lie in being aggressive not in order to accomplish something but simply in order to be seen to be aggressive. Aggression became essentially risk-free for the aggressor. On occasion, feelings may be hurt, and even a friendship or two ended, but this is rare, since the rituals demand good fellowship, and hurt is reinterpreted as "defensiveness," a weird American coinage.

Yet no one can confess to aggression for advancement's sake, so it has to be

defended with an elaborately detailed prospectus of disinterestedness. I recall, for instance, seeing on C-SPAN a young reporter who had done some very good, and aggressive, pieces about the religious right. After describing what he'd seen and how it worked, he said, in effect, "Of course, I don't have an opinion about the subject one way or another." What he meant, of course, was "I have my views, but I struggle to be fair-minded and not print lies, even about people I don't admire," or, more honestly, "I am surrounded by so many people who are making sure that my opinions don't take over from my reporting that even if I wanted to take sides it would be hard to do."

Beneath the studied disingenuousness that the new aggression demanded, there was a deeper unreality. The media, no matter how aggressive they

might become, were never going to be free or independent in the truest sense. They remained big, profit-seeking businesses, and journalists, whatever else they might be, were employees of those businesses. The economic pressures on journalists were not usually pressures forcing them to conform to the politics of their publisher. Most often, it was not ideological purity that was demanded so much as, simply, "stories," and those stories sounded better if they were tough. As Michael Arlen pointed out in the seventies, pure, unmodulated belligerence and hostility had become a favorite American form of entertainment. What people had begun to want was to see someone—Howard Cosell, say, or Archie Bunker—get mad for no particular reason.

It's obvious why editors demand a particular kind of belligerence. Aggression sells. Why it sells is a little harder to explain. Or, rather, it's hard to explain why, since aggression has *always* sold, a self-consciously malicious manner for so long remained segregated from "mainstream" journalism. Aggressive journalism seems to flourish in what the authors of "The Journalism of Outrage," referring to the circum-

stances of the press in the late nineteenth century, call an environment of "competitive instabilities"—in which too many publishers and papers chase the same readers, with the panicky knowledge that, when the chase is over, a lot of journals will be out of business and a lot of reporters out of jobs. That instability was produced a hundred years ago by the growth of the popular press. It's produced now by the growth of television, which has made the market for all journalism too crowded to allow for much good will. There's also a kind of fatal cycle of inflation built into any system that rewards belligerence. Yesterday's edge becomes today's tedium, and the only way to get more attention is to continually up the ante. If everybody does this—and everybody does—pretty soon even an issue of *Good Housekeeping* practically foams at the mouth.

Within the news establishment, it became increasingly possible to practice aggression as a nonrepresentational art. The path was set that has led to the Sam Donaldson era in the American media—that is, to someone's making a reputation as an aggressive reporter even though it's hard now to recall a major story that he broke on his own. Donaldson is famous mostly for shouting.

THE ideal narrative, because it had no threatening ideological content at all, took the form of the scandal story, which, based on the Watergate steps, became as formalized as square dancing. Larry J. Sabato's "Feeding Frenzy" is an updated account of the history of such scandals. Sabato is the kind of essentially honorable enterprise that can nonetheless make you feel uneasy, since in the course of registering his disgust with the cheap sensation seekers of the media he manages to retell all the crummiest stories (including some that never made it to the mainstream), offering a kind of *Farmers' Almanac of American Sleaze*. What is striking about his list of stories, though, is how innocuous almost all the offenses are, not just by some absolute standard but by the actual standard of American morality at the end of the century. It's difficult to understand how a country that tolerates Tom and Roseanne could even

pretend to stand aghast at Donna Rice and Gary Hart. "Men who sleep with women other than their wives" is not even hot enough to be a subject for Oprah.

The elaborate, if quickly constructed, rationale for this new kind of aggression was that its real subject was "character," which presumably ran true from the bedroom to the Oval Office. The meaning of each scandal became purely symbolic: not "What did he do?" but "What does what he did mean about who he is?" A lot has been written lately comparing the press treatment of Roosevelt and that of Clinton—the silence about the former's extramarital liaisons, the noise about the latter's marital strains, and so on. But an even more telling comparison lies in a curious and less well-known episode in the 1920 Presidential campaign, when F.D.R. ran for Vice-President; it's recounted by Geoffrey Ward in "A First-Class Temperament." As revenge for an attempt by the Democrats to insinuate that Warren G. Harding had black ancestors, the Republicans began a campaign to prove that F.D.R. was gay. Part of the "evidence" for this claim lay in a complicated case, recalled at length by Ward, in which F.D.R., as Assistant Secretary of the Navy, authorized an investigation that used enlisted men to

entrap homosexual sailors in Newport. Roosevelt also placed on probation a sailor convicted of sodomy and then persisted in defending the lenient sentence, despite the disapproval of several Navy officers. The Republicans in Congress took up the story, conducted an investigation, and eventually (after the election, in fact; they were dirty in those days, but less efficient) produced a report accusing Roosevelt of having engaged in a coverup. When the *Times* finally ran the story, the headline read "LAY NAVY SCANDAL TO F. D. ROOSEVELT. . . . DETAILS ARE UNPRINTABLE." Today, the first part of that headline would be a death sentence for a politician; at that time, as the last part suggests, the only thing the headline killed was the story. The scandal might be laid at Roosevelt's feet by the Republicans, but if no one could prove that he had actually countenanced sodomy there wasn't anything more you could say, or print. The question was one of guilt—was he or was he not a "sodomite"—and not of character.

Today, most people in the country—and certainly most people in the press corps—don't really feel that adultery or drinking are serious enough sins to warrant, by themselves, the destruction of a career; they are merely symptoms of some more meaningful "char-



acter flaw." Because they have so little intrinsic weight, all morals charges become symbolic, which means that you can derive pretty much any conclusion from any premise. For example, Joe Klein, in *Newsweek*, deduces from Clinton's alleged promiscuity with women that he is "promiscuous" in politics. This is a pun, not a thought. (It is typical of the general transformation in manners, though, that in analyzing the Roosevelt affair Ward, an excellent, scrupulous biographer, takes a long footnote to consider the possibility that, even if the charges were false, F.D.R. might in fact have had a "sizable feminine component in his makeup"; the mere existence of the charge, independent of its truth, these days makes it an occasion for the practice of depth psychology.)

CONVENTIONAL wisdom has it that the press became aggressive in order to act as a check on power, which ought to mean that the more authoritarian the figure in power, the more aggressive the press's reaction. Just the opposite seems to be the case: the more authoritarian the figure, the more complaisant the press. Anyone with his own narrative of aggression to relate has to be treated respectfully.

From the very beginning, the ritual of aggression gave the tough guy an enormous advantage over the mild one: Gordon Liddy fared better than Jeb Magruder, just as, later, Oliver North fared better than John Poindexter. Temporizing, moderate figures, like Clinton—or, for that matter, George Bush or, better still, Michael Dukakis—get treated with a disdain bordering on contempt.

That was where Ronald Reagan's political genius lay: he was a seemingly unaggressive figure with a paralyzingly aggressive story to tell. Before Reagan was nominated, it was possible to see in him a harshness—a belligerent coldness—that might doom him as a President. But in an aggression culture the people who thrive are those who are so entombed in their own beliefs that they dictate the terms of how they're perceived. The media had pounced on Johnson and Nixon as liars, because those men knew perfectly well that what they were saying was lies. In Reagan's case, the discrepancy between

FLIES

Walt Whitman noticed a group of them suspended near his writing table at lunchtime; at sunset he looked up and there they still were, "balancing in the air in the centre of the room, darting athwart, up and down, casting swift shadows in specks on the opposite wall where the shine is."

When a person sits concentrating hard, flies often collect in one spot, in a little bunch, not far from the brain, and fly through each other. The next day you can see them in a shaft of sunlight in the barn, going over an intricacy. Sometimes they alight on my writing-fingers as I form letters that look like drawings of them, or sit on the typewriter watching the keys hit, perhaps with some of the alert misapprehension of my mother, when I was in high school, at the sporadic clacking coming from my room. Karl Shapiro addressed a fly:

"O hideous little bat, the size of snot."
Yesterday I killed a fly that had been trying to crawl up a nostril and usurp a snot's niche. On being swatted, it jettisoned itself into my cup of coffee. When I swat and miss, the fly sometimes flies to the fly swatter, getting out of striking range by going deeper inside it, like a child hugging the person who has just struck her. Or it might alight on my head.

Miroslav Holub says that at the Battle of Crécy a fly alighted

on the blue tongue
of the Duke of Clervaux.

When Emily Dickinson's dying person dies, a fly's "Blue—uncertain stumbling Buzz" goes with her as far as it can go. If you fire the stoves in a closed-up house in the fall, the cluster flies, looking groggy, will creep from their chinks and sleeping holes, out of seeming death. Soon, if the sun is out, hundreds will appear, as if being born right there on the window glass. When so many vibrate together, the murmur Christopher Smart called the "honey of the air" becomes a howl. Seiki observes in himself what is true of me, too:

Once I kill
A fly I find I
Want to massacre them all.

Then Antonio Machado cries, *But . . . but . . . they*
have rested
upon the enchanted toy
upon the large closed book,
upon the love letter,

reality and his words was so vast that it was pointless to argue. You couldn't expose a pattern of deception, because almost everything was deception, which at some level Reagan genuinely believed to be true.

As aggression became an abstract art in the mainstream press, it encouraged the infiltration of ideological brutality from the fringes. When mindless aggression confronts purposeful aggression, the ideologues actually sound thoughtful. (Anyone who watches Sunday-morning television sees this process at work; next to Morton Kondracke, John McLaughlin sounds like Dr. Johnson.) The system works to make sure that the only people who are given credit for convictions are those people who have too many of them.

Both the left and the right benefited, in different ways, from this new ethic of aggression, and in that struggle the far right had a surprising, crucial advantage. Left-wing thought in America tends to be extremely abstract—that's what makes it so appealing to undergraduates. It offers big, systematic explanations of small things. The left has become so deeply committed to the notion that consciousness produces reality—that cultural politics are the only real politics—that many of its members have become content with victories in the field of consciousness and bored with actual political work. The energy on the American left is in cultural studies, not health-care activism.

On the other hand, right-wing thought in America, even serious right-wing thought, tends to be extremely personal. The right, to its credit, still believes in the consequences of individual actions, and this makes it much better at emphasizing the villainies of individuals. The right is much better at character assassination, because the right still believes in character. (The aftermath of the Clarence Thomas hearings illustrates this vividly: the left produced a new hypersensitivity to the existence of sexual harassment; the right, arguing from personalities, produced an extraordinarily nasty book about Anita Hill. It took the liberals a year and a half longer to get their book out, and then it wasn't particularly liberal.)

These different habits of mind may account for the apparent oddity that, while the American media tend, in their big fog of feeling, to go left, in the

details of their personal assaults they still tilt to the right. Rush Limbaugh and Noam Chomsky are both correct: most people in the American media share the cultural prejudices of the left, but they still enforce the political vendettas of the right. The left's ambitions are political and its triumphs cultural, while the right's ambitions are cultural and its triumphs political. This is more or less O.K. with most people on the left, since they believe that cultural victories are the same thing as political ones, but it drives the right crazy, and accounts for one of the most curious aspects of the media in the past decade—the extraordinarily embittered and vicious turn that the right-wing press has taken at a time when it is winning virtually every political battle. This is a distinctly American phenomenon; you only have to compare the British *Spectator* and *The American Spectator* to see the difference. The British *Spectator* is conservative, literate, pointed, unfair, occasionally bigoted, entertaining, and doesn't carry much political baggage in its arts sections. *The American Spectator* offers a flood of vitriolic abuse unseasoned by wit, or even by argument, and ranging from a cover shot of Hillary Clinton as a witch to ads for bumper stickers that seem to call for violence ("The Real Reason for the Second Amendment Is Becoming Obvious").

A great deal has been written about the frightening ideological turn that American academe has taken in the past decade. What is less often noted is that the same period has seen a turn toward the far right in what were once essentially moderate places. It's scary and instructive to compare the *Wall Street Journal* editorial page thirty years ago, just before the Goldwater-Johnson election, with that same page now. Thirty years ago, when liberalism really was in power, the *Journal* spoke out

against "campaigning by epithet," criticizing the Democrats, who "carried on as though they were determined not only to bury Goldwater but destroy forever every last vestige of conservatism in the country." They even criticized the conservative standard-bearer for having "resorted to name-calling and magnification of presumed disasters," and insisted that "too often he employed the blanket words of denunciation ('deceit' and 'defeat')." Nowadays, the *Journal's* editorial page not only carries on as if it were determined to destroy forever every last vestige of liberalism in the country but it also employs both name-calling and the blanket words of denunciation, writing of Bill and Hillary Clinton, for example—under the head "GREED AND HYPOCRISY"—that their financial life is one in which "glib five-and-dimers swim along the edges of the real economy, living on fancy talk, cutting corners and hoping that one of the big boys will offer them a piece of the \$100 sure thing."

The reasons for this embittered turn to the right aren't hard to find. Most American conservatives who bother to write at all are social or cultural conservatives—frightened or alarmed by the disruption of the continuities and verities of American life in the past twenty years. From the opposing camp, of course, the recent story of the American right looks like one of mostly unchecked triumph, but it does not look that way to the right. The right has dominated American political discussion—it was able to put its leader in the White House for eight years and a follower in for four more—and so far nothing has really changed. The flood of social transformation has, if anything, gathered force. Gay rights, for instance, which were not even on the mainstream liberal agenda fifteen years ago, have now become a necessary piety, flouted at the politicians' peril.

The irony is that this turn of events is uniquely well explained by conservative political theory. Any Burkean conservative knows why a right-wing political triumph cannot stop the flood of social change: electoral politics has a very limited effect on the real world—the life of parliaments doesn't have much to do with the life of the mind or the heart. Some of the same people who voted for Ronald Reagan bought



Yes

Madonna records. Conservatives in America, however, continue to hold the extremely unconservative belief that electing congressmen can change a culture. It didn't happen under Ronald Reagan, and it isn't likely to happen under Newt Gingrich.

The right has decided, though, that the reason it has not been able to exercise the power it has earned is that a conspiracy has intervened. Bad things happen because bad people make them happen. The establishment media, in turn, primed to pay great regard to accusatory and aggressive narratives of any kind, have become as vulnerable to the personal vendettas of the right as they are to the systematic claims of the left. They advance these vendettas with the help of a set of euphemisms—"iconoclastic," "maverick"—that reduce the space between honest investigation and hate to a difference in tone.

A recent cover story by Trudy Lieberman in the *Columbia Journalism Review* showed in brilliant detail how this process worked in the development of the Whitewater story. What began as obviously tendentious and manufactured stories from a fringe group

worked their way inexorably into the mainstream by a kind of wiggle technique. The existence of a rumor became a story, and was then driven forward by the kind of on-the-one-hand-this, on-the-other-hand-that examination that was meant to evaluate it. The *Los Angeles Times'* Tom Rosenstiel offers another example: a right-wing group sends out a fax newsletter carrying the report that Vincent Foster had actually died in a White House "safe house," and that his body had been moved to the park where it was later found; Rush Limbaugh puts this story on the air; another talk-show host turns it into a murder story; stock-market speculators pick the story up, hoping to "spook" the market; and there it is the next day—"safe house" and all—on the pages of the *Washington Post*, only now as a "business" story about the way rumors move the market. By treating the paranoid style patiently, with diligent attention, you end up serving its purposes. *U.S. News & World Report* not long ago printed a story about what it called "the anti-Clinton smear campaign," in the course of which it repeated some of the smears even while refuting them. The reporters effectively dismiss the right-

wing conspiracy theories about Vincent Foster, for example; but then another death, that of Luther Parks, is described as "almost as disputed as Foster's," which is, of course, "disputed" only in the sense that the authorship of Shakespeare's plays is "disputed." This is a bipartisan phenomenon: the same kind of sequence, from a doubtful source to an indelible stain, is apparent in the "October Surprise" scandal. The aggression culture has become a hate-laundry system.

Liberalism, though, has a hard time responding, because of its belief that analyzing something to death is the same thing as killing it off. To show that a Rush Limbaugh rant, for example, is stylized, and has a more complicated internal structure than you might expect, is somehow assumed to make it less dangerous.

In fact, you sometimes have the depressing feeling that if the Beer Hall Putsch took place in America today there would be an investigation in the news magazines of Hitler's claim ("Though Hitler's charge that Jews control the media remains unproved, it has sparked a welcome debate on the relationships between Jews and other Germans. In the long run, this may be the best thing to come from this miserable incident"); joint appearances by Goebbels and a Social Democratic leader on "Nightline" ("Ted, I welcome the chance to clear the air about a lot of misunderstandings that have arisen about what we mean when we talk about subhuman types"); a cover story by Camille Paglia in *The New Republic* explaining the cultural meaning of Hitler's mustache ("At once the Chaplinesque mustache of the hair system of the little man, and the referent to the petit bourgeois, it is the ideal image of..."); and an Art Spiegelman cover on this magazine, showing a Storm Trooper embracing a rabbi.



"Jack and I have learned to accept each other's idiosyncrasies, like my passion for cashew brittle, and his going out every night and not coming home until dawn."

BILL CLINTON's problems with the media are due in part to his own curious weaknesses, and are exacerbated by the obviousness of his

own vulnerability. In "Out of Order"—a book that Clinton apparently likes, and is said to urge on people—Thomas Patterson points out a more complicated phenomenon, which is that the kind of treatment Clinton has received is neither unique to Clinton nor, as he says in an afterword to the paperback edition, part of a general roughing up that all Presidents get. It is, he implies, a recent historical phenomenon, which also manifested itself in the way the press treated George Bush.

As the economy got better, his press clippings got worse, which leads you to suspect that the anxiety of the middle class was being fed by the abstract aggression of the media. What began with Bush extended to Clinton, and was made worse by his thin skin, which only encouraged more criticism.

Patterson's larger thesis is that politics in America is practiced mostly by a governing class whose members, within the normal limits of human behavior, mean more or less what they say and more or less keep the promises they make, and that politicians are evaluated by an electorate that is looking for more or less honest answers to its problems. Between these two large but none too nimble groups—like the villain in an old Buster Keaton comedy coming between Buster and his girl—is the press, which has its own reasons for seeing everything in adversarial or controversial terms and for turning every statement into a ploy in a strategic "game." The press, Patterson suggests, sees as a battlefield what is in fact a beauty contest, in which a group of desperately sincere contestants parade their paltry merits before the judges, and the truly scary thing is that the contestants mean just about everything they say. Patterson argues that the need to analyze everything in strategic terms means that no action can be accepted as having an integrity of its own.

Patterson has become best known

SUBWAY LAWYER MEETS SUBWAY DOCTOR



for his indictment of the cynicism of the press. His indignation is convincing, but it tends to remain descriptive and a little personal: reporters write cynically because they are cynics. The real problem may be that if, in the new environment, you're not colorful, "lively," and aggressive you fall out of the race completely. Yet to encourage people to make strong commitments and write from actual intellectual conviction is to step too far outside the rituals of impartiality on which the media depend and from which they attempt to draw their authority.

This may be why the most distinctive thing to emerge in the American media recently has been not cynicism at all but a kind of weird, free-form nastiness—spleen without purpose, grayness with an attitude. What you see everywhere—in the remade front section of *Time*, for example, with its weekly scorecard of "losers" and "winners," or in *Newsweek's* funny "Conventional

Wisdom Watch"—is reporters and writers who have no visible class allegiances or political allegiances, or even generational allegiances, but only an allegiance to maintaining the appearance of their own knowingness. To Liebling's three basic personages of the press—the reporter, who says what he saw; the interpretative reporter, who says what he thinks is the meaning of what he saw; and the expert, who says what he thinks is the meaning of what he didn't see—is added the meta-columnist, who says what he thinks that other people will think is the meaning of what they haven't seen, either.

In this sense, the usual complaint about the press—that it is too "analytic" and offers too much "interpretation" in place of hard news—is wide of the mark. Just as the aggression culture did not really produce "cynicism" but its opposite—an enhanced credulity—it also did not produce an excess of opinion in place of reporting. Tom Rosen-



"He's just discovered French Baroque organ music."

✓  stiel also criticizes the "move towards interpretative writing" and uses the now famous *Times* lead about Clinton's trip to Oxford to illustrate the trend. But opinion and interpretation is exactly what that lead doesn't offer; it is not interpretative, and it contains no analysis. It just re-states the familiar with an edge of malice, in the manner of those comedians whose idea of satire is reciting old television commercials with an exasperated expression. This happens not because the reporter is necessarily malicious but because that kind of re-statement is all that the logic of the situation allows. "Edge" and "attitude" are permissible, even desirable, as long as they are segregated from thought. Everybody is assumed to already know what happened—it was on TV—and the reporter is not allowed to offer a judgment. All that he or she can do is re-state the familiar story with a wink or a sneer.

The casual cruelty of so much of the media is really a kind of transferred aestheticism, which has as its rationale the

claim that, since everything in contemporary America is essentially shadow play and performance, everything can be judged in the levelling, wise-guy terms of cultural reviewing. The sequence has its own depressing logic. The inquisitorial left jab on the front page (you are guilty) is followed up by the anthropological right hook on the op-ed page (what you think is a defense is merely a defense mechanism, typical of people in your plight), which is reinforced by a psychoanalytic kick in the groin in the Sunday supplement. The access culture produced worldliness as an unintended virtue; the aggression culture produces knowingness as a derivative vice.

THE most ambitious of the new books on journalism, Paul H. Weaver's *"News and the Culture of Lying,"* is full of recommendations about what should be done. Some of them are petty and impractical (force the *Times* to change its motto) and some are sensible and impractical (everybody

should subscribe to a journal of opinion), and none of them seem likely to be acted on. Weaver veers between the chatty and the apocalyptic, interlarding back-fence accounts of his own experiences as a staff writer at *Fortune*—not, one thinks, a truly typical experience of American journalism—with long-winded and extravagant denunciations of everybody else. He is passionate but, in the manner of the autodidact, a little lacking in self-awareness. "I'd considered myself a good writer," he notes at one point, "but I was surprised by how much I learned from editors about the tricks of the trade, such as (to take a typical, mundane example) how neatly the unconvivial word *amid* works to link (or juxtapose) a focal action with a set of circumstances in a way that is economical and chatty but that draws attention both to the linkage (or juxtaposition) and to the subordinate status of the circumstantial element." Anyone who can write a sentence like that about his own initiation

into the dastardly practices of slick journalism hasn't been as ruined as he thinks.

Weaver's argument is that journalists always lie, even when they don't want to—that "the news story is a blueprint for mendacity," which contrives to create an alternative reality. The news is biased in the direction of a certain kind of crisis narrative—the "Pulitzerian journalism," in which whatever happened is set out on the front page as an emergency in need of immediate resolution instead of considered deliberation. The press concentrates on these narratives, and therefore makes it impossible for any version of reality to take hold other than that of a nation lurching from crisis to crisis.

The trouble is that *all* events are, in one way or another, what Daniel Boorstin calls "pseudo-events"—or that, at least, the line between actual events and pseudo-events is not as secure as Weaver wants it to be. Nonetheless, Weaver has a kind of sincerity, a freedom from cant, and he sees farther than most of the people who have written on the subject. He notes, for instance, that the real point about the privacy issue is not that people should be left alone but that the meaning of private acts isn't susceptible to a broad, symbolic analysis—that's what makes them private. And he argues convincingly that the press, by divorcing itself from "citizenship"—meaning the way real people talk about real events—while fleeing into an elaborate guild observance of professional rules and rituals, betrays reality almost routinely.

The impulse of the past twenty years has been to rationalize the aggressiveness of the media by claiming for it a quasi-governmental role, in which no subject is off limits and no reporter bears any moral responsibility for what is printed or depicted. That many reporters actually believe they have a constitutional role—separate from that of the three other branches of government but just as important—is shown by the indignation they express whenever the President takes questions

from ordinary citizens instead of from the press corps. The truth is, as Weaver points out, that the press corps is ordinary citizens, who happen to work for papers and television stations. The only obligation that compels a reporter to ask Presidential candidates if they have committed adultery, or ask priests if they have abused small children, is the obligation to make money for his paper—or, more precisely, his personal obligation to keep his job by showing his paper that he is doing his best to help it make money.

It sometimes makes sense to talk about "professional ethics," as something apart from simple ethics, but it doesn't make sense for a journalist to do so, because journalism is not a profession. It has no standards of admittance, no board of review. Though an argument can be made that the normal rules of compassion, decency, and fair-mindedness can be suspended for practitioners of certain professions at certain moments, no such argument can be made for journalists. The morality of being a reporter is really about the same as the morality of being a person. When Janet Malcolm wrote that journalism is morally indefensible, what she meant, I think, is that the notion that

journalism can be practiced as a profession—something apart from the normal engagements and allegiances and judgments of human life—is obnoxious.

THE funny thing about a free press is that it is not really very good at its manifest role but is terrific at a lot of its latent roles. Journalism has been bad at history, since it can paint only quickly and in very broad strokes. (Historians spend decades clearing up confusions that journalists create in minutes; what actually happened during the Tet offensive in Vietnam, for instance, is hard to know for sure, but it was almost certainly not what was reported as happening at the time.) The press is also a poor tribunal and a worse department of justice—its standards of evidence are too low, and its amnesia is too sudden. But it can make a surprisingly good guardian of the public's compassion and sense of proportion. A free press, more than any other institution—more than schools or parliaments or scholars—protects public decency.

It does this, like it or not, by making a distinction between the middle



"Did we ever go through with that divorce we were talking about?"

and the margins (All the News That's Fit to Print). This task is often viewed with horror today, since the attempt to create a "middle" and an "other"—to say that there is a spectrum of rational views and a fringe of crazy ones—is supposed to be the pernicious work of the power structure. But no liberal society can function without the desire to distinguish between kinds of public speech that are acceptable and kinds that—because of their incivility, their inability to be modified, their blindness, their malice, or their potential for doing violence—do not belong in the conversation at all. All human groups have to try to make these distinctions, and they can make them on good principles or bad.

The nice thing about the press as a sorter-out of bourgeois liberal societies is that it has no power except the cumulative power of example—the power to make you want to sound worldly yourself. "A sense of style is the radical journalist's best friend," I. F. Stone once confided to a young reporter; it was the bedrock of independence, he thought, because nobody owned it but you. Style in journalism depends in part on worldliness, or judgment—on knowing which way is up, even when everyone else thinks it's down. That was true fifty years ago, and it is still true. But it's hard to know how you get more people who work in the media to understand that, as Michael Kinsley has written, our job is not to bring reality into line with appearances but to bring appearances into line with reality.

It's fun to imagine an Institute for Worldly Journalism set up on that imaginary campus which also harbors Liebling's famous School for Publishers (without which, he wrote, no school for journalists has meaning). The institute would need to have a bar, a fire bell, a clutch of lovable corrupt politicians, and the collected works of Trollope and Damon Runyon, among others. It might also conduct regular tours of the publishers' school next door, just so that the young reporters could be reminded which way is *really* up. Of course, the world itself isn't a bad institute, but by the time you've learned what the world has to teach it's usually too late to do anything about it. ♦





1/8/95
THE PRESIDENT HAS SEEN

DEMOCRATIC GOVERNORS' ASSOCIATION

MEMORANDUM

Governor Evan Bayh
State of Indiana
Chair

Governor Mel Carnahan
State of Missouri
Vice Chair

EXECUTIVE COMMITTEE

Governor Gaston Caperton
State of West Virginia

Governor Howard Dean
State of Vermont

Governor Bob Miller
State of Nevada

Governor Ann Richards
State of Texas

Governor Roy Romer
State of Colorado

Governor Bruce Sundlun
State of Rhode Island

Governor John Waihee
State of Hawaii

Governor David Walters
State of Oklahoma

Katherine Whelan
Executive Director

TO:

HAROLD ICKES

FROM:

Katie Whelan
Doug Richardson

RE:

Gubernatorial Elections, 1995 and 1996

DATE:

December 14, 1994

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The following states have gubernatorial elections during the next two years:

1995:

KENTUCKY: Incumbent Democrat Brereton Jones is barred by law from seeking a second consecutive term.

Possible Democratic Candidates: Secretary of State Bob Babbage (announced); Lt. Gov. Paul Patton (announced); U.S. Rep. Scotty Baesler; State Auditor Ben Chandler; State Senate President John "Eck" Rose, and Jefferson County Judge-Executive Dave Armstrong.

Possible Republican Candidates: State Rep. Anne Northup; former U.S. Attorney Joe Whittle, 1991 nominee Larry Forgy, and former state GOP Chairman Robert Gable.

Primary Date: May 23, 1995

Run-off Date: June 27, 1995

General Election: November 7, 1995

Coming Elections

Page 2

LOUISIANA: Incumbent Democrat Edwin Edwards is retiring at the end of this, his fourth non-consecutive, term.

Possible Democratic Candidates: U.S. Rep. William Jefferson; U.S. Rep. Cleo Fields; State Treasurer Mary Landrieu; Lt. Gov. Melinda Schwegmann; Insurance Commissioner Jim Brown.

Possible Republican Candidates: Former Gov. Buddy Roemer; former Gov. David Treen; state Rep. Quentin Dastugue.

Primary Date: Oct. 21

General Election: Nov. 18

MISSISSIPPI: Incumbent Republican Kirk Fordice is expected to seek a second term.

Possible Democratic Candidate: Secretary of State Dick Molpus.

Possible Republican Candidate: Fordice. (Lt. Gov. Eddie Briggs announced Dec. 2, 1994, that he intends to seek re-election as LG rather than challenge Fordice in the primary.)

Primary Date: August 8

Run-off: August 29

General Election:

November 7

1996:

DELAWARE: First-term Democratic incumbent Thomas Carper is expected to seek re-election.

INDIANA: Two-term Democratic incumbent Evan Bayh is barred by law from seeking a third term.

Possible Democratic Candidate: Lt. Gov. Frank O'Bannon appears to be the clear front-runner for the Democratic nomination.

Possible Republican Candidates: Indianapolis Mayor Steve Goldsmith, former state GOP Chairman Rexford Early, Golden Rule Insurance Chairman Pat Rooney, Senate President Pro Tem Robert Garton.

Coming Elections

Page 3

MISSOURI: First-term Democratic incumbent Mel Carnahan is expected to seek re-election.

MONTANA: Republican incumbent Marc Racicot is expected to seek re-election.

NEW HAMPSHIRE: Republican incumbent Steve Merrill is expected to seek re-election. New Hampshire has two-year terms.

NORTH CAROLINA: Democratic Governor Jim Hunt is expected to seek re-election. He served two consecutive terms previously and would be bidding to serve consecutive terms again.

NORTH DAKOTA: Republican Governor Ed Schafer is expected to seek a second term.

UTAH: Republican Governor Mike Leavitt is expected to seek re-election.

VERMONT: Democratic Governor Howard Dean is expected to seek another two-year term. Dean succeeded to the Governor's office upon the death of his predecessor in 1991. He was elected in 1992 and 1994.

WASHINGTON: First-term Democrat Mike Lowry is expected to seek re-election.

WEST VIRGINIA: Two-term Democratic incumbent Gaston Caperton is barred by law from seeking a third term.



OFFICE OF THE ADMINISTRATOR

THE PRESIDENT HAS SEEN
1/8/95
U.S. SMALL BUSINESS ADMINISTRATION
WASHINGTON, D.C. 20416

95 JAN 6 P7:58
January 6, 1995
agreed w/ you
call Sen. Baucus
Cong. LaFalce
Min. Murphy
The GOP
Chairman
and support
and guide
B.C.

MEMORANDUM FOR THE PRESIDENT

FROM: Philip Lader *PL*

SUBJECT: SBA's \$500,000 Cap on Certain Government-guaranteed Loans

Erskine yesterday conveyed to me your concern about SBA's new \$500,000 cap on 7(a) program loans. Previously, SBA guaranteed up to \$750,000 of such loans. This Memorandum summarizes OMB's and our analysis, explains the decision, and seeks your direction.

The Action

The \$500,000 ceiling, established pursuant to Section 7(a) (3) (A) of the Small Business Act, was set, after approval by OMB, (1) to "stretch" our authorization to last the full fiscal year amidst unprecedented demand, (2) to assist the greatest number of small businesses our resources permit, and (3) to focus on the smaller businesses which have greatest difficulty obtaining capital and which are creating the preponderance of new jobs.

Background and Analysis

Unprecedented demand for SBA loans this year would have exhausted our appropriation by July, 1995. Our 1st Quarter funds would have been depleted on December 16, 1994, had OMB not approved our request to transfer funds from our 4th Quarter allocation. But OMB's approval was conditioned on our presenting a plan to manage loan demand. The \$500,000 cap became the central feature of that plan.

In the 1st Quarter, SBA's 7(a) loan approvals averaged \$38 million per day (\$8.8 billion annualized), compared with \$30 million per day in the last fiscal year. This reflects, among other factors, SBA's tapping a greatly underserved market through the "Low Doc" simplified application introduced last June for loans under \$100,000. Since demand traditionally increases in the second half of each year, applications for FY 1995 would likely exceed \$9.3 billion, while our appropriation would support only \$7.8 billion in loans.

By reducing the loan limit, we expect \$900 million to become available for smaller loans, thereby permitting SBA to serve nearly six times as many small businesses as we could have without the \$500,000 cap. A relatively small percentage of SBA's customers will be affected: Last year, only 10 percent of 7(a) borrowers received loans exceeding \$500,000. Moreover, as OMB agreed, this was the only solution which could be accomplished in a timely manner and without



printed on recycled paper

MEMORANDUM FOR THE PRESIDENT

SBA -- January 6, 1995

legislative action.

Certain lenders and larger borrowers were not pleased with this decision, but reaction was similar last year when the Agency first charged a fee on loans sold in the secondary market. Like that decision, the loan cap extends our limited resources and favors the smaller borrowers who need SBA most.

Among the alternatives we examined were

- * Allocating funds by category or geography (though this invites debate about job-creation or other eligibility criteria);
- * Limiting the refinancing of debt (though this has little budgetary impact); and
- * Reducing the maximum maturity on 7(a) loans (though longer-term maturities are very valuable to small-business owners).

Certain legislative initiatives are still under consideration. For example, our subsidy rate could be improved, and more loans made, by reducing the Government's guaranty percentage, raising guaranty fees, or charging service fees on all loans. Unfortunately, such measures cannot be enacted in time to address our 1995 problem.

Current Options

If we were to rescind the \$500,000 administrative cap, we could

- (1) Use all appropriations, shut down the 7(a) program in July, endure criticism of our management, and place the burden on Congress to "save" the program with an additional appropriation;
- (2) Seek supplemental appropriations from Congress now; and/or
- (3) Pursue legislative measures to improve the subsidy rate in time to avoid exhausting funds before the end of the fiscal year.

My recommendation is

- (4) Retain the administrative cap, seek legislation to improve the subsidy rate, and reconsider administrative alternatives and the cap with OMB and the NEC in the coming months as we "reinvent" SBA.

Please note your decision.

cc: Erskine Bowles
Chris Edley
Leon Panetta

Alice Rivlin
Bob Rubin

VP → Mr.
Need to highlight
The Big Presidential
Environmental Success
Simulations

THE WHITE HOUSE
WASHINGTON

See Growth
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Everglades
wetlands(?)

95 JAN 7 A 9:26

JANUARY 6, 1995

THE PRESIDENT HAS SEEN
1/8/95

MEMORANDUM TO THE PRESIDENT

FROM: KATIE MCGINTY *Matt M. Justice for*

CC: LEON PANETTA

RE: CEQ WEEKLY REPORT

JOBS AND THE ENVIRONMENT

On Thursday, the Economic Policy Institute released a new study entitled *Jobs and the Environment: The Myth of a National Trade-off*. The report reviews two decades of research on the question of "jobs versus the environment" and finds that "widespread fears of job loss from environmental protection are simply unfounded. When job creation aspects of pollution control policies are factored in, environmental protection has slightly increased net employment in the U.S. economy."

REGULATORY RELIEF IN THE CONTRACT - HOW'S IT PLAYING?

Since the Holidays, many newspapers have editorialized on the regulatory relief provisions in the Contract. Almost all of the editorials we have seen are negative. I have attached a summary of recent editorials and opinions compiled by GREENWIRE from the American Political Network. Following are a couple of additions:

Our View, USA TODAY: "In short, the moratorium is a bad deal. So, too, are proposals in the GOP's Contract with America worrisome. Like the moratorium, they appear directed at stopping virtually all regulation rather than weeding out the bad from the good." (1/6)

N.Y.T. columnist ANTHONY LEWIS: "an insufficiently noticed item in the contract would make it virtually impossible for any governmental body, state or Federal, to protect the environment. The Gingrich item is labeled the 'Job Creation and Wage Enhancement Act.' George Orwell would have appreciated the beauty of that title for a proposal that might better be called the Death and Desertification Act." (12/30)

REGULATORY REFORM

Carol Rasco and I presented to the Vice President's Regulatory Reform working group a consensus recommendation that we vigorously oppose schemes such as those proposed in the Contract that would require automatic purchase of property upon even slight diminutions in value by regulatory action. These proposals would, in effect, stop almost all government activity. We are preparing a communications strategy for the Vice President's review.

THE WHITE HOUSE
WASHINGTON

THE PRESIDENT HAS SEEN
1/8/95

95 JAN 7 9:27

JANUARY 6, 1995

MEMORANDUM TO THE PRESIDENT

FROM: KATIE MCGINTY *KM*
CC: LEON PANETTA
CC: MARTHA FOLEY
RE: THE DELAWARE Clean Air Act (CAA) CASE

This memo is in response to your inquiry in our 12/16/94 weekly report regarding a meeting which I attended on the CAA with the EPA and the Governors from NJ, VT, DE, WV, and WI. In EPA's revised approach to auto inspection and maintenance (I&M) under the CAA, states are allowed to choose either (1) the EPA's current enhanced I&M approach; or (2) a less strict I&M program under the condition that if additional air pollution reductions were needed, they would be made up in other ways outlined in the CAA.

Delaware was a state that had recommended that EPA provide option #2 as a way of addressing their particular case. Gov. Carper, who was present, was very pleased with the outcome.

*Carper's letter from me to
his fair fuel, hauling
limiting (reducing) this to my
certification*

THE PRESIDENT HAS SEEN

1/8/95

THE WHITE HOUSE

WASHINGTON

January 6, 1994

95 JAN 7 A 9:27

MEMORANDUM FOR THE PRESIDENT
THE VICE PRESIDENT

FROM:

KATIE MCGINTY

RE:

PACIFIC SALMON TREATY WITH CANADA

You will recall that Canada arrested and imposed fees on U.S. fisherman over hotly contested rights to dwindling salmon populations. We have worked this issue intensively since that altercation. I asked Jim Pipkin, of the Department of the Interior, to come on as "Special Negotiator". Through intensive consultations, he prepared a plan that promises to be a real breakthrough in these "talks". We have the support of Norm Dicks, Patty Murray and Ted Stevens on our approach. The ball is now in Canada's court -- the obligation is now on them to prove their bona fides in resolving this very difficult issue.

Please see attached articles -- the press has responded very positively to our approach here.

cc: Leon Panetta

Good
Kogata
Then will be a big
thing you can work
through

EDITORIALS

Seattle
Times
12/26/94

U.S. makes right move in Canadian fish talks

THE Clinton administration's attempt to resurrect stalled negotiations between the United States and Canada over salmon harvests is overdue. It is also positive and promising.

The proposal announced by James Pipkin, chief U.S. negotiator, recognizes a legitimate Canadian claim that they are being shortchanged in allocations under the 1985 U.S.-Canada agreement. The U.S. government has offered to pay Canada for past inequities. That's fair. The amount would have to be negotiated.

In return, Canada is being asked to agree to a new formula for dividing the fish — one that makes much more sense than the existing formula.

Under the treaty, Canadians and Americans were to catch salmon in numbers representing equity based on the country of origin of those fish. Canadians complained that Alaskans were intercepting too many of their salmon. Our state severely restricted fishing on threatened chinook and coho salmon partly because of Canadian interception of Washington-bound fish.

Now, instead of fixing numerical ceilings by species for each country, the U.S. proposes the catch be negotiated in percentages. That would allow greater harvest in good salmon-return years and automatic cutbacks in bad ones.

If that can be worked out, chalk up a victory for the fish. It is a method more favorable to sound conservation measures.

Resolution of the dispute with Canada is essential to any salmon-recovery plan in the Columbia River Basin. It makes little sense to impose costly solutions on the Columbia if salmon runs destined for there are being overfished off the west coast of Vancouver Island.

There has been too much gamesmanship — such as Canada's \$2,200 round-trip passage fee for U.S. commercial boats passing through the Inland Passage. It had nothing to do with allocations, equity or protecting the resource. Until it was revoked, it was just a loose shot in a fish war.

What has been lacking is statesmanship. There has been too much bickering between Alaska, which has been doing just fine in salmon harvests, and Lower 48 states, which have been hurting.

It's a national problem — a treaty between two countries, not between Canada and several states. The proposal is an encouraging sign that the Clinton administration is beginning to take its role seriously.

X

January 1, 1995

Letters to the editor

Pacific Salmon Treaty the way to conserve

Thumbs up for your support of the Clinton administration's abundance-based Pacific Salmon Treaty proposal. Under abundance-based management, fishing effort increases when many harvestable (total run less spawner escapement) salmon are available and decreases when less harvestable salmon are available. That's conservation.

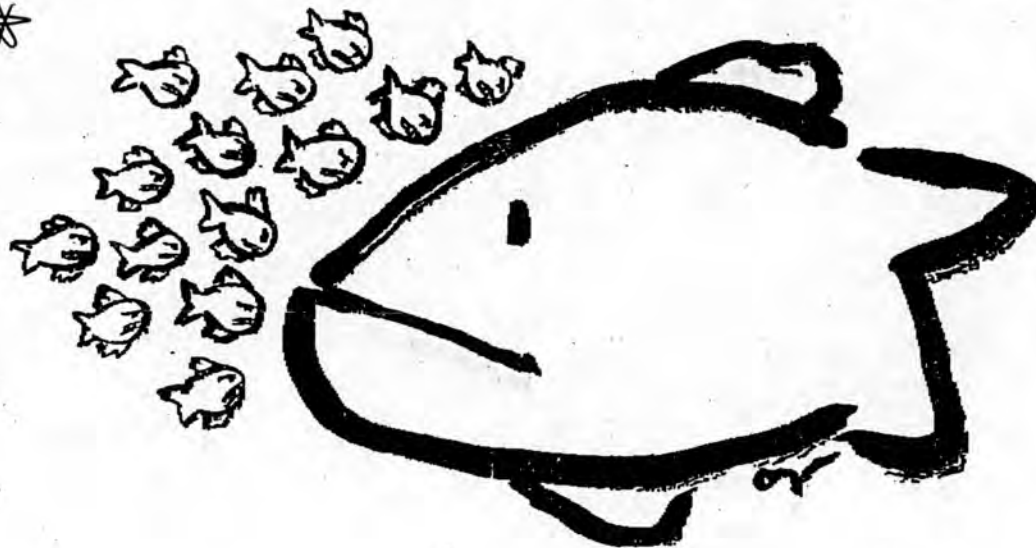
Your analysis is correct that "poor stewardship" in the lower 48 precipitated the collapse of certain Pacific Salmon Treaty provisions. The use of fixed ceilings and the southern view of "equity" as interception-balancing also crippled proper functioning of the treaty. Indeed, Commissioner James Pipkin has emphasized the futility of interception-balancing in stating that interceptions comprise only 1 percent of salmon harvested under the treaty. It's conservation of that 1 percent and the other 99 percent of nonintercepted salmon that we must consider.

A few points could have balanced the editorial. First, revising one of your statements to read, "Meanwhile, Alaskan and Washington fishermen continue to fish in Alaskan waters from abundant stocks. Ninety-five percent headed for Alaska, 5 percent headed for Canada."

Second, we fishermen and the state of Alaska have contributed greatly to the resolution of the treaty conflict. More than \$500,000 was paid to Canada in transit fees last summer. Then, while Canada began its "fisk war," Alaska maintained its normal conservation-based management approach and even gave up several hundred thousand sockeye in the District 4 Noyes Island fishery due to lower-than-expected Alaskan pink salmon abundance early in the season.

Finally, look at Canada's conservation disaster of 1994: the nearly 2 million Adams River sockeye spawners, which were victims of Canada's Fisheries Minister Brian Tobin's "Canadian fishery on Canadian stocks." Those salmon had resulted from 60 years of joint U.S.-Canada Fraser River rebuilding programs. That combined with threats of purposefully annihilating threatened salmon stocks showed Tobin's blatant disregard for conservation.

Robert M. Thorstensen Jr.
Member, Southeast Alaska Seiner's Board
Seattle



THE PRESIDENT HAS SEEN 1/8/95

THE WHITE HOUSE
WASHINGTON

January 5, 1995

MR. PRESIDENT:

Attached is a decision memo from Alice Rivlin recommending that you confirm a REGO decision you tentatively made in late December to phase out the role of the Army Corps of Engineers in local water projects.

Under this proposal, the Corps would continue to work on water projects that have national benefits, such as commercial inland and deep-draft navigation, multi-state (but not single state) flood control, environmental restoration, responses to floods and hurricanes and operation/maintenance of existing projects. But the Corps would be phased out of projects with mainly local benefits, such as beach erosion or local flood protection. (No ongoing construction projects would be terminated.)

After reviewing pros and cons, Alice recommends that you approve the proposal.

Approve _____ Disapprove _____ Discuss _____

Leon

Todd Stern

Q: I can't tell from this memo whether, egs the Lower Miss. River Tributary Project would still be funded and if so if it would be funded separately - would it? Pls let me know ASAP.



THE DIRECTOR

EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF MANAGEMENT AND BUDGET
WASHINGTON, D.C. 20503

1/8/95
THE PRESIDENT HAS SEEN

December 30, 1998 04 DEC 30 P 6: 46

MEMORANDUM FOR THE PRESIDENT

CC: Chief of Staff
FROM: Alice M. Rivlin
SUBJECT: Decision Memorandum -- Eliminating the Army Corps of Engineers' Local Projects Role

The proposal to eliminate the Corps' role in local water projects is one of the "REGO II" savings options (\$837 million in outlay reductions from 1996-2000) that you tentatively approved last week. However, you raised the question of what the Corps' revised role would actually be. Below is a brief description of the proposal, with pros and cons, and the OMB recommendation. Attached is a more detailed explanation of types of work that would continue to be performed by the Corps and types that would not.

Description of proposal:

The proposal would focus the Corps' role on water projects that provide national benefits (commercial inland and deep-draft navigation, multi-State flood control, environmental restoration, operation and maintenance of existing projects, and responses to floods and hurricanes).

It would phase out the Corps' role on projects that provide primarily local benefits (beach erosion, local flood protection, and construction and maintenance of recreational harbors). Still, some local projects to protect against floodwaters from multiple States would be supported if they meet more stringent approval criteria.

PROS:

- Would focus the Corps' program on areas with a clear Federal responsibility; e.g., navigation and major inter-State flood control.
- Would help eliminate a major source of Congressional earmarks for local projects.
- Would be phased in as current projects are completed; no ongoing construction projects would be terminated; full savings would be achieved in the outyears (annual outlay savings of \$350 million in 2000, \$850 million in 2005, about 25 percent of the Corps' total budget).

- By eliminating Federal subsidies, is likely to result in solutions to flood risks reflecting local priorities, including more non-structural (and less environmentally harmful) solutions.
- Local water projects are generally affordable for State and local governments.
- Should encourage enrollment in FEMA's National Flood Insurance Program, improved floodplain management and watershed planning, and more effective zoning.

CONS:

- Would eliminate popular programs with broad constituencies in Congress and across the Nation; even though no existing projects would be eliminated, it might be construed as a water project "hit list".
- If States and locals did not implement effective floodplain and hurricane management, the Federal Government might still have to deal with costly disasters.
- Could diminish Corps' engineering capabilities and expertise, and eventually weaken disaster response.
- Could lessen Federal coordination of flood protection works; the Corps is viewed as the Nation's flood control agency.

Recommendation:

Accept proposal and phase in over time by not starting new construction or operation and maintenance projects that do not meet criteria for Federal responsibilities.

Decision:

Implement recommendation _____

Do not implement recommendation _____

Modify recommendation as follows _____

Attachment

**ARMY CORPS OF ENGINEERS
ELIMINATE LOCAL PROJECT ROLE
DECEMBER 30, 1994**

TYPES OF PROJECTS THAT WOULD STILL BE SUPPORTED BY THE CORPS:

1. Commercial harbor projects for ocean-going ships: e.g., dredging of major coastal ports such as New York, Baltimore, Seattle, New Orleans, and Los Angeles.
2. Inland navigation: e.g., lock, dam, and dredging projects supporting commercial inland navigation such as the Mississippi, the Ohio, and the Columbia Rivers, and the inter-coastal waterways.
3. Major integrated, multi-State flood control projects: e.g., the levee system that protects the States along parts of the Upper Mississippi and all Lower Mississippi States such as Mississippi, Tennessee, and Arkansas.
4. Local projects that protect cities from flood waters that originate outside the State (such projects would require a greater benefit/cost ratio than previously and 75 percent State or local cost sharing).
5. Emergency responses to major floods and hurricanes.
6. Environmental restoration projects, such as the Everglades.

TYPES OF PROJECTS THAT NO LONGER WOULD BE SUPPORTED BY THE CORPS:

1. Dredging of small boat harbors that do not support commercial navigation. The Corps dredges roughly 100 such harbors in a year (about \$60 million annually). Examples of such projects include (costs are periodic based on dredging needs):
 - Manteo Bay, Oregon Inlet (NC) -- \$7 million,
 - Channel Islands Harbor (CA) -- \$1 million,
 - Chincoteague Harbor Bay Channel (VA) -- \$42 thousand
2. Beach erosion control projects. The Corps deposits sand on beaches for storm-damage protection and recreation, and constructs walls for storm-damage protection. Projects for which the Corps has contractual obligations (e.g., Ocean City, MD) would be maintained.

Examples of beach erosion control projects that were recommended by the Corps for FY 1996 (but which would not be initiated under the new criteria) include:

- Virginia Beach, VA -- Total construction costs, \$125 million; Federal share, \$82 million. Additional periodic funding would be needed for sand replenishment.
- Roughans Point in Revere, MA, north of Boston -- Total cost, \$12 million; Federal cost \$8 million.

3. Continuing Authorities Projects. These are smaller projects that do not require either OMB project review or specific Congressional authorization. Total FY 1995 continuing authorities funding was \$40 million.

Examples of typical projects include:

- Streambank stabilization along the left descending bank of the Cumberland River immediately downstream of the Metro Center Levee in Nashville, TN (\$450 thousand Federal),
 - Navigation project at Aunt Lydia's Cove, MA (\$750 thousand Federal), and
 - Flood control project to develop the inlet expansion plan for Mission Zanja Creek, CA (\$300 thousand Federal).
4. Local flood protection projects where the flood threat originates within one State. For example, many California local flood protection projects would not be funded because most flood waters originate within the State. Projects typically involve levees, floodwalls, and channels protecting communities or portions of communities from flooding from rivers or tributaries of rivers. Projects may protect large cities or small, but because protection of expensive property yields higher "damage reduction benefits" (as measured using benefit/cost ratios), higher income areas are currently more likely to qualify for these projects than poorer ones.

Examples of projects that were added by Congress in FY 1995 follow. These particular ongoing projects would not be eliminated under the new criteria, but are typical of the types of new projects that would not receive funding in future years under this initiative.

- Los Angeles County Drainage Area, CA. Protects residential, commercial, and industrial properties in LA County including some metropolitan portions of the City of Los Angeles. (\$295 million Federal)
- Ste. Genevieve, MO. Protects national historic landmark buildings in this flood prone area on the Mississippi River. (\$37 million Federal)
- Lackawanna River, Olyphant, PA. Comprises levees and floodwalls, improved flood warning system, removal of a railroad bridge, construction of closure structures, drainage facilities, access ramps, and slope protection of river bank for the city of Park Place. (\$10 million Federal)
- Ramapo River at Oakland, NJ. Deepens a channel and install flood control taintor gates on a dam. (\$9 million Federal)
- Muscatine Island, IA. Raises flood protection of the levee system in this area of the Mississippi River to a 200-year flood level. (\$7 million Federal)