



DEPARTMENT OF AGRICULTURE
OFFICE OF THE SECRETARY
WASHINGTON, D.C. 20250

Spurling

95 JAN 21 P 1:30

JAN 17 1995

Mr. John Podesta
Assistant to the President
and Staff Secretary
The White House
Ground Floor - West Wing
Washington, D.C. 20500

Dear John:

U.S.D.A. today released the enclosed report: The Nutrition, Health and Economic Consequences of Block Grants for Federal Food Assistance Programs. The report takes a hard look at the consequences of proposed block-grants of Federal food assistance programs for states and those who rely on these programs. I think you will find that the report makes an important contribution to discussions about the future of these programs.

I hope you will find the report useful. If you have any questions, please don't hesitate to give me a call.

Sincerely,

Ellen Haas
Under Secretary for Food, Nutrition
and Consumer Services

Enclosure

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January 19, 1995

Rahm Emanuel
Assistant to the President &
Deputy Director
Office of Communications
The White House
1600 Pennsylvania Avenue, N.W.
Room 1/WW
Washington, DC 20500

Dear Mr. Emanuel:

I am writing to you at David Dreyer's suggestion.

On May 25, 1979, Etan Patz vanished from the streets of New York City on his way to school. The massive search effort and media attention which were to follow helped to focus the nation on the problem of child abduction and the lack of a national plan to address it.

In the following years, the momentum which began with the Patz child's disappearance served as a catalyst to move elected officials, child advocates, families of missing children and concerned citizens from coast-to-coast to action. In 1982, President Ronald Reagan signed into law the Missing Children's Act, and in 1983, he proclaimed May 25 National Missing Children's Day.

The National Center for Missing and Exploited Children was created in 1984 and since 1985 my client, ADVO, Inc. the largest for-profit mailer in the U.S. has been working with The Center. I am sure you have seen some of the missing children cards ADVO includes in their mailings, at its own expense, as a public service. So far, the program has recovered 68 children, one out of every seven card subjects.

Daskin
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consideration
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Rahm Emanuel
January 19, 1995
Page Two

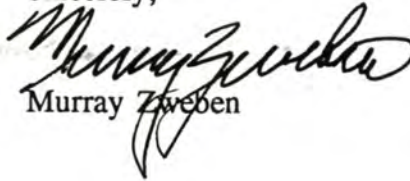
Since President Reagan proclaimed May 25, 1983 National Missing Children's Day, he and his two successors have either repeated the proclamation prior to or issued a letter relative to the day on every May 25th, except for 1993.

On May 25, 1995, ADVO, working with The National Center will host a luncheon in Washington to commemorate the tenth anniversary of the program. Children who have been recovered and their families will be in attendance.

On behalf of ADVO and The National Center, I am writing to request that President Clinton proclaim May 25, 1995, Missing Children Day and if his schedule permits, a photo opportunity with the attending recovered children and their families be scheduled that morning or afternoon.

With thanks in advance for your assistance, I am

Sincerely,



Murray Zweben

cc: John D. Podesta
James A. Dorskind
David E. Dreyer
Julie Cartwright (National Center)

THE WHITE HOUSE
WASHINGTON

DATE: 1/21/95



TO: Erskind Bowles
Mark Gearan

FROM: JOHN D. PODESTA
Assistant to the President and
Staff Secretary

*Copies were
Requested by E. Bowles*

The attached has been forwarded
to the President.



To : The President

From: Roy Spence
With input from Linda Peek, Garry Mauro, Gordon Giffin and David Doak. (Although the actual words are mine, some of these thoughts were embraced by the aforementioned people. On the other hand, my words are not direct consensus from the Marketing Team.)

Subject: Marketing Thoughts on the State of the Union

Mr. President:

It is my strong belief that your State of the Union gives you the chance to create some major and sustainable momentum. (The Marketing Team needs to be 100 percent focused on using the State of the Union and the days, weeks and months that follow as the real test of whether you, the First Lady, the Vice President, the Cabinet Members—everyone has the courage, focus and discipline to become a laser beam on our message. The marketing team is ready to take on that challenge.)

The State of the Union will be the first step in transforming this administration from being purely an operations, day-by-day tactical-driven organization, to a full-fledged marketing-driven organization.

Here are my specific thoughts about the speech. Much of this you already know, but it is sometimes helpful to hear the truth again.

1. *The speech must be your speech.* I am so encouraged that you are going to do much of the writing. Because it is your speech, you have so much more liberty to link what you believe in with your past experiences. People think you are too political because you haven't, since the Democratic national speech, linked your political philosophies with your principles. When you told the story about your granddad's little store and then you made your political point, that story connected because it

was personal, not political. Do that in this speech. Tell *stories* to make your major points.

2. *Charm them.* This is an opportunity for you to really have some fun, both at your expense and poke good-humored fun at the other side.

For example. I would start your speech (after the formalities are done) by saying, "You know, I sought and won the Presidency on creating change. But never in my wildest imagination did I think (turn and smile at Newt) that all of you would take my call for change so literally. It also reminds me of working in my grandpa's little store as a boy, and there was an old dog that just barked and barked at every truck that came by. One day I came into grandpa's store and didn't hear any barking. And I asked, 'Where's the dog?' And my grandpa said, 'Well, it looks like that old dog finally caught that truck.' Well, looking around with new faces and new roles of leadership, a lot of you have finally caught that truck." (I am not saying these are the right examples, but you have such a grand opportunity to disarm and charm.)

3. *The job of the President of the United States is to unite Americans, not divide them.* The role of the Congress is to divide America by philosophy, by region, by special interest groups. That is why the *bickering* in the House and Senate happens. The American people expect that. That's the sport of politics.

But the American people expect the President to put politics aside and do what he thinks is in the best interest of the nation. I say this only in the context that the vast majority of the American people want the President, any President, to succeed. They want the President to succeed as long they see that his priorities are the country's priorities, not the priorities of any special interest group. In fact the majority of the American people want the President to fight against those special interests groups who are seen as putting their interests ahead of the nation's interest. Note the powerful surge of stature when you led the NAFTA fight and won.

4. *The Core Message Test.* In the marketing business we call the core message the *unique selling point* or *USP*. In the marketing business, we spend an enormous amount of time, research and talent defining that *unique selling point*.

The toughest question that we demand our marketing people to answer is the following: "What is it that we have or stand for, that the consumer (voter) wants, that the competition doesn't have or stand for?"

Powerful positioning is everything in the marketing business. Powerful positioning has to stand up to the positioning test.

- A. *Is it believable?*
(Is it anchored in the truth according to the consumer/voter?)
- B. *Is it relevant to the target market?*
(Is our positioning meaningful to our target's everyday life or is it only meaningful long-term to the Marketing Team. In political terms, does it ring true in the Heartland or the Beltway?)
- C. *Is it compelling to the target market?*
(Will it move them to re-think, change their minds and act differently? Is this positioning strong enough, in marketing terms, to motivate someone to change brands and become brand loyal while at the same time reinforcing the brand loyalty of our existing customers.
- D. *Is it preemptive?*
(Can someone else come in and steal your positioning even if we do everything right from a marketing standpoint to own it?)
- E. *Is it inspirational?*
(Is it a deep enough river to carry not only key points, but passion as well.)

Given the Core Message Test, here is my cut at the "The Deeper River" message.

DRAFT
STATE OF THE UNION SPEECH

**The United States of America
is the Birthplace of the New Economy.**

My fellow Americans, we are joined together at one of the most exciting and hopeful times in the history of this republic. There are many problems that we must solve...(PAUSE)...together... (PAUSE AND LOOK AROUND THE CHAMBER) but we will fully debate them, address them and act swiftly to solve them.

You see, there is a new America being born. And this time we are not just armed with the power and the might of our military. No, this time we are armed with the power and the certainty and the excitement of a prospering New Economy.

In truth, the United States of America is the birthplace of the New Economy—an economy that is becoming the envy of the world.

We have pulled ourselves up from the bootstraps, pulled ourselves out of a crippling recession and we did it with the smarts and the sweat of the extraordinary American people who simply said we are going to do what we have to do, change what we have to change and dream what we have to dream, to take back our rightful place as the engineer of the new economic train, racing to be the best of the best.

As I travel this country, I am struck by the courage of the people of California, whose will will not even bend, much less break. And while the New Economy is creating new jobs, new prosperity and a new sense of confidence around our nation and around the world, the courageous people of California are fighting for their lives. And I will tell you right now, within this administration we're going to help them. I will use every single

source of power as President to fight against those who are on a mission to totally dismantle the government of the United States. The New Economy demands that government is smaller, more flexible, more local and lower cost—and I will address that in a minute. In short, the New Economy demands a new role of government—less governing and more serving.

But I will tell you that as the New Economy expands and grows and with that growth comes new prosperity, I am going to use the full power of this office and the government of the United States to ensure that no hardworking American is left behind.

If you are in California and you are watching this tonight and you lost what you have worked so hard to build and you just need a little help. I am going to tell you with this President the government of the United States will not bail out on you, and you can bank on it.

If you are a worker in Pennsylvania, or Illinois, or Missouri and you need the skills and education in order to get a better job with longer-term financial security so you and your family can get a bigger piece of the New Economy's economic pie, I will tell you with this President, we're going to work in partnership with local companies around this country, so you can get the skills you need, and you can bank on it.

The New Economy means new long-term prosperity. But only if we have the courage to fight for the basic principles that have created the real promise of long-term financial security for the American people.

These are the fundamental principles that this administration will not compromise on. Because these are the pillars of stability for the continued growth of this New Economy.

The Core of the New Economy

1. *The Deficit.*

First we will fight against any plan from any party that will cause a sharp increase in the deficit. The New Economy cannot continue to create long-term growth and an abundance of good jobs. If we let the deficit dealers get their hands back in the pot, they will deal away our future, just like they did before. And the same thing will happen. Instead of racing into the New Prosperity, we will race right back into a recession. I am not going to let them have a blank check again. Because it violates one of the basic principles of the New Economy.

2. *The Middle Class Bill of Rights.*

We are going to continue to put people first in this New Economy. The long-term vitality of this growing economy depends upon a strong and prospering middle class. Middle-income Americans are the backbone of this nation. They work hard; they play by the rules. They give to their communities; they work in their schools. Middle-income families must not be left behind. That's why they are going to have their own Bill of Rights. There are four key elements within this Bill of Rights:

- A. College Tuition (explain)
- B. Cut taxes for each child under 13 years old (explain)
- C. Tax-free IRA (explain)
- D. Directing training dollars to the individual (explain)

The fact of the matter is that we will sustain a growing and prosperous economy only if middle-income families have the financial security they need to be able to spend on the things they want and need and, at the same time,

be able to afford to save for their kids' education and for retirement.

The Middle Class Bill of Rights. It is the anchor of the New Economy.

3. *The New Role of Government.*

The New Economy demands a new role for government—less governing and more serving. This administration, under the leadership of Vice President Gore, has taken a giant step in the right direction. I'll bet nearly all of you campaigned on the promise to cut government. But I'm the only one who has actually done it—100,000 fewer government jobs in two years. And that's just the beginning. We are on a mission to cut more, to consolidate more, to eliminate dysfunctional programs altogether.

But there is one big difference between the way this government looks when we get through cutting and the way it will look when they get through trying to cut. (PAUSE...LOOK AROUND THE CHAMBER) Under this administration the government of the United States will be leaner. But it won't be meaner. (Use welfare reform, health care and workman's safety as examples.)

The New Economy demands that we create strategic alliances with the private sector so that we can continue to out-compete our competition. For too long the whole world got to play in our marketplace. Well, with our new trade agreements, NAFTA and GATT, the rules have just changed. We now get to play in their marketplace. We will play hard. We will play fair. But we will play...to win.

There is one other thing that this New Economy demands from government. We must make sure that our economic

trade partners, especially our neighbors, become a full partner in this New Economy. Our friends in Mexico are going through some tough times. There are those, many of you here today, who believe the appropriate choice is to run and hide. It is also the politically popular choice.

But it's not my choice. As long as I am President, the government of the United States of America is going to stand with our trading partners. And we are going to stand tall with them, not just because of the potential flood of new immigrants into the U.S., but because in principle you don't bail out on your partners just because it gets a little tough. They will be back, and we are going to back them.

4. *We are going to unleash the visionaries.* In order for the New Economy to continue to grow and prosper, we must unleash the energies, talents and imagination of the new breed of entrepreneurs. There are ___ million new entrepreneurs who have started businesses in the past two years alone. We are going to strip away the regulations and red tape and let the entrepreneurs create the new jobs. (Cite what the Small Business Team under Erskine has already done—then set out several bold new goals. I would also outline increased tax breaks for at-home offices and IRAs for work-at-home moms.)

Growing the New Economy by continuing to reduce the deficit, championing the cause of middle-income families so that they get a bigger piece of the economic pie, down-sizing government to become leaner but not meaner and unleashing the power of the new breed of entrepreneurs is at the heart of this Presidency.

Other people in this Chamber and special interest groups have other priorities—like term limitations and prayer in public schools. But those aren't my priorities.

I have one priority. Growing, expanding and sustaining the New Economy. One priority. To make sure that no one gets left out of this recovery, to ensure that working families who play by the rules get rewarded by getting a real chance for long-term financial security. And there is only one way for that to happen: With an expanding and growing economy and an abundance of good income jobs. Growing the New Economy, that is my priority.

If you have other interests at heart, then you must pursue them. But if the heart of your interest is working together to sustain this growing economy, then I ask you to join us. As we saw in the last terrible recession, the downturn does not discriminate along party lines. A recession is cruel to everyone. And the good news is that the opposite is also true. The warmth and security of a sustained and growing economy lights all candles. So regardless of which political party you are in, if your priority is growth and an abundance of good private-sector jobs, let's help America, together.

When I sought this office I spoke so often of a New Covenant. Where each American got the opportunity for success. A New Covenant where each individual also took on the responsibility for his or her own actions. A New Covenant where all of us participate in a renewed spirit of community.

I must tell you, my fellow Americans, the New Covenant is alive and well across this land. Every day in every part of this great nation, hardworking Americans are doing extraordinary things. There are unsung heroes helping their families and neighbors and communities. (Get three real small but powerful stories.)

And that is why I have said so often that there is nothing wrong with America that can't be fixed by what is right with America.

This country is young and vigorous and on the move. And we are at the precise moment in time where we must seize the moment. We must not be timid or shy.

We must act. But we must act as one.

Thank you, and God bless you.

THE WHITE HOUSE
WASHINGTON

January 18, 1995

Ms. Lisa Gray
c/o McLane Elementary School
200 Delphi Road, S.W.
Olympia, Washington 98502

Dear Lisa:

Rick Bird sent me a newspaper article about you, and I was pleased to hear of your fine work at McLane Elementary School.

Your commitment to children and to public service gives me great hope for the future. You and the other AmeriCorps members are shining examples of what effort, caring, and determination can achieve. The work you do this year is an investment in America, and your impact will last far beyond the final bell or last day of school.

Hillary and I wish you a joyful New Year.

Sincerely,

Bill Clinton

cc: ES poss.
Vol for her
She should
pick them
TLC -
B.



Steve Bloom The Olympian

VOLUNTEER: Americorp volunteer Lisa Gray plays a game with McLane students during recess. The exercise is designed to teach teamwork.

Americorps volunteer makes a difference

■ **On the playground:** At McLane Elementary, the Olympia woman is working for an educational credit and saving the school some money.

By Frieda Bush
The Olympian

Lisa Gray's work as an Americorps volunteer is not child's play.

Although she organizes indoor and outdoor activities for children at McLane Elementary School, the job is often a challenge.

"It's not always easy. If the kids don't get along, I have to mediate," she said. "If they don't understand the rules, I have to explain them."

The pay is modest, minimum wage, but the experience has been invaluable for the 21-year-old former community college student. Gray already was working toward an associate of arts degree at South Puget Sound Community College when she was chosen as one of 17 Americorps volunteers working with the Olympia School District.

It was the sharp eye of McLane Principal Rick Bird that helped the district nab part of a three-year \$300,000 annual grant administered by Community Youth Services. The organization coordinates the selection and placement of 37 young adults between the ages of 17 and 25.

In exchange for a year of full-time work in a community-service position, young adults earn minimum wage and an edu-

cational credit of up to \$4,700 toward student-loan repayment or college tuition.

For Gray, the national service program drawn up by President Clinton means she will have a chance to complete a four-year degree in teaching. For the Olympia School District, the program means 17 more people helping to tutor students who are falling behind or supervising playground games.

The district did not lay off any existing employees, and the extra help requires a matching, but minimal, investment. The district will pay about \$1,100 per year for each Americorps volunteer, said Bill Hulten, director of personnel and employee relations. The district also picks up the cost of fingerprinting and background checks for each person who

works with children.

"For the (low) cost of program, we will eat that \$55 per person," Hulten said.

If the district were to hire 17 people for these positions, it would cost more than \$100,000 per year, Hulten said.

Americorps volunteers are expected to demonstrate they have made a difference, said Brian Boyd, Americorps coordinator with Community Youth Services.

But just a few weeks into the program, Bird is already convinced of its merit.

"(Gray) has already made a difference," Bird said. "Every day there are 25 to 30 kids that will choose to play with the volunteer. Those kids are happily engaged in an activity."

Inside: Other participants. C3

The Olympian
Wednesday, November 2, 1994

Americorps volunteers put to work in South Sound community

By Frieda Bush

The Olympian

Ten South Sound social-service agencies have taken Americorps volunteers under their wing, and the community should see measurable results by the end of the year, a program coordinator says.

"We're really focused on getting

specific things done," said Brian Boyd, program coordinator for Community Youth Services.

Boyd had the task of selecting 37 volunteers for the national service program from a field of more than a 100 candidates.

Boyd's goal was to get at least half of the volunteers working in

the community by mid-September.

He met that goal and matched the remaining volunteers with positions as recently as two weeks ago. The largest share of volunteers went to the Olympia School District, where 17 young adults supervise and tutor children.

The remaining 20 positions went

to Safeplace, Community Action Council, Head Start, Big Brothers/Big Sisters of Thurston County, Senior Services for South Sound, Olympia Child Care Center, Community Youth Services, Community Mental Health, YMCA and United Citizens Betterment Organization. And for each agency there

is a different but measurable goal, Boyd said.

But the volunteers have some common goals. Most are from the Thurston County area. Most were already enrolled in college or have just graduated from college.

"It's one thing to feel the commitment to public service," Boyd

■ REPORT SAYS STRUCTURE OF CIA, NOT DIRECTOR WOOLSEY, TO BLAME FOR AMES SPY CASE

Nation/ A3

GOOD MORNING

It's Wednesday,
November 2, 1994

Today's forecast: Partly sunny
with a chance of showers. High near
50; low 25-30.

Weather / A10



Lisa Gray works with McLane students.

AMERICORPS AT HOME

The national service program that lets volunteers earn credit for tuition has enabled the Olympia School District to hire 17 full-time helpers it wouldn't have been able to afford.

South Sound / C1

**Spirits give
cooking an
extra splash**

Put down that scotch and set
dinner on fire. **Lifestyles / D1**

The Olympian



Serving Washington's South Puget Sound

35 cents

THE WHITE HOUSE
WASHINGTON

January 18, 1995

Captain Charles Hamden, USA
7611A Thorne Street
Fort Meade, Maryland 20755

Dear Charles:

Thanks so much for taking the time to express your support.
I appreciate the confidence you have in my leadership as
Commander-in-Chief.

I am grateful for your views regarding the political climate
since the mid-term elections. Over the past two years, my
Administration has worked hard to bring about the changes
Americans want, and I am proud of all that we have accomplished.
In the coming months, I am committed to communicating more
effectively our plan to build on this progress and lead the
United States successfully into the next century.

I share your concern about the veterans who have faced health
problems since Desert Storm. These veterans should not have to
wait while our scientists seek to learn what is causing their
ailments. I assure you that we will pursue lingering questions
with full energy and commitment.

I appreciate your involvement in helping to build on the progress
we have made. Working together, we can meet any challenge the
future holds in store. Hillary and I hope that you and your
family have a healthy and happy New Year.

Sincerely,

Bill Clinton

Your letter was wonderful -
Thank you for that, and
for the service you and your
wife give - we are working on
the Desert Storm issues for them.

CC: HRC
also we need to
see if we can
get them
more help
Hamden
either
JAD
Simple

✓ Sue Smith /
Agency Liaison
for P's note
also we need to see
if we can get them
more help

8 December 1994

President William J. Clinton
The White House
Washington, D.C.

Dear Mr. President,

As a Captain in the United States Army, I would like to take this opportunity to say that I am proud to call you my Commander-in-Chief. No matter what the Republicans say, you are serving our Armed Forces with pride and dignity. But, you do not deserve the kind of disrespect that the Republicans and a sector of the population are giving you.

Our economy is on the upswing, unemployment is lower than it has been in many years, and the Federal Reserve Board is considering raising interest rates because they are afraid to lose money because of the country's burst of economic growth. Still, the nay-sayers in Congress ridicule you. I guess that they don't look in the mirror too often to critique themselves.

* [Mr. President, my wife, Julianne, and I truly believe that you and Hillary have done an admirable job in leading the nation toward regrowth and redefinition. Your Health Care reform plan, the Crime Bill, and other legislation that the two of you have pushed are what this country needs: strong leadership and a rebirth of moral fiber and family that had been missing in previous administrations.

But, when people like Jesse Helms and Newt (what kind of name is Newt?) Gingrich start slandering you and the First Lady, something needs to be done. In the military, the threat that Helms used would result in punitive actions against a soldier. And, maybe Gingrich should move to an orphanage and adopt a blind dog named Sandy, maybe he'd be happier. The soldiers of this nation will support the decisions that you make, and would welcome you to Fort Meade, Maryland and be delighted to meet you, as they would at Fort Bragg or other installations.

The Republicans in Congress, especially Helms and Gingrich, are nothing more than bullies with power, just like on a playground. Give them back what they give, one-liners, and you'll shut them up, for they can give it out but cannot take it. A good zinger puts them on the defensive. Mr. President, when you were elected, you and your family were more natural, more yourselves. But, I feel with the badgering that you've taken from

Congress, you have taken it very personally and have gotten away from being yourself. Remember, the people of this country are behind you, and remember that many people do not like change, even if it is what is best for them. I think Congress needs a refresher lesson that YOU are the President, and they answer to you and the public.

Another issue that concerns me is the Gulf War Illness that my family and thousands of others are suffering from. As veterans (my wife was also active duty Army), we are not getting proper medical treatment, just a lot of tests, nor are we receiving compassion and answers. The Doctors are not doing complete diagnostic testing for chemical/biological weapons injuries, nor are they doing DNA testing. This illness is contagious, and can effect the general population. Drs. Garth and Nancy Nicolson of Houston, Texas are currently developing specific tests to find Mycoplasmas that will enable physicians to determine what is ailing us. We have sent Hillary information on this illness and tests, and we hope that it will be helpful.

Mr. President, please continue to help save this nation from a terrible fall. Keep you head up, your sense of humor, and be yourself. You are head and shoulders above those that taunt you, and give back what they give to you. I think that you may be more comfortable not being like them. My wife, our daughter, Lindsay, and I want to wish you and your family a merry Christmas and Happy New Year. We are all proud that you are leading the United States, and if there is anything we can do to help, we are here to support you. And, if you are ever near Fort Meade, it would be our distinct pleasure to meet you and you family.

Happy Holidays,



CPT Charles, Julianne, and Lindsay Hamden
7611A Thorne Street
Fort Meade, Maryland 20755

THE WHITE HOUSE
WASHINGTON

CC: Gifts
give it to
me—

(give it to
me)

January 18, 1995

David Leopoulos
5 Christy Lane
Maumelle, Arkansas 72116

Dear David:

Thanks for the tape of the Alan Colmes Show. I hope to be able to listen to it soon. It was wonderful to be back in Arkansas, and I wish I had had more time to spend with you. Please say hello to Linda and the kids.

See you soon.

Sincerely,

Bin

I loved your last letter—
It was very helpful and
I'll reply soon—

White House Gift Record

Presented: 01/02/95
Arrival : 01/12/95
Entered : 01/12/95

Gift ID: 367352/jjr

Donor Information

Mr. Paul D. Leopoulos
Office Outfitters Inc.
8201 Cantrell Road
Suite 338
Little Rock, AR 72207

No acknowledgement required.

Ms. Julia A. Heath
Senior Producer
THE LESLIE MARSHALL SHOW
DayNet
125 West End Avenue
New York, NY 10023

No acknowledgement required.

Comments:

Forwarded to the gift unit by Trey/Anne Herron.

Gift Information

Intended: President

Disposition: Archives

Description:
Audio cassette. "The Alan Colmes
Show, Talk to the President."

Location of Gift:
The gift is in Archives. Anne -

1/12/95

As discussed -

Total Gift Value: \$10

f. hanna

THE WHITE HOUSE
WASHINGTON

January 20, 1995

Millard Fuller
Habitat for Humanity International
121 Habitat Street
Americus, Georgia 31709-3498

Dear Millard:

Thanks for your letter of January 5. It was good seeing you at Hilton Head. I appreciate the information on the AmeriCorps blitz, and I'll ask Billy Webster, my scheduler, to look into it.

Please give my best regards to Linda. I hope to see you soon.

Sincerely,

Bin

cc:
Billy
WEBSTER



Habitat for Humanity International

Building houses in partnership with God's people in need

January 5, 1995

President Bill Clinton
The White House
1600 Pennsylvania Ave.
Washington, D.C. 20500-2000

Dear Bill,

What a treat it was to see you, Hillary and Chelsea at Renaissance Weekend at Hilton Head this past weekend. I only wish you could have been there longer. You could tell how much everyone appreciated seeing you.

As requested, I have written to Hillary about the AmeriCorps blitz build here in May. It would be wonderful if both of you could come down and be a part of that special blitz building week of putting up ten houses in five days. My letter to Hillary explained all of the details.

I also want to thank both of you for your generous \$500 gift which was received here right after Christmas. You can see that your official receipt is enclosed.

I know you are incredibly busy these days with the new Congress in session. Our prayers are certainly with you.

Linda joins me in sending all of our love to your whole family.

In enduring friendship,

Millard Fuller

MF/btk

THE WHITE HOUSE
WASHINGTON

January 18, 1995

Euna Watters Sitton
c/o McDonnell Douglas
HC 80, Box 808
Melbourne, Arkansas 72556

Dear Euna:

Happy Birthday! Hillary and I hope you had a wonderful day and wish you good health and much happiness in the coming year.

Sincerely,

Bill

Thanks for being
a good friend

cc: M Scott
Be sure in
Ark. ⁱⁿ ^{data base}
cc: ^{mm} ^{add to} ^{yearly} ^{B'day} ^{list}
Hamon

Dear Bill:

Just a hello! and to say Happy New Year. I noticed you were in the state and it made me feel good to have you at home. Hope Hillary and Chelsea enjoyed the holidays. I know that your time is not your own anymore, but I have always admired your sense of family.

January 14th is my birthday. I was wanting you to send me a Birthday Card. I keep telling all my friends that you won't forget my birthday. Of course I know you don't remember my birthday but what they don't know won't hurt them.

I look forward to 1995. Don't let the thought of all those Republicans bother you. Give them some rope and they will hang themselves immediately. At least we have someone to blame now. Think about that. Gingrich will finish himself off with "Foot in Mouth Disease", so let him talk.

I am sending an invitation to Pioneer Day to your office. I know she will write me back and say "It is too early to fill out your schedule for May 6th", then when I write back in April she will say "Your schedule is already filled". But I am hardly ever discouraged so I will keep writing until I get you back to Melbourne.

I look forward to hearing from you.

Sincerely,

A handwritten signature in black ink, appearing to read 'Euna', with a large, stylized loop at the end.

Euna Watters Sitton
c/o McDonnell Douglas
HC 80, Box 808
Melbourne, Ar. 72556

THE WHITE HOUSE
WASHINGTON

January 19, 1995

The Honorable Roger W. Johnson
Administrator
General Services Administration
18th and F Streets, N.W.
Washington, D.C. 20405

Dear Roger:

Thank you for sending me a copy of your letter to Alice Rivlin regarding our continuing efforts to reinvent government. I was particularly interested in your proposals to save over \$24 billion in the next five years. My understanding is that many of the savings you recommend are assumed in the budget projections OMB has developed with the agencies. I hope you will work closely with Director Rivlin and the affected agency heads to turn these general savings estimates into agency-specific budget reductions.

I am convinced that the bold restructuring of GSA we announced on December 19 is the key to achieving results in the form of real savings for taxpayers. Your savings proposals reinforce this conviction since most of them depend on GSA becoming a stronger policy agency rather than improving its operations.

You and your team face significant challenges in the weeks and months to come in transforming GSA into a more effective policy agency. I congratulate you on your efforts thus far.

Sincerely,

RM

*W. Leon -
Before going
out*

*Please read
this & be
sure it is
not a "stiff".
Thank you*

*(original letter in
Podestas file)*



Administrator
General Services Administration
Washington, DC 20405

② To VP / Elaine K
For I need to do
reply - Pls ~~draft~~
① Pam / John

December 30, 1994

The Honorable Alice M. Rivlin
Director
Office of Management and Budget
Washington, D.C. 20503

Dear Alice:

As a consequence of recent dealings between senior officials of OMB and General Services Administration (GSA), and in furtherance of our recent conversation, I feel it necessary to clearly state the purpose and process to which I have agreed. As we embark on the President's direction to accelerate our reinvention and evolution to an agency more focused on policy and oversight, we will concentrate solely on results.

This effort must not be just an exercise to accomplish employment reductions or to shuffle dollars and people around. The only true measure of success must be real savings for the taxpayers. We should do it if it makes sense, and we should do it right. It would be a travesty to pursue a transfer of GSA operational functions to employees, to the private sector, or to other agencies -- with all the associated turmoil -- without actually accomplishing true savings for the taxpayer. Your own documents assert that, "No privatization would be conducted unless it is cost justified on a business judgment basis" and, of course, we concur. To assist our efforts, I have already taken steps to obtain the services of a private accounting firm to assure us that true, verifiable savings will be accomplished.

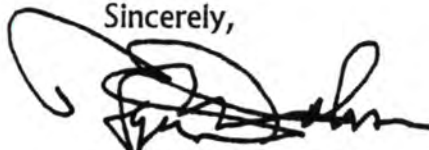
Today we are providing your staff with proposals and initiatives that, starting in FY 1996 as well as over a five year period, will realize savings substantially in excess of the \$1.4 billion identified by the President as our target savings. These represent estimated potential savings realizable from efficiencies and modifications to current operations within GSA and government-wide as well savings in the primary areas within which there are business activities that hold promise for privatization, conversion to ESOP or other mechanisms. The FTE savings reflect the results of downsizing through these vehicles as well as reopened buyouts and our newly instituted hiring freeze. A copy of that information is included with this letter.



I will continue to resist actions and strategies that are not focused on true savings or that do not make good business sense. I trust this is your goal as well and that you will stand by agreements made with our agency during discussions of the best way to implement the President's initiative.

Just as GSA has met every deadline and exceeded every expectation outlined by NPR and OMB over the past 18 months, we will present on January 5, 1995, our approach to achieving the required savings. The plan will augment the information contained in this letter and provide further detail about the process which will determine the most cost effective way to perform all of the activities for which we are responsible.

Sincerely,

A handwritten signature in black ink, appearing to read 'Roger W. Johnson', with a large, stylized initial 'R'.

Roger W. Johnson

cc: President Bill Clinton
Vice President Al Gore

THE WHITE HOUSE
WASHINGTON

DATE: 01/20/95

TO: DON BAER

FROM: JOHN D. PODESTA
Assistant to the President and
Staff Secretary

FYI

Fax Transmittal Cover Sheet

To: - Erskine Bowles

From: Roy Spence/Karen Greer, GSD&M

Fax Number: (512)329-2757

Date: Fri, Jan 20, 1995 • 6:28 PM

Transmitting (7) pages, including cover sheet.

If there is difficulty with this transmission, please call: (512)314-0409

Note:

Please forward to Erskine Bowles from Roy Spence. Thank you.

DRAFT
STATE OF THE UNION SPEECH

**The United States of America
is the Birthplace of the New Economy.**

My fellow Americans, we are joined together at one of the most exciting and hopeful times in the history of this republic. There are many problems that we must solve...(PAUSE)...together...(PAUSE AND LOOK AROUND THE CHAMBER) but we will fully debate them, address them and act swiftly to solve them.

You see, there is a new America being born. And this time we are not just armed with the power and the might of our military. No, this time we are armed with the power and the certainty and the excitement of a prospering New Economy.

In truth, the United States of America is the birthplace of the New Economy—an economy that is becoming the envy of the world.

We have pulled ourselves up from the bootstraps, pulled ourselves out of a crippling recession and we did it with the smarts and the sweat of the extraordinary American people who simply said we are going to do what we have to do, change what we have to change and dream what we have to dream, to take back our rightful place as the engineer of the new economic train, racing to be the best of the best.

As I travel this country, I am struck by the courage of the people of California, whose will will not even bend, much less break. And while the New Economy is creating new jobs, new prosperity and a new sense of confidence around our nation and around the world, the courageous people of California are fighting for their lives. And I will tell you right now, within this administration we're going to help them. I will use every single

source of power as President to fight against those who are on a mission to totally dismantle the government of the United States. The New Economy demands that government is smaller, more flexible, more local and lower cost—and I will address that in a minute. In short, the New Economy demands a new role of government—less governing and more serving.

But I will tell you that as the New Economy expands and grows and with that growth comes new prosperity, I am going to use the full power of this office and the government of the United States to ensure that no hardworking American is left behind.

If you are in California and you are watching this tonight and you lost what you have worked so hard to build and you just need a little help. I am going to tell you with this President the government of the United States will not bail out on you, and you can bank on it.

If you are a worker in Pennsylvania, or Illinois, or Missouri and you need the skills and education in order to get a better job with longer-term financial security so you and your family can get a bigger piece of the New Economy's economic pie, I will tell you with this President, we're going to work in partnership with local companies around this country, so you can get the skills you need, and you can bank on it.

The New Economy means new long-term prosperity. But only if we have the courage to fight for the basic principles that have created the real promise of long-term financial security for the American people.

These are the fundamental principles that this administration will not compromise on. Because these are the pillars of stability for the continued growth of this New Economy.

The Core of the New Economy

1. *The Deficit.*

First we will fight against any plan from any party that will cause a sharp increase in the deficit. The New Economy cannot continue to create long-term growth and an abundance of good jobs. If we let the deficit dealers get their hands back in the pot, they will deal away our future, just like they did before. And the same thing will happen. Instead of racing into the New Prosperity, we will race right back into a recession. I am not going to let them have a blank check again. Because it violates one of the basic principles of the New Economy.

2. *The Middle Class Bill of Rights.*

We are going to continue to put people first in this New Economy. The long-term vitality of this growing economy depends upon a strong and prospering middle class. Middle-income Americans are the backbone of this nation. They work hard; they play by the rules. They give to their communities; they work in their schools. Middle-income families must not be left behind. That's why they are going to have their own Bill of Rights. There are four key elements within this Bill of Rights:

- A. College Tuition (explain)
- B. Cut taxes for each child under 13 years old (explain)
- C. Tax-free IRA (explain)
- D. Directing training dollars to the individual (explain)

The fact of the matter is that we will sustain a growing and prosperous economy only if middle-income families have the financial security they need to be able to spend on the things they want and need and, at the same time,

be able to afford to save for their kids' education and for retirement.

The Middle Class Bill of Rights. It is the anchor of the New Economy.

3. *The New Role of Government.*

The New Economy demands a new role for government—less governing and more serving. This administration, under the leadership of Vice President Gore, has taken a giant step in the right direction. I'll bet nearly all of you campaigned on the promise to cut government. But I'm the only one who has actually done it—100,000 fewer government jobs in two years. And that's just the beginning. We are on a mission to cut more, to consolidate more, to eliminate dysfunctional programs altogether.

But there is one big difference between the way this government looks when we get through cutting and the way it will look when they get through trying to cut. (PAUSE...LOOK AROUND THE CHAMBER) Under this administration the government of the United States will be leaner. But it won't be meaner. (Use welfare reform, health care and workman's safety as examples.)

The New Economy demands that we create strategic alliances with the private sector so that we can continue to out-compete our competition. For too long the whole world got to play in our marketplace. Well, with our new trade agreements, NAFTA and GATT, the rules have just changed. We now get to play in their marketplace. We will play hard. We will play fair. But we will play...to win.

There is one other thing that this New Economy demands from government. We must make sure that our economic

trade partners, especially our neighbors, become a full partner in this New Economy. Our friends in Mexico are going through some tough times. There are those, many of you here today, who believe the appropriate choice is to run and hide. It is also the politically popular choice.

But it's not my choice. As long as I am President, the government of the United States of America is going to stand with our trading partners. And we are going to stand tall with them, not just because of the potential flood of new immigrants into the U.S., but because in principle you don't bail out on your partners just because it gets a little tough. They will be back, and we are going to back them.

4. *We are going to unleash the visionaries.* In order for the New Economy to continue to grow and prosper, we must unleash the energies, talents and imagination of the new breed of entrepreneurs. There are ___ million new entrepreneurs who have started businesses in the past two years alone. We are going to strip away the regulations and red tape and let the entrepreneurs create the new jobs. (Cite what the Small Business Team under Erskine has already done—then set out several bold new goals. I would also outline increased tax breaks for at-home offices and IRAs for work-at-home moms.)

Growing the New Economy by continuing to reduce the deficit, championing the cause of middle-income families so that they get a bigger piece of the economic pie, down-sizing government to become leaner but not meaner and unleashing the power of the new breed of entrepreneurs is at the heart of this Presidency.

Other people in this Chamber and special interest groups have other priorities—like term limitations and prayer in public schools. But those aren't my priorities.

I have one priority. Growing, expanding and sustaining the New Economy. One priority. To make sure that no one gets left out of this recovery, to ensure that working families who play by the rules get rewarded by getting a real chance for long-term financial security. And there is only one way for that to happen: With an expanding and growing economy and an abundance of good income jobs. Growing the New Economy, that is my priority.

If you have other interests at heart, then you must pursue them. But if the heart of your interest is working together to sustain this growing economy, then I ask you to join us. As we saw in the last terrible recession, the downturn does not discriminate along party lines. A recession is cruel to everyone. And the good news is that the opposite is also true. The warmth and security of a sustained and growing economy lights all candles. So regardless of which political party you are in, if your priority is growth and an abundance of good private-sector jobs, let's help America, together.

When I sought this office I spoke so often of a New Covenant. Where each American got the opportunity for success. A New Covenant where each individual also took on the responsibility for his or her own actions. A New Covenant where all of us participate in a renewed spirit of community.

I must tell you, my fellow Americans, the New Covenant is alive and well across this land. Every day in every part of this great nation, hardworking Americans are doing extraordinary things. There are unsung heroes helping their families and neighbors and communities. (Get three real small but powerful stories.)

And that is why I have said so often that there is nothing wrong with America that can't be fixed by what is right with America.

This country is young and vigorous and on the move. And we are at the precise moment in time where we must seize the moment. We must not be timid or shy.

We must act. But we must act as one.

Thank you, and God bless you.



THE WHITE HOUSE

WASHINGTON

1-20-95

Dear George,

Thank you so much for
your outstanding statement on
the Mexican crisis.

Congress as you see is still
a squabble center, but I do think
the leadership and some others really
understand what's at stake and
your strong remarks will help a lot.

Sincerely

Bob

Facsimile Cover Sheet

95 JAN 19 P 5 : 32

Office of George Bush
10000 Memorial Drive
Suite 900
Houston, Texas 77024

To: The Honorable Mack McLarty

Company:

Phone:

Fax: (202) 456-2464

From: Jim McGrath

Company:

Phone: (713) 686-1188

Fax: (713) 686-0908

Date: 01/19/95

**Pages including this
cover page: 2**

Comments: President Bush asked that I forward a copy of this statement regarding the crisis in Mexico to your attention. Please do not hesitate to contact us if we can be of further assistance.

President

V-President

Cos President - Bowles

Jerry Rubin

McCurry

Lake

Gifford

Geo S

Office of George Bush

January 19, 1995

**STATEMENT BY FORMER PRESIDENT GEORGE BUSH
ON CONGRESSIONAL SUPPORT FOR PROPOSED LEGISLATION
IN RESPONSE TO THE CURRENCY CRISIS IN MEXICO**

I think it is vital that the Congress move quickly to support fully President Clinton's plan to help Mexico in its time of need. The plan is not a giveaway. It is simply a type of loan guarantee that will help Mexico to overcome its current difficulties. In my view, the guarantees will never have to be called.

Mexico, our good neighbor, needs our support now. The measure proposed by the Administration should be considered in the Congress on its financial merits. The Congress should not attach extraneous political considerations to this legislation.

Let me make clear that Mexico's current problems have nothing whatsoever to do with the North American Free Trade Agreement (NAFTA), which we should continue to support strongly. There is no "sucking sound" of jobs moving out of the United States.

I am very proud that Senator Dole and Speaker Gingrich have taken the lead in supporting this important legislation. Both have taken a statesmanlike position, and I hope all in the Congress will follow their lead.

If there was ever a time for strong bi-partisan support for a foreign policy initiative, it is now.

#

Contact: Jim McGrath
(713) 686-1188

THE WHITE HOUSE
WASHINGTON

95 JAN 20 AM : 02

January 20, 1995

MEMORANDUM FOR MIKE MCCURRY
THRU: JOHN PODESTA
FROM: JIM DORSKIND
SUBJECT: NATIONAL AFRICAN AMERICAN HISTORY MONTH

Attached are copies of the President's message for NATIONAL AFRICAN AMERICAN HISTORY MONTH, February 1995, which you may want to release to the media.

Thank you.

THE WHITE HOUSE
Office of the Press Secretary

For Immediate Release

January 20, 1995

NATIONAL AFRICAN AMERICAN HISTORY MONTH

February 1995

Warm greetings to everyone celebrating African American History Month, 1995.

Hillary and I join you in marking the brave efforts of the countless Americans throughout our nation's history who have demanded justice, declared an end to segregation, and fought to ensure that every individual has the opportunity to build a brighter future for themselves and their families.

Today, there is a renewed sense of hope in America -- a hope based on the idea that our great diversity can unite rather than divide our society. It is the same hope that has inspired African Americans since our country's beginnings to dream of a nation in which all people enjoy the freedom to make their own lasting contributions to our world. If we are truly to build on history's rich lessons, we must always remember these pioneers' pivotal roles in American history.

Ours can be a land of unprecedented peace and prosperity in the twenty-first century if we have the faith that Martin Luther King described, the faith to "transform the jangling discords of our nation into a beautiful symphony of brotherhood." We must never cease striving to bring people together across racial and cultural barriers. This is our generation's most solemn calling and most important challenge.

I urge everyone, during African American History Month and throughout the year, to take up this challenge and to learn more about the black Americans who have made this country great.

WILLIAM J. CLINTON

#

THE WHITE HOUSE

WASHINGTON

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Bill Clinton

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Bill Clinton

DORSKIND
FYJ

THE WHITE HOUSE
WASHINGTON

THE PRESIDENT HAS BEEN

1-19-95

January 19, 1995

MEMORANDUM FOR THE PRESIDENT

FROM: JOHN PODESTA
TODD STERN

SUBJECT: Information Items

(1) Rushin's rec.
on 3(b) should
be followed
(2) Franklin should
be considered
for Medal of Freedom
& Medal at Wasserman
for

The following are information items we have received in the past few days:

(A) **Gearan/Silverman memo on Cabinet Strategy, January 13-30.** This memo outlines plans to use Cabinet to advance Middle Class Bill of Rights message: (i) Cabinet Members will do 1-2 hours of media interviews each week; (ii) testimony before Congress will be reviewed by OMB and White House; (iii) Ickes and other senior White House staff have begun meeting with political appointees in the Agencies, and Scheduling is arranging for you to address all your political appointees; (iv) Cabinet and Sub-Cabinet officials will speak in key media markets in the three days following State of the Union; (v) Cabinet and Sub-Cabinet officials will meet with key constituency groups.

(B) **Three Notes from Erskine:** (1) on Vernon Jordan's recommendation of John Hope Franklin for a Medal of Freedom (n.b., Jack Valenti has also recommended nominating Lew Wasserman. As we did last year, we will pull together a list of nominations for your consideration this Spring); (2) in response to your question on Jim Hamilton's idea to help small business; (3) in response to your question about Kevin McKenna's proposals on small business.

(C) **Rasco Memo on SSI for Disabled Children.** Carol reports on Administration activities regarding disabled children in response to a New York Times article you sent her on Republican plans to replace SSI cash payments for disabled kids with vouchers.

(D) **Podesta note on declassification initiatives and related press.**

(E) **Senator Kennedy's January 11 Speech to National Press Club.** Forwarded by Ickes.

1/19/95

(1)
2 good
Deerup.
I have
Franklin

2 Have Treasury analyze
good idea

THE PRESIDENT HAS SEEN

1-19-95
THE WHITE HOUSE

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Mr. Franklin will be
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Ensh

95 JAN 17 10:13

B1

THE WHITE HOUSE
WASHINGTON

January 19, 1995

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1/18/95

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B1

1-19-95

Mr. President —
 HE'S TIGHT ABOUT
 OF THESE PROPOSALS BEING
 POPULAR HOWEVER EACH AS
 FROM CARRIES A NOT INSIGNIFICANT
 COST. I WOULD SUGGEST THAT SOME
 TREASURY TAKE A LOOK AT
 CAN MAKE A JUDGMENT.
 ERMINE

How do you
 welcome his
 specific small
 business proposals?

BC

63

THE PRESIDENT HAS BEEN
1-4-95

KEVEN A. MCKENNA

ATTORNEYS AT LAW

23 ACORN STREET, PROVIDENCE, RHODE ISLAND 02903

Telephone: (401) 273-8200 Fax (401) 521-5820

Keven A. McKenna

December 9, 1994

David J. Dee

Alyssa DeAndrade

~~CONFIDENTIAL/PERSONAL~~

The Honorable William J. Clinton
President of the United States
The White House
1600 Pennsylvania Avenue
Washington, D.C. 20005

**Re: Some Thoughts From Your R.I. Watch:
- Re Defining Your Presidency and the Democratic Party**

Dear Bill:

Thank you for having a picture taken with my mother and father when you were in Rhode Island on November 2, 1994. My mother filled up with pride when you mentioned to her that you and I write each other. She was surprised that you had the time to stay in touch with your old Georgetown friends.

I appreciated that your suggestion in Providence to continue to write you and I hope my letters to you are helpful and not burdensome to your valuable time. Thus, here are some observations and suggestions from your R.I. Watch.

Although our candidate for Governor lost by two percent, your visit and the rally brought her ten points in the poll and most important, the visit made Democrats remember why they were Democrats. In Rhode Island, like elsewhere, Democrats have lost a sense of self identification.

1. Election Observations:

After the incredible nationwide push you made for Democratic candidates, you must not only be disappointed but you must be spinning in bewilderment about the result.

What else can a President do to lead our country forward?

Before I decided to write you again, I had waited to hear the pollsters, Stan Greenberg, et al, the politicians, the columnists, and media spin doctors over analyze and

DETERMINED TO BE AN ADMINISTRATIVE

MARKING INITIALS: DB DATE: 5/21/18

recharacterized the election results. No matter what the event, they always seem to make rainy days hurricanes. With C-Span, on line services, I receive as much information if not more than I did when I was in Washington and I can only guess at the amount of facts, data, and advice that is dumped in your lap. To the extent that an old friend from afar may be helpful in sorting out matters, let me try.

X If I may be arrogant in my observations, I am convinced more than ever that our friends within the Beltway, simply "do not get it." This election was not a change from the left to the right. Voters want to make changes themselves. They are really saying that they have no confidence and/or trust in the old special interest network in Washington to help them and they do not want to hear about any more paternalistic solutions from Democrats.

In my view voters have not changed. Perot voters without Perot went for Republican voters. If there were viable third party candidates, we would still have had a Democratic Congress.

Thus, we still have the same minority electoral base you began with in 1992- that same old coalition of the over the hill labor movement and left wing - "how can we self destruct by offending everyone"- social activists. Like generals who continue fight wars gone by, our 43% Democratic Coalition still wanted to deal with nineteen sixties' definitions of the issues

However, on the positive side, in the larger sense, the 1994 Congressional Elections did for you on the Domestic Front which leaderships changes in Europe, Russia, and the Middle East did for the Presidency on the Foreign Front in the early 1990's. You now have a clear running field on the domestic front to re-define priorities. So called allies are no longer able to call upon old loyalties to have the President defend out dated interests.

You are lucky in another sense, Jesse Helms and Newt Gingrich seems to be doing for the Republicans what Jocelyn Elders, gays in the military, abortion coverage, did for us, i.e.,- offend sensibilities, stir media interest and needless antagonism in opposing constituencies, all -for no practical leadership benefit. Our existing domestic allies, who have had an unfortunate tradition in past years of undermining their own supporters are now too scared to be attacking you. The party of Helms and Gingrich will do for Democratic unity which all your campaigning could not do. Old line Democratic interest groups can not afford to undermine you. You are their only protector now. The dead weight of their support is now off your shoulders. There is now an unusual opportunity for new definitions.

[You were right when you said in Providence that people are voting against what they are for. What you did not say, perhaps out of a sensitivity to old coalitions, is that one of the reasons for the irrationality of public discourse is our failure to speak and clearly define a new Democratic philosophy for the future and an understandable agenda for the future. Now is the time for that new definition.

2. The Opportunity for Re-Definition:

As you have begun to surprise critics with your foreign successes from Haiti, to the Middle East, to the Jakarta conference, you know have an unusual opportunity to redefine the Democratic Party, pre-empt our Republican friends, and give America the new tools it seeks to move forward in the 21st Century.

Citizens today, more so than when Jefferson spoke, want to solve problems themselves and leave government to do what people can not themselves.

Old social bureaucratic structures, like the rusty old non competitive steel mills of the 1950's need to be forgotten and we need to give citizens the power tools to compete in the international world village.

You commented, in response, I think, to an inquiry at the Jakarta Press Conference, that there are many definitions of populism as seen from the left and the right. Of course, you are right. However, why should we allow individual empowerment to be defined by Kemp and Gingrich? If the direction is correct, then why not define the direction yourself?

Your quote of Barbara Mikulski's reasons for supporting the GATT approval, - something to the effect of a "New American Economy", was well received.

LBJ was fond of the phrases "Let us reason together; We can find a consensus "

I believe that there is an inarticulated consensus for a new populist philosophy in the soul of America, which is based upon simple reasons which all can accept. You understand the elements; however, neither you nor the members of your administration have been yet been able to define that philosophy in the simple and eloquent terms needed. You must know, and I know you have told, that there is something wrong with the communications arm of your administration when the babble of your Surgeon General has gained more fame than the successes of your economic team.

Americans are in fact today better educated and more able than they have ever been in our history to do things for themselves. Yet, they feel powerless and frustrated. I think that the malaise we suffer is derived more from the frustration of knowing we can and should do better than from the cries of victims of disadvantaged.

Americans feel, and in many cases, correctly, that parts of government are both a burden and the problem and not the solution. That perception has not changed. Unfortunately, Ira's health care schemes played into the negative side of that perception.

Why not allow Americans to solve their own problems? Why should you not be the first American President who recognize that the strongest democracy is the one which

trusts its own citizens to solve problems because they are strongest, the best educated, and most powerful citizens in the world ? The voters want neither old Democratic paternalism nor new Republican reactionaries. They want to do it themselves. Give them the tools. Try to make it simple and try to have your administration work with you in an united front. In my letter to you of September 19, 1994, I outlined in more detail some ideas which I will only give reference. Let me share with you some ideas that could respond to that initiative.

3. Basic Principles and Ideas for a New Democratic Populism.

1. The Role of the Federal Government is to give citizens the tools to solve their own economic problems.

Examples:

(i) Small Business Dividend Tax: Permit no federal taxes on the dividends of new stock issues, held for more than a year, issued by new corporations, with assets under \$50 million. Small business is starving for capital. Mega banks are more interested in charging fees and doing mergers than lending to small business. SBA and the Community Reinvestment Acts are fleas on the economic elephants' backs and are too complicated to make a difference. This change will encourage investment in new business and create jobs. These start up corporations rarely give dividends now and thus there is no tax loss.

(ii) Welfare Tax Credits: Expand Tax Credits to Employers who hire persons on welfare and who are unemployed. The reduced welfare costs to states and the U.S. should make this proposal a wash.

(iii) Expand Tax Exemptions for Savings: There should be no tax on any saving account under one hundred thousand (\$100,000) dollars, on any medical savings account or on any college savings account. The multiplier effect on the economy of increased saving, and the reduction in medical and educational expenses under state and federal aid program should make money for the U.S.

(iv) Employer Medical Tax Credit: Provide a tax credit on the employer share of medical expenses and or premiums paid by employers for employee health coverage in an approved plan providing basic health care benefits.

(v) Simplify SEC Approval Process for Securities Offering Under \$50,000,00. The SEC has become a worthless bureaucratic maze which only discourages investments in small business and provides no protection to investors. Disclosure statements are too complex to make sense to investors and the cost of SEC approvals discourages small business capital expansion.

(vi) Eliminate Costly Micro Control Regulations Issue an executive order to federal agencies review regulatory and aid regulations which are needlessly

detailed. For example, do we really need to tell business the measurements of their bathrooms to conform to the disability act? Washington should give its citizens some credit for common sense and stop treating law abiding citizens as the enemy.

(viii) Middle Class Tax: Perhaps, consider adding two more levels of taxation between 15% and 28% and provide at least a five percent tax break for the middle class in the range between \$20,000 and \$60,000. That is a promise which in some form, no matter how small, you must figure out to keep. You know this. It is more a matter of confidence than cost now.

2. The Role of the Federal Government is to make American Jobs through Foreign Trade by Providing Fair Playing Field in the World Village and by Facilitating Foreign Purchases.

Examples:

(i) Give Foreign Businesses the Monetary Tools to buy American Manufactured Products through Expanded Guarantees, Trade Credits, and Monetary Fund Supports. The expansion of guarantees for the purchase of ships to foreign business under your recent amendments to the Maritime Act was a major league home run. The expansion of American Shipbuilding capacity under that act will be a major stimulus to jobs in a dormant ship building industry. Those types of incentives need to be expanded to all American manufacturing industries from steel to machinery to produce. Would it not be better to cut direct subsidies to American Farmers and give starving countries American guarantees so that they could purchase American farm products? Think of all the farming equipment we could sell to the Ukraine if they could solve the problem of the worthless ruble?

(ii) Provide Level Playing Field for American Sales Abroad. Continued expansion of GATT, NAFTA, and Inter America's Trade Expansion Agreement. Administration spokesperson need to accelerate their effort to explain the interrelationship between fair trade and jobs to the American public. The average American still does not understand the role America can play in the world economy.

3. The Federal Government works for its citizens and not vice versa. Citizens should have more of a direct say in Washington.

Examples:

(i) Voter Initiatives: As an alternative to the notion of term limits, why not propose a constitutional amendment allowing voter initiative to repeal or initiate statutes. Twenty three states have had various forms of voter initiatives, which have strengthened citizen participation and confidence and government without destroying the Republic. On the national level permit voter initiatives to repeal or initiate legislation. Initiatives involving taxes, appropriation bills, the Bill of Rights or the basic constitutional

structure would not be permitted. Controversial issues from Congressional salaries, to tobacco subsidies and other alleged "pork barrel programs, to abortion subsidies to welfare subsidies could be subject to voter approval. The procedure could be simple. If five (5%) of the voters in twenty five states sign petitions, the petitions would be on the national ballot in the next national election. The Federal Elections Commission could be designated to approve the language of the initiative.

The voters could thus feel that they had some recourse to direct action in reacting to the problems in Washington and confidence in government would be improved because the voters would know that Washington does trust voters. Certainly, the most informed and advanced democracy in the world should be able to trust its voters with the responsibility of voter initiative.

(ii) **Continued Campaign Reform Effort.** Any citizen should be able to run for office without having to overcome the problem of special interest financing of campaign efforts.

4. The Federal Government will do for its citizens what the Government can do better i.e. provide floor of coverage for Health and Police Protection and family oriented welfare.

Examples:

(i) **Last and First Dollar Coverage for Medical Benefits.** Expand Medicare to cover catastrophic health insurance for everyone. Pick any ceiling number that the Government can afford. No private sector company can compete on an underwriting basis with a national pool for catastrophic coverage. As I outlined in my previous letter, in 1974 R.I. was able at a cost of 50 cents a person, non taxed, to provide \$5000 coverage for one million persons. Provide some minimal first dollar coverage for emergency services and pregnancies. Let the private sector and medical savings account and employer incentives cover the remainder. Avoid any more of Ira's "Rube Goldberg style new health care agencies." Combine a standardized minimal health care benefits plan with a tax free life time medical savings account with some type of incentive for those who stay healthy. For example, if the saved money is not need to pay health care bills, the interest is not taxable. Too much of health care expenses are tied to life style habits. Has anyone ever calculated how much health expenditures are saved by vegetarians?

(ii) **Provide Federal Revenue Sharing for Local Police Protection.** Last year Crime bill contained too many federal controls to help local budgets. Provide a simple revenue sharing formula for local police. You really do not want to federalize any more crimes. Do you want to turn the Justice Department into a politically correct Gestapo? Justice should be aiding local enforcement, not doing it.

(iii) **Welfare Reform** - Put some incentives in welfare for the intact and extended families. Help families help themselves. Give Grandparents,- many are young and

productive, some financial incentives for taking care of their pregnant daughters and elderly relatives. Would it not be cheaper to give some tax credits to families who pay for the care of their grandchildren and/or the grandparents as an alternative to AFDC and to nursing home subsidies.

(iv) Social Security Retirement: Take the pressure off of early retirement. Loosen up the tax penalties for working if you over age 65. Give the elderly -- most of whom are quite capable and productive, incentives to continue to work, not to retire.

This list of suggestions is not meant to be exhaustive or complete, but it is given to you as suggestions for translating simple positive ideas of individual empowerment into sensible government policy.

Ideas along these lines would be difficult for the Republican Majority to reject and would provide opportunities for rebuilding a new Democratic Majority.

While the common perception probably is that because you are President, you can do miracles. We know that is not true. You need help. Your Administration team needs to improve their advocacy talents and on the domestic side muzzle the offensive tendencies of some its lifestyle advocates.

There are lot of bridges out here that need to be rebuilt and which can easily be rebuilt with a new definition of Democratic Policy. There are new support groups which need to be developed. We cannot depend only on the Democratic Leadership Council to do the job. New groups of supporters need to be built.

The alienation of our Catholic friends could easily be solved by a joint effort to protect programs of compassion, such as education aid and basic welfare, from being ravaged by right wing reactionaries. Obviously, the notion of abortion subsidies need to be buried and some of the activists with their social own agenda in the lower ranges of your administration should be encourage to join in the support of this new direction.

Small business, especially those in the South, must be educated to realize that your programs are key to their revival, not gigantic capital gains tax breaks for the super rich who gamble in Wall Street casinos.

Once the average hard working middle class family realizes that this Administration has fought to empower them and to help them where they can not help themselves, political problems in the West and South will change for the better.

Your work on the foreign front has been impressive. You have seen what power you have to make a difference. For the first time in this century, the U.S. is the undisputed number one power. I am glad you are not allowing that position to go to waste. Credit

will come soon for that work. Like the prophet, your work on the foreign front is more appreciated abroad than here.

Redefine now in simple terms America's New Domestic Priorities and everything else will fall in place. 1996 will be a landslide.

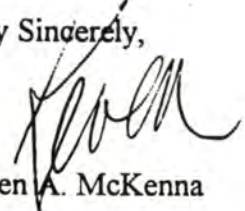
Assert your natural leadership talents and do not let the Beltway nay sayers and the media muckrakers wear you down. If you show confidence in the people, they will show confidence in you.

Thank you for allowing me to continue to write you. Denise Hyland and I both agree that you need to have some friends on the outside who can be confidential listeners and sounding boards for you.

If you feel like chatting for any reason, if it is only to take a break from the pressures, feel free to call.

Keep up the good work. We are all praying for your success.

Very Sincerely,



Keven A. McKenna

THE WHITE HOUSE
WASHINGTON

*McClure
GS
Paw*

*Sage
Romain
letter
JMN*

January 18, 1995

Ms. Tammy L. Romain
636 Evergreen Court
Stillwater, Minnesota 55082

Dear Tammy:

Thank you for your kind letter. I appreciate your sharing your personal story and your AmeriCorps experience with me.

Your commitment to public service gives me great hope. You and the other AmeriCorps members are reinforcing America's deepest values: community, responsibility, and opportunity. The work you do this year is an investment in America that will last far into the future.

I hope you will continue to set high goals for yourself throughout your life. Hillary and I wish you a joyous New Year.

Sincerely,

Bill Clinton

SAMPLE!

From KHCG09A@prodigy.com Sun Nov 27 14:52:24 1994
Received: by WhiteHouse.Gov (5.65/fma/mjr-120691);
id AA19833; Sun, 27 Nov 94 14:52:24 -0500
Received: from inetgate.prodigy.com/192.207.105.34 via smap
Received: from mail.prodigy.com by inetgate.prodigy.com with SMTP id AA72690
(5.65c/IDA-1.4.4 for <president@whitehouse.gov>); Sun, 27 Nov 1994 14:51:54
-0500
Date: Sun, 27 Nov 1994 14:52:34 EST
From: KHCG09A@prodigy.com (MR RONALD L ROMAIN)
X-Mailer: PRODIGY Services Company Internet mailer [PIM 3.2-308.52]
Message-Id: <013.01959441.KHCG09A@prodigy.com>
To: president
Subject: Americorp

636 Evergreen Court
St. Mary's, MN 55001

Dear Mr. President,

I am writing this message on my father's e-mail on Prodigy, and he's never used it, so I hope you receive it. First, let me introduce myself. I am Tammy Romain of Stillwater, Minnesota. I graduated last spring from the University of Minnesota in the Twin Cities with a degree in Ecology, Evolution, and Behavior. I knew I didn't want to go into field work, which is just about the only option for an Ecologist, and I knew I was tired of school. I started hearing about Americorp during the winter of my last year at school, but I didn't think it was for me because I wasn't ready to leave Minnesota. But, as the summer progressed, I found out that local programs were being offered. I got accepted through Pilsbury Neighborhood Services working at the Brian Coyle Community Center.

The reason that I am sending this message is to thank you for my job. One of the reasons that I voted for you was that you promised a way for college students to help other people and earn money. It's refreshing to see that a politician has kept a campaign promise.

During school, I was always stuck in the middle between my parents being able to pay for my education and qualifying for financial aid. I had to take out several loans and work between classes. My Americorp position will help eradicate some of my debt.

Money isn't the only reason that chose to take an Americorp job, though. Actually, money is not the major reason since I essentially make less than minimum wage at a full-time job. I joined an Americorp program because I was tired of being tagged as part of Generation X, a bunch of lazy, birkenstock-wearing, coffee-drinking, MTV-watching slackers who only care about themselves. I know that these things don't represent me so I didn't want to go down in his/herstory this way. I also wanted the opportunity to interact with people that actually live in the Cities. Going to school in Minneapolis and St. Paul does not mean I really knew anyone who lived there. I mostly interacted with friends at school, professors, and faculty. Growing up in an affluent suburb, I had very little contact with people who are on public assistance, need a food shelf, etc. Now

that I am getting to know these people, I realize that I made the best decision. I love my job; I like the people I work with; I am exposed to different cultures that I might never have come across without this experience. Thanks again.

I guess I will close this message by saying I also appreciate the great job you are doing, and don't let the media get you down. Have a good holiday season, and don't forget to honor those people that don't celebrate Christmas.

Sincerely,

Tammy L. Romain

OK
Am

WHITE HOUSE
WASHINGTON

January 17, 1995

Billy B. Goldberg
Suite 500
6100 Corporate Drive
Houston, Texas 77036

Dear Billy:

Thanks for your letter of January 4 and for sharing your good ideas. I appreciate your perspective and your willingness to help us. I have shared your letter with Leon Panetta, my Chief of Staff, to let him know of your request.

I look forward to seeing you soon.

Sincerely,

Bill

we'll be in touch

cc:

Leon

Panetta

*Buckley & set
this up he's a friend*

Billy B. Goldberg

January 4, 1995

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

Dear Mr. President:

You and I have known each other since you ran for Governor in 1980 and I was Texas Democratic Party Chairman. Last month, when you spoke to the Democratic Leadership Group, you asked that Democratic leaders "get out of the peanut gallery" and get into the game. This is my effort to comply with your request.

I have some 47 years of business and political experience, and because of our friendship, I want to make it available to you. I am not available for any type of position, but only as part of a senior advisory group you may create.

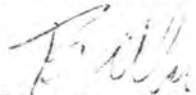
A non-controversial plan to partially refinance the national debt over the next number of years is worthy of consideration. The American people, I believe, would prefer to take a little less interest on their savings if it brought with it some modest tax reduction as well as debt reduction. It could result in reducing the interest cost on the national debt by billions of dollars per year.

I would like to come to Washington for a short visit with you. I am prepared to meet with whomever you designate. I will await word from you or your office. *mtg*

President Bill Clinton
January 4, 1995
Page Two

Please give my regards to Hillary. I believe she is
doing a terrific job.

Your friend,


Billy B. Goldberg

BEG/bs

cc: Garry Mauro

cc: Am. Ball activity *OK* *pm*

ITE HOUSE
INGTON

January 17, 1995

Jim and Jackie Jenkins-Scott
1063 Commonwealth Avenue
Newton Centre, Massachusetts 02159

Dear Jim and Jackie:

Thanks for your letter of January 7. I always appreciate your advice and will look carefully at your suggestions. It was good to see you both at Renaissance.

Sincerely,

Bin

*Your letter was wonderful
Thanks so much
I'll try to take your advice.*

Jim & Jackie Jenkins-Scott
1063 Commonwealth Avenue
Newton 02159-1447

cc: HKE
Anne H.

January 7, 1995

Dear Bill and Hillary,

Your comments last Saturday evening have moved us to write and offer words of appreciation, support and at least the germ of an idea in response to public perception in connection with your presidency. The latter is consistent with several maxims governing the lives of the Scotts:

"The wise learn from fools; fools seldom learn from the wise", and, "The wise change many times, - a fool seldom." -Anonymous

So, in a positive spirit and with best wishes, here goes:

GERM OF AN IDEA

When Bill mentioned his disappointment at being unable to visit the holy shrines of his Christian heritage he shared with us Renaissancians how foolish he was not to realize that his job, as president, precluded even him from doing certain things. This can be (and I argue that it should be) the center piece of Bill's address and program for the next two years:

While America is rich and powerful it, too, is precluded from doing certain things. 'The wise learn from their mistakes; still wiser learn from other's mistakes'. The United States will not make the same mistake twice; large tax reductions while borrowing the difference. This theme can be developed and woven around several issues.¹

Bill, you must make choices which call for the wisdom similar to that of the biblical Solomon, but in doing so, however, it is important to stress that your choices are not always consistent with your personal desires: Even the President is precluded from enjoying/pursuing some personal activities or goals. For example, The Boston Globe reports that one Presidential nomination is probably in trouble as a result of the elections. We would bet that's true, however, the point here emphasized is that there are activities/goals which even the President is precluded from realizing. And friends ought to realize, understand and remain steadfastly supportive. Their personal ties ought to be much stronger than their employment ambitions.²

The same should have been true for political allies: Many Democrats have done themselves a serious disservice by 'backing away' from you during the elections. Robb and Kennedy (a Southerner and a Northerner), to their credit, had integrity and wisdom guiding them.

¹Including cutting much-needed programs for children and women; seeking just and lasting peace; or cutting social programs which provide a 'safety net' both for the recipients and (for the security of) the country.

²If a good friend is or is not nominated; is or is not strongly supported during confirmation hearings; and/or is not confirmed it would be/is a sorry commentary on the 'friend' if they leave in anger. That's not what friends are for.

There are those who either do not realize the gravity of the choices before the American people; or who are indifferent to the clear side-effects of certain choices. Such leaders/people in effect take the position, "It shall be neither mine nor thine, but divide it!"

Question is: Are such leaders/followers really strong enough to turn this country back? We think not. A country which has lived/enjoyed the benefits of Democratic legislation/leadership for four decades probably cannot 'go into reverse'. We wanted it; we built it, we've enjoyed it and we must have it.³

SUPPORT

"A man is what he is, not what men say he is. His character no man can touch. His character is what he is before his God and his Judge; and only he himself can damage that. His reputation is what men say he is. That can be damaged; but reputation is for time, character is for eternity." -John B. Gough

Most Americans believe in redemption. Augustine is perhaps one of the more famous⁴. There is a great line which goes: 'People in glass houses can see better!' As you both know those who love you and were helped by you will remember you when others have fallen away. We and our friends are very proud of you both and wish you continued success⁵.

To take a line from Shakespeare's Lady Macbeth {and we hope it fits here}, "**Screw your courage to the sticking post and (you'll) not fail!**" You both have, indeed, set a new standard for American leadership, whether it is:

- ** reducing the deficit;
- **appointing of Americans to 'non-traditional' jobs,
- ** the very effective (and much maligned and/or much envied) husband/wife combination, - we know a little about this life-style;
- **Assisting in the Israel/Palestine peace accords;
- ** resolving the Haiti embroglio,
- **the American standard for cuisine at the White House;
- **the determined effort to stay in touch with reality/get out of the bubble as much as possible;
- **you both seem to be what Mohandas K. Gandhi had in mind when he said, "If Christians would really live according to the teachings of Christ, as found in the bible, *all of India would be Christian today.*"

³Or, 'How're ya gonna get 'em back on the farm after they've seen Broadway?

⁴Although a name of a current mayor quickly comes to mind.

⁵The idea being that you are already and have been superstars of success!

January 7th

PUBLIC PERCEPTION

"He is a very intelligent fellow, -he just can't make decisions."

"He listens to advice, -just doesn't know which way to turn."

"He doesn't present himself as a strong leader of the free world."

-Informal survey taken recently.

We, and many like us, share your views re the desire for peaceful and respectful resolution of difficult issues. We wish that this was a time when such efforts by an American President would be accepted by all belligerents. As we know (and it has been demonstrated to us- the general public- over and over again), the world looks to America for its leadership and strength.⁶

Theme: "No More Mr. Nice Guy!"

The time looks good for this approach:

the Republicans reportedly are already beginning to show signs of backing away from the radical positions espoused by Gingrich, and,

the Republicans in the House and Senate are already beginning to publicly show the strains of their (we believe) unworkable alliance

We suggest that your message to the American people have two themes on the international issue; and two themes on the domestic.

International: "To our friends around the world we say 'stay with us as we all seek a just and lasting peace; The recent history shows clearly that it is possible for former aggressors to become successful, respectable and valued members of the world community.

"To the enemies of a just and lasting peace, -those who do not believe in one world; a family of nations living in respect and supportive of one another, we tell you that the strength of the free world, including the United States of America, must be reckoned with and you will not succeed!"

Domestic: Suggest a similar message for American friends: "Stay with the Administration. We have made progress in our approach to certain gnawing problems. We are now refining some of the proposed solutions, -with the help of an informed 104th Congress.

⁶Think it was George Bernard Shaw who wrote "Before you teach your children to live by the Golden Rule, be sure that the rest of the world is teaching the same thing."

⁷It is suggested that some forceful act (something like Grenada comes to mind) which will create a different perception of your will to use force against unreasonable, criminal elements in the world. Even if it repulses you personally. As you said, the job of President denies you some of your personal preferences.

January 7th

"(I) pledge that this Administration will not throw out the baby with the bath water. We will make good and wise caring decisions in a tradition which reaches back over fifty years.

"If there are any who may be committed to pursuing narrow selfish interests at the expense of the greater good know this: This President will not stand idly by and watch this caring, just and responsible American society become divided by narrow, unsympathetic and irresponsible forces (elements)."

GRATITUDE

"At the banquet: 'Well, did they like your speech after the dinner?'"

"Rather! When I sat down, everybody said it was the best thing I'd ever done." -Anonymous.

Hillary's comments about gratitude were especially appropriate to the Renaissance gathering. A disproportionate number of us (including the Scotts) are very privileged and fortunate: We have good marriages; have great children; enjoy good reputations; have great professional and social activities; have friends in a similar situation; have good health and live quite well (taxes and other bills notwithstanding).

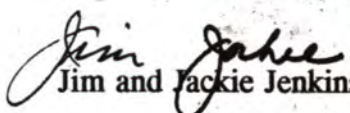
Part of a theme which we hope you, Hillary, can advance is:

****** that many, many Americans are doing well, -and have done well in this country. We should increase our willingness to show our gratitude with increased personal and financial support for many causes.

****** Americans, with the possible exception of some of the very poor, live in the best country on earth. Yes, there is much we can do - and should want to do- to improve lives for the needy. But first and foremost American citizens should always be grateful for the blessings which we have received by calling the United States of America our home.

Happy New Year!

Warmest personal regards,


Jim and Jackie Jenkins-Scott

*Wf: Leon/Hicks
see name: this!*

HITE HOUSE
SHINGTON

January 17, 1995

Abby Ginzberg
Attorney at Law
1136 Evelyn Avenue
Albany, California 94706

Dear Abby:

Thanks for your letter of January 10 and for following up on our visit. I found your perspective very insightful, and I appreciate your sharing it with me.

As always, I'm grateful for your friendship and support. Keep your ideas coming!

Sincerely,

Boin

*You're right - I will work
on it - Thanks*

ABBY GINZBERG
ATTORNEY AT LAW
1136 EVELYN AVENUE
ALBANY, CALIFORNIA 94706
(510) 528-9116

January 10, 1995

President Bill Clinton
The White House
1600 Pennsylvania Avenue N.W.
Washington, D.C. 20500-2000

Dear Bill,

I am sorry that it has taken me several weeks to write the follow-up letter to our visit in Washington. Thanks for taking the time to see me. Even a few minutes with you renews my desire to do what I can to help your administration get its message out.

As we discussed briefly, I strongly believe that one of the major problems facing the administration is that people don't know what's been accomplished over the past two years. While this may be due in part to the fact that a negative news story is always more likely to run, not enough effort or creativity has been employed in attempting to get coverage of the success stories by people working in the public affairs offices of the agencies. It seems that they spend all their time responding to press inquiries and little is left for a more pro-active approach. I think the response of the person at the Department of Justice with whom I spoke about the usefulness of profiling their most successful programs on video underscores this: "Oh that's a great idea, but we're not that forward-thinking here."

So I would suggest that some serious thought be given to using video as a way of communicating with both supporters and the public at large since it seems to have a lot more influence than either the written or spoken word. For example, showing that a Department of Justice program has actually done something about crime or youthful offenders or community policing or drug courts would be helpful in publicizing the work as well as encouraging other communities to adopt similar programs. And as you suggested, staff from the US Attorneys' offices could be enlisted in a public education campaign. Similarly, HUD's efforts to prevent lead poisoning among children could be spotlighted.

The goal of any such video would be to show that this is a caring administration that has made an effort to leverage limited resources in a thoughtful and effective way. If each agency made a list of a few programs that it was especially proud of and that

reflected Democratic Party values and goals, it would be relatively easy to pick several and create a compelling video presentation. One of the lessons that can and should be learned from the Republicans' recent success is their effective use of the media, particularly the electronic media.

It also seems to me that some thought along these lines should be given soon to a video presentation of highlights of the Administration for the 1996 Democratic Convention. I think many would agree that "The Man From Hope" was a very powerful document and one of the more memorable aspects of the '92 Convention.

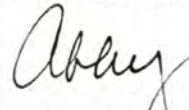
* / I know money is always an issue when it comes to video production because it is an expensive medium, but once the initial investment has been made it costs almost nothing to reproduce copies. Generally, videos such as these cost approximately \$2500 per minute to produce. If the DNC does get a cable network then they will need things to air and positive stories about programs that wouldn't exist but for your administration would be a real asset.

[I would also encourage you to rethink the usefulness of printing millions of copies of a new version of "Putting People First." I think in the end it is likely to be a waste of money, particularly since reading seems to be an outmoded activity these days. In two recent California elections, such books did nothing to sell the candidates. Both Kathleen Brown and Art Agnos in his re-election bid for mayor, lost in spite of their books.

[Although I am very interested in being helpful, it has not been possible for me to get the ear of those who have the authority to agree to such a project. Please let me know if you think there is someone I should talk to or follow up with and I will be glad to do so. I'm afraid a really important opportunity is slipping away, but I believe that your administration is forward thinking enough to do something about it before it's too late.

I wish you all the best for the new year. I think you have a lot to be proud of and I just wish more people were aware of the accomplishments. As always, I look forward to hearing from you and am ready to do whatever it takes to be useful.

Warm regards,



Abby Ginzberg



SENATOR TOM DASCHLE

1/19

1-12-95

Mr. President -

I wanted you to see the comment
of Bill Janklow regarding Ellsworth, AFB.
This is very important to me.

Jim

Leon

Fyl - mem
discussion

TB.

1/19

THURSDAY, JANUARY 12, 1995 NEWS WIRE

South Dakota News Briefs

SIOUX FALLS, S.D. (AP) An investigator has ruled out engine problems or mechanical failure as the cause of a Sunday plane crash that killed the pilot.

"There was no problem with the aircraft," said Dick Brandiger of the Federal Aviation Administration office in Rapid City.

Now the investigation will look at whether pilot Kevin Falon, 43, of Sioux Falls, might have been performing an aerobatic maneuver too close to the ground, Brandiger said. An autopsy should determine whether the crash was health-related.

The two-seat experimental plane crashed in a field southeast of Lennox.<

PIERRE, S.D. (AP) The future of Ellsworth Air Force Base looks to be on solid ground, given South Dakota's new power in Washington, D.C., Gov. Bill Janklow said.

"I'm putting a lot of stock in our congressional delegation on this," Janklow told reporters. "We've got the best chance we could possibly have."

Sen. Tom Daschle is the Senate Democratic leader, while Republican Sen. Larry Pressler is the new chairman of the Senate Commerce Committee.

A special commission later this year will give President Bill Clinton a list of military bases targeted for closing. Janklow doesn't think Ellsworth will wind up on the final list.

"I got to believe President Clinton is real interested in Tom Daschle's political footings. We live in that kind of a world," Janklow said.<

SIOUX FALLS, S.D. (AP) Sioux Falls School Superintendent Jack Keegan Jr. is looking for legislative help from outside his area to push changes in the state aid-to-education formula.

Keegan said seeking sponsorship by a legislator not from the local delegation might convince some that changing the state-aid formula is not strictly for Sioux Falls' benefit.

"We're in a plight and somehow we have to balance providing a quality program with adequate funding," Keegan said.

Rep. Roger Hunt, R-Brandon, said Keegan's approach might be

Leon - summary:
Turn 2 - BL

THE PRESIDENT HAS SEEN
1/19

Department of Energy

• **Human Radiation Advisory Committee Meeting:** On January 19-20, the Advisory Committee has its monthly meeting here in Washington. Press coverage is expected on the release of documents relating to the plutonium injection experiments.

Department of Agriculture

- **Anniversary of E. Coli Outbreak:** On January 18, the victims' organization STOP (Safe Tables Are Our Priority), with support from the Safe Food Coalition, will hold events in eight cities across the nation to commemorate the second anniversary of the E. Coli outbreak. On February, 2, the groups will hold a Washington, D.C. event. USDA expects significant media coverage and is developing a press strategy which it will coordinate with the White House.

Department of Justice

- **Yonkers Housing Desegregation Case:** On January 20, the Solicitor General will file a brief in the Supreme Court opposing a grant of certiorari in the Yonkers desegregation case. In this case, which has been controversial and divisive in New York, Yonkers is appealing the imposition of a long term housing desegregation plan ordered by the District Court. The Solicitor General will argue that the District Court did not abuse its discretion and certiorari should be denied.

Department of Health and Human Services

- **Ohio's Health Waiver:** The Department expects to announce a decision on the Ohio waiver on Tuesday January 17, 1995. Under the OhioCare proposal, Ohio would expand Medicaid eligibility to the uninsured population with incomes below 100 percent of the federal poverty level. An estimated 500,000 new individuals would receive coverage. The State would enroll all new eligibles and current Medicaid recipients into managed care programs throughout the State.
- **Maryland's Medicaid Waiver:** On Tuesday, January 17, the Department plans to announce a decision on Maryland's Medicaid waiver. This project will extend Medicaid eligibility for family planning and preventive reproductive services to women who are on Medicaid solely due to their pregnancy and would otherwise lose their eligibility. The estimated 11,500 participating women will receive these services for a 5-year period. Maryland expects to generate Medicaid savings by reducing the number of unintended births and improving the health status of the participants.

- 
Ohio Welfare Waiver: In the next couple of weeks, the Department may announce a decision on a welfare demonstration for Ohio. It would -- in two counties -- use monies designated for AFDC and Food Stamp benefits to supplement low-wage earnings as an incentive for employers to hire welfare recipients, and to lift recipients out of poverty. In addition, it would and sanction AFDC recipients ages 6 to 18 who do not meet the school attendance requirement. In ten counties, the demonstration will provide additional budgeting for 12 months from month of employment and provide an additional 6 months of transitional child care.
- Oklahoma Welfare Waiver:** In the next few weeks, the Department may announce a decision on an Oklahoma demonstration which would eliminate the 100-hour rule for employable two-parent households; require more work from JOBS participants; and provide case management for two groups of recipients: teen custodial parents and long-term AFDC recipients.
- 
Montana Welfare Waiver: In the next few weeks, the Department may announce a decision on a Montana demonstration which would establish a Job Supplement Program with AFDC-related benefits to assist individuals at risk of becoming dependent upon welfare; a Family Investment Contract for beneficiaries, as well as time limited benefits, followed by participation in a Community Services Program for those who do not attain self-sufficiency. The proposal also would take on the AFDC office culture and attempt to simplify and unify the AFDC and Food Stamp intake and eligibility process. The one sticking point in the proposal involves a significant reduction of Medicaid benefits. If the Medicaid issue can be resolved, the Department will recommend a decision shortly.

Department of Housing and Urban Development

- Vidor, Texas:** Friday, January 13th, marks the one year anniversary of the Administration's integration of a public housing complex in the all-white community of Vidor, Texas. Four African American families were moved in that day. Today, there are 18 African American families living there and 42 families on the waiting list. Several days ago, two of the initial four families expressed their desire to move out of Vidor due to ongoing threats from members of the community, the slow pace of local change, and the weak job market. Another of the initial four left a few months ago. Because of an initial promise to help the families move out if they felt uncomfortable, HUD is providing rental assistance to these families to help them move out. There has been a great deal of local press coverage and HUD has increased security at the housing development.

Department of Labor

- **Glass Ceiling:** On February 1, the Secretary will present the Francis Perkins-Elizabeth Hanford Dole National Award for Diversity and Excellence in American Executive Management to Xerox Corporation. This Presidential Award recognizes a company that has been exemplary in its efforts to diversify and promote minorities and women into decision-making positions. Elizabeth Dole and Paul Allaire, CEO of Xerox, will join the Secretary for the event.

Department of Commerce

- **Presidential Business Development Mission to India -- January 13-21, 1995:** On Friday, January 13th, the Secretary leads the first Presidential Business Development Mission of the year to India, one of Commerce's 10 Big Emerging Markets. Specifically, the 25-member business delegation and an interagency delegation, representing the Export-Import Bank, Department of Energy, the Asian Development Bank, EPA, Treasury and the NSC will accompany the Secretary to New Delhi, Bangalore and Bombay, India.

The Secretary will announce a Joint Statement on a Textiles and Apparel Market Access Relationship between the two governments, a Management Training Joint statement between academic institutions of both countries, a U.S.-India Commercial Alliance, and anticipates up to \$5 billion to be announced in successful individual company business advocacy. He will also will visit the Mohandas Gandhi Cremation Site and link this to recognition of Martin Luther King Jr.'s birthday.

Department of Transportation

- **Easing of ATR Aircraft Restrictions:** After extensive flight testing and analysis, the Federal Aviation Administration (FAA) modified restrictions on the operation of ATR-42 and -72 aircraft. Operations are now permitted into known or reported icing conditions in accordance with specific operating procedures and training requirements. The Air Line Pilots Association and the Regional Airline Association issued statements in support of the agency's decision.

- **Aviation Safety Summit:** The FAA Aviation Safety Summit was held in Washington on January 9 and 10. There were approximately 1,000 airline industry executives, labor union representatives, senior Government officials, and other members of the aviation community present. Some 540 recommendations were developed by the attendees, of which 70 were deemed to be of highest priority. The Secretary set a deadline of February 9 to complete an action plan with timelines for implementing recommendations. He also challenged industry to come back in 30 days with a schedule for implementing a voluntary internal audit at each airline and a new safety program involving flight data recorder analysis.
- **Adarand vs. Peña - Supreme Court Scheduled to Hear Arguments:** This case involves the issue of whether or not it is constitutional to give preferential treatment to a Disadvantaged Business Enterprise. Oral arguments before the Supreme Court are scheduled for January 17.
- **Interstate Commerce Commission (ICC) Sunset:** A report regarding the future of the ICC will be published in the Federal Register within the next two weeks.

Department of State

- **Partnership for Peace:** Belarus became the 24th state to join PFP on January 11. Austrian Chancellor Vranitzky has indicated that Austria will complete steps for joining PFP by the end of January. Swiss officials are cautiously optimistic that Switzerland will join in February or March.
- **Congressional Outreach:** Secretary Christopher met with Senators Hatfield, Warner, Helms and Representatives Gilman and Bereuter. In cordial meetings, all expressed a desire to work with us in a bipartisan manner. As priorities, Gilman listed funding cuts, regional issues (i.e., Bosnia and Korea), and his Committee's upcoming hearings on the Administration's foreign policy. He added that Speaker Gingrich wants the National Security Restoration Act portion of the "Contract with America" to move to a floor vote as quickly as possible.
- **DPRK:** Ambassador Mondale met separately with Senators Murkowski, Lugar and Nunn last week to discuss the DPRK framework agreement. Mondale assured Murkowski that for domestic reasons, Japanese politicians would find it easier to support the Agreement than to risk its failure. Both Lugar and Nunn told Mondale they did not believe that the Senate would block the deal, but they predicted "heavy weather" in hearings and urged that General Luck return to testify.

Department of Defense

- **Haiti:** One U.S. Special Forces (SF) soldier and one Haitian were killed and one U.S. SF soldier was injured during an exchange of gunfire yesterday. The Multi-National Force is investigating the incident.
- **Migrants:** Care and securing of the Cuban migrant population continues to be a heavy burden on the U.S. military. The Cuban migrant count is 21,263 in GTMO, and another 8,250 in Panama. On February 1, the transfer of migrants from Panama to GTMO will commence and is scheduled to conclude by March 6. The Haitian migrant count at GTMO is 2,58 -- down from a high of over 21,600. Two U.S. Marines assigned to the ground security force at GTMO were injured when one of the Marines stepped on a land mine.
- **Chechnya:** Fighting continues to intensify, and Russian troops are likely to soon take the center of Grozny. The political, economic, and military implications for Russia of the crisis will be profound. This could spell the end for MoD Grachev, who is under fire from the National Security Council Secretary Lobov and other senior officials. Meanwhile, conflicting reports of personnel changes, orders not carried out, and the cancellation of scheduled appearances by Yeltsin continue to fuel speculation about Yeltsin's health.
- **Iraq:** The latest wave of intra-Kurdish fighting in northern Iraq has begun affecting our ability to carry out relief operations. Two major non-government organizations have left the area due to security concerns and a third is expected to follow shortly.

United Nations

- **Meeting with Chairman Gilman:** Ambassador Albright met with Chairman Ben Gilman last week and emphasized that the "Contract with America" would kill UN peacekeeping. Ambassador Albright believes that the Chairman is torn between his own internationalist instincts and a desire not to offend the Speaker, and that at the moment the latter impulse is winning out.
- **Peacekeeping:** Next week the Security Council will convene an open debate on the Secretary General's "Supplement to an Agenda for Peace." This will be an important first step in the debate on the future of the UN peacekeeping which is likely to last throughout the UN's 50th anniversary year.
- **Haiti:** The Multi-National Force (MNF) Commander together with all the troops contributing countries to the MNF are expected to announce on January 16 or 17 that a "secure and stable environment" has been established in Haiti. The UN is expected to make a simultaneous announcement which will allow the transition from the MNF to the UN Mission in Haiti.

THE WHITE HOUSE
WASHINGTON

95 JAN 13 P10:14

January 13, 1995

MEMORANDUM FOR THE PRESIDENT

FROM: STEPHEN B. SILVERMAN *SS*
Acting Secretary To The Cabinet

SUBJECT: Summary of Weekly Cabinet Reports
January 13, 1995 to January 20, 1995

CABINET-WIDE ACTIVITY

California Floods

Members of the Cabinet and their respective agencies are working closely to coordinate a quick and effective federal response to the California floods. James Lee Witt spent most of the week in California. He was joined by Federico Pena, Richard Rominger, Phil Lader, Phil Lee and Fernando Torres-Gil. Thus far, FEMA has received over 5,000 applications for assistance via tele-registration. Victims should begin to receive checks early next week (approximately two-four weeks earlier than the average time period during previous administrations). Federico Pena, Henry Cisneros, James Lee Witt and Rodney Slater will join you on your California trip.

DEPARTMENT SUMMARIES

Department of Education

- **Family-Friendly Business Event:** On Thursday, January 19, Secretary Riley is scheduled to mark the release of three Departmental publications concerning family-friendly business initiatives. The publications, produced in conjunction with business groups and religious organizations, stress the "strong family equals strong schools" theme.

Department of the Interior

- **Wolf Reintroduction:** Yesterday, a Tenth Circuit Court of Appeals judge overturned a district court judge's stay thus permitting the reintroduction of wolves into Yellowstone National Park in Montana and into the central Idaho Wilderness. Secretary Babbitt traveled yesterday to the Yellowstone release site for the event.
- **Panda Importation Meeting:** Tomorrow, Secretary Babbitt will meet with San Diego Zoo officials to discuss their application to import pandas from China for a research project. The Department has worked to reduce the flow of commercial panda applications so as to help direct conservation efforts towards protecting the pandas in their natural environment in China. The Zoo may agree to the new negotiated standards for importation thus, the Secretary may approve their application.

Environmental Protection Agency

- **Clean Air Settlement in California:** EPA is required by court order to issue a Clean Air Act Federal Implementation Plan (FIP) for the Sacramento, Ventura and Los Angeles areas by February 15, 1995. As reported in today's *Los Angeles Times* EPA announced today that EPA and the plaintiffs will file a settlement agreement asking the court to approve a two-year waiting period before the FIP takes affect. The purpose of seeking this delay is to allow sufficient time for EPA and the State to complete work on its clean air plan that will allow EPA to withdraw the federal plan. If the state's plan takes effect, the FIP will never have to be implemented.
- **Environmental Justice:** On Friday, January 20th, Administrator Browner will travel to Atlanta, Georgia to lead a Federal Agency-sponsored environmental justice public meeting. In addition to EPA, ten other Federal agencies will be represented. The Administration will hear comments from diverse constituents in the environmental justice community as well as the business and academic communities, on each agency's plans to address Environmental Justice concerns. This meeting is a major step toward fulfilling the objectives of the Executive Order on Environmental Justice signed by the President last year. The New York Times has expressed interest in this event, and EPA is working closely with them on this issue. EPA press staff is in close coordination with the White House press office in preparation for this event.
- **"Day One":** On Thursday, January 19th, ABC's magazine program, "Day One" is scheduled to air a segment on oxygenates in gasoline, and the Federal Clean Fuels program. EPA anticipates a critical angle to the effect that federally required fuel additives may be harmful to human health. EPA Assistant Administrator Dr. Lynn Goldman was interviewed.

Hilary - Kirk Douglas speech - see sup. p. 15
- He'd be a good

NATIONAL PRESS CLUB, WASHINGTON, DC
JUNE 30, 1994

THE PRESIDENT HAS BEEN
1-19-95

sunlight - also good
to put up against Horton

MAKE BELIEVE VS. REALITY

I WAS ESPECIALLY HAPPY TO RECEIVE THIS
INVITATION TO SPEAK HERE AT THE NATIONAL
PRESS CLUB BECAUSE IT COMES AT A TIME WHEN I
AM THINKING ABOUT CHANGING CAREERS...AND
WHAT BETTER VENUE TO MAKE THIS
ANNOUNCEMENT.

YES, AFTER MAKING 81 MOVIES AND AFTER
WRITING FOUR BOOKS, I FEEL I HAVE HONED MY
ACTING AND WRITING SKILLS SUFFICIENTLY TO
BECOME...A NEWS REPORTER.

YOU SCOFF, BUT THESE DAYS WHEN MOVIES
ARE BECOMING MORE REALISTIC--PHILADELPHIA,

SCHINDLER'S LIST--AND THE NEWS MEDIA ARE RELYING MORE ON DRAMATIZATIONS, I SHOULD FIT IN VERY WELL. PLEASE CONSIDER MY QUALIFICATIONS. AND BY-THE-WAY, THOSE OF YOU WHO MIGHT WANT TO HIRE ME, FEEL FREE TO TAKE NOTES.

MY RESUME.

I WAS BORN ON...(AND BEFORE I GIVE YOU MY BIRTHDATE LET ME REMIND YOU THAT AGE DISCRIMINATION IS ILLEGAL)...DECEMBER 9, 1916 IN AMSTERDAM, NEW YORK.

MY PARENTS, ILLITERATE IMMIGRANTS FROM RUSSIA, WORKED HARD ALL THEIR LIVES AND NEVER HAD A CHANCE TO LEARN TO READ AND WRITE. PERHAPS THIS IS WHY LEARNING WAS

ALWAYS SO IMPORTANT TO ME. SINCE I WAS A KID I LOVED TO READ--THE PUBLIC LIBRARY WAS MY FAVORITE HANG-OUT. THE WRITTEN WORD INSPIRED ALL MY DREAMS.

BUT I DIDN'T REALIZE THEN JUST HOW IMPORTANT THE WRITTEN WORD CAN BE, SO WHEN I HAD TO WRITE AN ESSAY: "WHICH IS MIGHTIER--THE PEN OR THE SWORD?" I SAID THE SWORD OF COURSE.

AND LATER I MADE MOVIES TO PROVE IT--SPARTACUS, PATHS OF GLORY, GUNFIGHT AT THE OK CORRAL--ALL A TRIBUTE TO THE SWORD.

BUT I AM GETTING AHEAD OF MYSELF.

I SHOULD TELL YOU ABOUT MY EDUCATION

FIRST, ISN'T THAT WHAT COMES NEXT ON A RESUME?

I ATTENDED ST. LAWRENCE UNIVERSITY. I TRIED OUT FOR THE WRESTLING TEAM AND I BECAME AN UNDEFEATED WRESTLER. A USEFUL SKILL FOR A REPORTER, NO? WITH ALL THE PUSHING AND SHOIVING YOU GO THROUGH.

TO PAY MY COLLEGE TUITION, I WRESTLED IN CARNIVALS DURING SUMMER VACATIONS.

THE BARKER WOULD INTRODUCE THE STAR ATTRACTION (NOT ME): "LADIES AND GENTLEMEN, THE MASKED MARVEL! WHO AMONG YOU DARES TO CHALLENGE MY MILLION DOLLAR HORSE?"

I WAS THE GUY PLANTED IN THE CROWD.
(RAISE HAND.)

"AH, A GENTLEMAN WHO ISN'T AFRAID TO RISK HIS LIFE! STEP RIGHT UP, STEP RIGHT UP!"

THEN, I'D PUT ON A PAIR OF TIGHTS AND STAND OPPOSITE MY BIG OPPONENT.

THE CROWD CHEERED--FOR ME--THE UNDERDOG. THEY RUSHED TO BUY TICKETS. WE WRESTLED FURIOUSLY FOR ABOUT TEN MINUTES. WE'D DONE IT BEFORE--THE MASKED MARVEL WAS MY BUDDY ON THE COLLEGE WRESTLING TEAM.

I ALWAYS WON. AND I ALWAYS MADE IT LOOK CONVINCING.

NOW LET'S SEE, AFTER GRADUATION I WENT TO NEW YORK CITY TO ATTEND A DRAMATICS SCHOOL AND FROM THERE STRAIGHT TO MY FIRST

ON BROADWAY.

AN ALL-STAR CAST OF CHEKHOV'S THREE SISTERS--KATHERINE CORNEL, RUTH GORDON, JUDITH ANDERSON. ONE OF THE BIGGEST EVENTS IN THEATER HISTORY. AND THEY OFFERED ME A PART. I WAS ECSTATIC.

THE SCENE WAS SO ROMANTIC. A YOUNG RUSSIAN SOLDIER IN A WHITE TUNIC SAYS GOOD-BYE TO THE FOREST AROUND HIS HOUSE BEFORE GOING TO WAR. HE CALLS OUT: YO HO-O-O-O-O. OFFSTAGE, THE TREES ECHO BACK, YO HO-O-O-O-O.

I WAS THE OFFSTAGE ECHO.

BUT BEFORE MY CAREER COULD GET ANY WORSE, WORLD WAR II INTERFERED.

THE NEXT ITEM ON MY RESUME, MILITARY SERVICE.

I WANTED TO FIGHT. SO THEY SENT ME TO MIDSHIPMAN SCHOOL AT NOTRE DAME. WHAT A WASTE OF TAXPAYERS' MONEY. THEY TRIED TO TEACH ME HOW TO RECOGNIZE AIRPLANES AS THEY FLASHED SILHOUETTES ON A SCREEN. I TELL YOU I FEEL FOR THOSE POOR GUYS WHO MADE THAT TERRIBLE MISTAKE OVER IRAQ LAST APRIL.

WHILE EVERYBODY IN THE CLASS WAS CALLING OUT--"SPITFIRE!" "ZERO!" "MESSERSCHMITT!"--I WAS SITTING THERE LIKE A DUMMY. I COULDN'T TELL A MESSERSCHMITT

FROM A MERCEDES.

THE NAVY DIDN'T MIND. THEY MADE ME AN
OFFICER, IN CHARGE OF COMMUNICATIONS IN
ANTI-SUBMARINE WARFARE IN THE PACIFIC.
THANKS TO ME, WE ALMOST BLEW UP OUR OWN
SHIP. AND I ENDED UP IN THE SAN DIEGO NAVAL
HOSPITAL.

(PAUSE)

WHAT ELSE CAN I IMPRESS YOU WITH?

WHAT COMES NEXT ON A RESUME?

RELIGION? OR AREN'T YOU ALLOWED TO ASK
THAT?

WELL I'LL GIVE YOU A HINT--I'M THE SAME
RELIGION AS ALBERT EINSTEIN AND JESUS.

SEXUAL PREFERENCE? ANOTHER TABOO.

AND SO IT SHOULD BE. A LOT OF HARM
COMES FROM SEXUAL PREJUDICE.

YOU KNOW THAT REMINDS ME. AFTER A
PRIVATE SCREENING OF LUST FOR LIFE--I PLAYED
THE HOMOSEXUAL ARTIST VINCENT VAN GOGH--
MY FRIEND, JOHN WAYNE, TOOK ME ASIDE. HE
WAS FURIOUS. "HOW CAN YOU PLAY A PART LIKE
THAT--A QUEER, WHO COMMITS SUICIDE?"

I LAUGHED, I THOUGHT HE WAS KIDDING.
"COME ON JOHN. IT'S ALL MAKE-BELIEVE."

BUT HE MEANT IT. "NO" HE SAID, "TOUGH
GUYS LIKE US HAVE AN OBLIGATION TO KEEP
THAT IMAGE FOR THE PUBLIC."

HE REALLY THOUGHT HE WAS JOHN WAYNE.
BY THE WAY, SOME OF YOU GUYS THINK
YOU'RE JOHN WAYNE.

YEARS AGO, I WAS IN PAKISTAN VISITING THE
AFGHANISTAN REFUGEE CAMPS. I REMEMBER A
VERY WELL KNOWN AMERICAN ANCHORMAN
REPORTING THE NEWS OF THE WAR ON THE
BORDER.

NOW WHY COULDN'T HE JUST SIT BEHIND A
DESK AND TELL US CLEARLY AND RATIONALLY
WHAT WAS HAPPENING? NO, NO--HE HAS TO BE IN
SHOW BUSINESS. HE HAS TO DO HIS BROADCAST
FROM THE FIELD, CROUCHED BEHIND A BIG
BOULDER, PEERING UP AT THE CAMERA

CLUTCHING A MICROPHONE, GUNFIRE IN THE
BACKGROUND. BOOM! BOOM! THE ONLY ONES IN
DANGER WERE THE CAMERAMAN AND THE
SOUNDMAN, OUT IN THE OPEN, TAKING PICTURES
OF THE NEWSMAN HIDING BEHIND THE ROCK.
SUCH CRAP.

HAVE I OFFENDED YOU?

I MUST HAVE. I DON'T SEE ANY OF YOU
TAKING NOTES ON MY RESUME.

THE HELL WITH IT.

COMING FROM THE WORLD OF MAKE-BELIEVE I
DEPEND ON NEWS REPORTERS TO BRING ME INTO
THE WORLD OF REALITY. I RESENT IT WHEN THEY
DON'T.

BUT NOWADAYS I AM MORE AND MORE
ALARMED BY THE FUZZINESS. EVERYWHERE I
FIND MAKE-BELIEVE CREEPING INTO THE WORLD
OF REALITY.

HOW WOULD YOU LIKE TO BE AN AMERICAN
SOLDIER, YOUR FACE BLACKENED, MAKING A
SURPRISE NIGHT LANDING ON A BEACH IN
SOMALIA AND BE GREETED BY TELEVISION LIGHTS
GLARING. IS IT SOMALIA OR THE SANDS OF IWO
JIMA? WHERE THE HELL DOES REALITY END AND
MAKE-BELIEVE BEGIN?

ON THE OTHER SIDE OF PRIME-TIME, DID YOU
EVER SEE THOSE POLICE SHOWS?

THESE ARE REAL POLICEMEN. BUT THEY ARE

ACTING, AND VERY WELL TOO. THEY DON'T EVEN NOTICE THE LIGHTS AND CAMERA IN FRONT OF THEM AS THEY CROUCH, GUNS AT THE READY AND THEN RUSH AROUND THE CORNER INTO DANGER.

WHO NEEDS ACTORS WHEN THEY'VE GOT REALITY.

THAT'S ANOTHER REASON I'M MAKING A CAREER CHANGE.

**

BUT THE FAULT DOES NOT LIE WITH TELEVISION, MOVIES OR ANY FORM OF MAKE-BELIEVE. WE ARE TO BLAME AS A SOCIETY.

TWO WEEKS AGO THE NATION WAS MESMERIZED BY THE TELEVISION PICTURE OF O. J.

SIMPSON DRIVING ALONG A DESERTED FREEWAY, POINTING A GUN TO HIS HEAD. HE WAS SLOWLY FOLLOWED BY EIGHT POLICE CARS IN FORMATION.

I KNEW O. J. AND I WAS HORRIFIED. BUT ON THE PARALLEL LANES, IN THE MIDDLE OF RUSH HOUR TRAFFIC, ALL CARS WERE STOPPED WITH HORNS BLOWING, PEOPLE YELLING, CHEERING, AS IF O. J. WAS RACING DOWN A FOOTBALL FIELD.

TO THEM, WAS IT MAKE-BELIEVE OR REALITY? IT WAS TRAGEDY.

BUT WE LIKE OUR REALITY SEASONED WITH MAKE-BELIEVE. THAT CAN BE DANGEROUS WHEN IT BECOMES A TOOL OF SELF-DECEPTION.

I REMEMBER VISITING PEACEFUL AND CHARMING SARAJEVO DURING THE OLYMPICS.

YEARS BEFORE, I REMEMBER MAKING A MOVIE IN YUGOSLAVIA AND HAVING LUNCH WITH PRESIDENT TITO IN LUBLIJANA. IT ALL SEEMED SO BLISSFUL. I WAS NAIVE, I THOUGHT IT WAS A UNITED COUNTRY. I WAS NOT AWARE THAT CIVIL WAR WAS SEETHING UNDERNEATH.

IS THERE A CIVIL WAR SEETHING IN OUR COUNTRY? A CIVIL WAR THAT PITS REPUBLICANS VS. DEMOCRATS, BEING FOUGHT WITH A POISON PEN INSTEAD OF A SWORD? AND THE PARTY OUT OF POWER RESORTS TO MAKE-BELIEVE TO TEAR DOWN THE OPPOSITION?

IT'S AN EVIL GAME, INSIDIOUS AND UNDERHANDED.

RUSH LIMBAUGH PLAYS IT WELL. HIS

AUDIENCE ROARS WITH LAUGHTER AS THIS GLEEFUL PILLSBURY DOUGH BOY SITS THERE MANUFACTURING INSULTS AND INNUENDOS AGAINST THE PRESIDENT.

IMITATING THIS ORANGE JUICE SALESMAN, CLINTON HATERS ON A SEARCH AND DESTROY MISSION TRUCK OUT A WOMAN MAKING OLD CLAIMS OF SEXUAL HARASSMENT.

AT A TIME WHEN WE HAVE EXPLOSIONS AND IMPLOSIONS IN SOUTH AFRICA, SOMALIA, ROWANDA, BOSNIA-HERZOVIGINA, YEMEN, ISRAEL...AND MORE THAN A FEW PROBLEMS AT HOME, SHOULD THE PRESIDENT FORGET THESE CONCERNS TO DEFEND HIMSELF AGAINST A WOMAN WHOSE OWN FAMILY SAYS SHE'S LIVING

IN THE WORLD OF FANTASY?

THIS WHOLE ESCAPADE HAS GIVEN ME AN IDEA FOR MY NEXT NOVEL. HOW DO YOU LIKE THIS--SADAM HUSSEIN GIVES \$10 MILLION DOLLARS TO AN AMES-LIKE CHARACTER IN THE CIA TO FIND FIVE WOMEN TO INSTITUTE CLAIMS OF SEXUAL HARASSMENT AGAINST THE PRESIDENT. WHEN THE TRIAL IS ON, HE ATTACKS SAUDI ARABIA.

NEAH, TOO RIDICULOUS.

BUT SO MUCH OF WHAT HAPPENS THESE DAYS IS RIDICULOUS.

HAVE YOU HEARD ABOUT RINO.

IT'S A NEW TERM COINED BY REPUBLICANS IN LOS ANGELES TO CENSOR MAYOR RIORDAN FOR HAVING TOO MANY DEMOCRATS IN HIS CABINET.

THEY CALL HIM RINO--REPUBLICAN IN NAME ONLY.

HE WAS AIMING TO HEAL OLD WOUNDS, BRING TOGETHER A CITY TORN APART AFTER THE RIOTS. BUT THEY THINK HE'S BEING DISLOYAL TO HIS "PARTY."

THAT GAVE ME NO NEW IDEAS FOR A NOVEL.

**

NOT LONG AGO I HAD A TALK WITH MY SON MICHAEL. HE GAVE ME A PAT ON THE BACK. AND ANYONE WHO KNOWS ME, KNOWS HOW MUCH I LOVE TO RECEIVE A PAT ON THE BACK.

"DAD," HE SAID, "I ADMIRE WHAT YOU'VE DONE FOR OUR COUNTRY. I'D LIKE TO DO SOMETHING TOO."

"GOOD IDEA MICHAEL...WHEY DON'T YOU GO INTO POLITICS."

HE LAUGHED AT ME.

"WHAT'S SO FUNNY?"

"SURE DAD, GO INTO POLITICS AND HAVE THEM CRITICIZE ME FOR SMOKING POT IN COLLEGE, AND BRING UP EVERY LOVE AFFAIR I HAD AND EVERY LOVE AFFAIR I DIDN'T HAVE. NO WAY."

BUT ISN'T IT SAD?

NO GREAT MAN HAS EVER LED A LIFE FREE OF MISTAKES. ANYONE WHO HAS, JUST HASN'T HAD THE GUTS TO TAKE RISKS. THERE IS SOMETHING MURKY IN EVERY GREAT MAN'S PAST.

BUT IF THEY GO INTO POLITICS, IT WILL BE

FOUND OUT, DISTORTED. AND BLOWN OUT OF PROPORTION.

I THINK THE PEOPLE GOING INTO POLITICS TODAY ARE EITHER FOOLS OR VERY COURAGEOUS. ESPECIALLY WITH PEOPLE LIKE RUSH LIMBAUGH AND JERRY FALWELL RUNNING LOOSE.

**

NOW WE COME TO A PIECE OF REALITY TOO BIZARRE EVEN FOR THE WORLD OF MAKE-BELIEVE. JERRY'S TAPES.

REVEREND JERRY FALWELL, INVOKING THE NAME OF GOD, WITH THE AMERICAN FLAG UNFURLED BEHIND HIM, SELLING VIDEO TAPES ACCUSING THE PRESIDENT OF--AND I QUOTE-- "COUNTLESS MURDERS."

THIS IS THE WORSE VENTURE OF THE RADICAL RIGHT TO DAMAGE THE PRESIDENT.

FALWELL ADMITS THAT HE HAS NO EVIDENCE TO SUPPORT THE CLAIMS, BUT HE THUNDERS FROM THE PULPIT OF SELF-RIGHTEOUSNESS THAT HE FEELS A MORAL OBLIGATION TO DISSEMINATE THESE UNSUBSTANTIATED CHARGES ANYWAY. AND BY-THE-WAY HE SELLS THEM FOR A \$43 DONATION--TAX DEDUCTIBLE, SHIPPING INCLUDED.

ONE COULD DISMISS THIS EVIL MAN, BUT WHAT HE IS DOING IS TOO SERIOUS.

HE AND HIS KIND, WHILE PLAYING THEIR SCURRILOUS GAME, HAVE APPROPRIATED GOD AND COUNTRY. TO INVOKE THE NAME OF GOD OR FLY THE FLAG TODAY RISKS BEING IDENTIFIED

WITH THEIR ILK.

FORTY YEARS AGO, I MET A GIRL IN PARIS, BROUGHT HER BACK TO THE UNITED STATES AND MARRIED HER. THE FIRST THING MY WIFE DID WAS APPLY FOR CITIZENSHIP, STUDYING EVERYDAY--LEGISLATIVE, EXECUTIVE, JUDICIAL. I LAUGHED AND SHE SNAPPED AT ME--"HOW DO YOU KNOW WHAT IT MEANS TO BE AN AMERICAN, YOU ARE ONE."

YES, IT'S EASY TO TAKE FOR GRANTED THIS UNIQUE PLACE SETTLED BY A DIVERSE ASSEMBLY OF IMMIGRANTS AND FORGED INTO A SOCIETY THAT HOLDS BROTHERHOOD AS AN IDEAL.

AS DICTATORSHIPS AROUND THE GLOBE ARE CRUMBLING, BEING REPLACED BY DEMOCRACIES,

ALL EYES LOOK TO US TO SET AN EXAMPLE. WE OWE IT TO THE REST OF THE WORLD, AS WELL AS OURSELVES, TO IMPROVE WHAT WE HAVE, AND MAKE IT STRONGER.

WE MUST BECOME NICER PEOPLE, WHO CARE FOR OTHERS. THOSE THAT HAVE MORE SHOULD HELP THOSE THAT HAVE LESS. IT WILL TAKE A LONG TIME BUT LET'S KEEP MOVING IN THAT DIRECTION.

IN A FEW DAYS WE WILL CELEBRATE THE BIRTH OF OUR INDEPENDENCE, 4TH OF JULY.

LET'S RISK BEING POLITICALLY INCORRECT AND ALLOW OURSELVES TO LOVE OUR COUNTRY. LET'S TAKE GOD AND THE FLAG AWAY FROM THOSE WHO USE THEM AS WEAPONS OF HATE.

LET'S DARE TO BE NAIVE AND RE-CAPTURE
THE FEELING WE USED TO HAVE ON THAT DAY
WHEN WE WERE CHILDREN.

COME ON AND TAKE A WALK WITH ME
THROUGH THIS GREEN AND GROWING LAND
WALK THROUGH THE MEADOWS AND THE
MOUNTAINS AND THE SAND
WALK THROUGH THE VALLEYS AND THE
RIVERS AND THE PLAINS

WALK THROUGH THE SUN AND WALK
THROUGH THE RAIN
EVEN AN ANTI-ESTABLISHMENT REBEL LIKE PHIL
OCHS FELT IT, WHEN HE WROTE THAT.

YET SHE'S ONLY AS RICH AS THE POOREST OF
THE POOR

ONLY AS FREE AS THE PADLOCKED PRISON
DOOR

ONLY AS STRONG AS OUR LOVE FOR THIS LAND
ONLY AS TALL AS WE STAND
HERE IS A LAND FULL OF POWER AND GLORY
BEAUTY THAT WORDS CANNOT RECALL
OH, HER POWER SHALL REST ON THE
STRENGTH OF HER FREEDOM
HER GLORY SHALL REST ON US ALL.

PERSPECTIVE ON THE CONSTITUTION:

An End Run to a Balanced Budget

Lessig teaches constitutional law at the University of Chicago Law School and is currently a visiting professor at Yale Law School.

By Lawrence Lessig=

Special to the Los Angeles Times=

It appears as certain as these things can appear that Congress will propose a balanced-budget amendment this year, despite some misgivings about a provision requiring a three-fifths vote to raise taxes. Most of our collective attention has been focused on the idea of the amendment in general. It's time we think a bit more about details. Whether or not one believes the amendment is a bad idea economically, it is quite clear that it is a disaster constitutionally. It needn't be, at least if tied to another currently popular idea: the line-item veto. And if the budget amendment's passage is a foregone conclusion, then opponents as well as supporters need to think a more about these constitutional problems. There is more at stake than this simple amendment.

The constitutional flaw in the balanced-budget amendment is that it is simply unenforceable. By its terms, it requires that expenditures not exceed receipts. It does not say what happens if expenditures do exceed receipts. It does not, for example, specify whether a court can review the matter. (Under a legal doctrine called "standing," it appears no court could.) If a court can review the matter, who gets to raise the claim? (May any taxpayer sue Congress?) What exactly is a court to do once it hears the claim? (Does the court enjoin Congress to raise taxes or enjoin the president from spending money?) Giving the responsibility to enforce the amendment to the courts is a recipe for sinking the courts or sinking the amendment.

And if a court cannot enforce it, then who can? The amendment gives no guidance, and without a clear command, it will stand flouted and helpless within our constitutional regime. It is the first purely aspirational amendment in our constitutional tradition

a plea that Congress control itself, worth far less than the paper it will be written on. As it stands, it is, as House Minority Leader Richard Gephardt calls it, a gimmick: one that will at best engender cynicism about constitutional law in general, and at worst infect other areas of the Constitution with its uselessness.

There is a simple solution to the amendment's problem. It comes by marrying the amendment to the line-item veto. There is good reason to be skeptical about the line-item veto, if only because it represents such a fundamental change in the power of the president, a further aggrandizement of presidential authority already far exceeding the framers' design. But in the context of this amendment, a limited line-item veto may do some good.

If a problem with the balanced-budget amendment is that there is no clear way to enforce it, the amendment could define who has the power to enforce it: the president, through the line-item veto. And if the problem with a line-item veto is that it gives the president too much power in setting national policy generally, then the balanced-budget amendment could limit this veto power to just those cases when the budget is unbalanced. So structured, the president would have a special veto power only when Congress has failed in its responsibility to balance the budget. But if Congress' failure is understandable, or excusable, or necessary, then the president could permit Congress its lapse by not vetoing the extra spending, and then by taking the political heat if he and Congress turn out to be wrong.

Tying the balanced-budget amendment to the line-item veto would create a constitutional power to balance the

budget, vested in an officer who could effectively exercise that power, tempered by a political judgment (the president's) that allows for exceptions where exceptions are needed.

Gimmicks have not been the hallmark of our constitutional tradition; they should not become its staple now. If an unbalanced budget is a constitutional problem in my view, a very big "if"

then we should find a way to balance it that does not wreak havoc on the Constitution or the courts that traditionally enforce it. Democrats and Republicans can do something to ensure just that, if not just for the Republicans' contract, then for the Constitution.

What Better to Invest in Than Education?

Eisner is the professor emeritus of economics at Northwestern University and a past president of the American Economic Association.

By Robert Eisner=

Special to the Los Angeles Times=

Forty-six years ago, I went back to school. Thanks to \$2,000 per year and tuition and book expenses under the GI Bill of Rights, I was able to get a doctorate in economics. That support from the government gave me a career.

And there were millions of returning veterans like me, who got education and training many the first in their families to go to college found jobs, bought homes and raised productive families. The federal debt in 1948 was far higher in relation to the nation's income than it is today, but I don't recall too many people worrying about it. Our veterans deserved an education and the opportunity for good jobs.

The centerpiece of President Clinton's "middle-class bill of rights" is post-secondary education. Its offered supporttax deductions rather than direct government spending is far less, although the stakes are as great or greater.

Yet we hear a chorus of naysayers columnists, politicians and some economists who protest that this is bad economics, a shameful political capitulation to voters who will gain little and do not want the benefits. Would not the economy be much better off if the hoped-for savings in government operations were devoted instead to reducing the deficit already projected to go down this year to half of what the Bush administration envisaged for fiscal 1993?

The naysayers are all wrong. I could devise a more direct, more generous measure to effect the new bill of rights, but, given the political situation, perhaps this was the most Clinton could now offer.

Unless we educate more of our people to meet the challenges of advancing technology, our futures will be compromised.

Here and throughout the world, the well-trained and well-educated are getting richer and richer and those who are not are falling further behind. Both to reduce the widening gaps in our own social fabric and to keep pace in the world, we must see to it that all of our people are as well-educated as possible.

Currently, 60 percent of high school graduates go on to post-secondary education. There is evidence that lowering the cost of that education increases the number of students. With the costs of post-secondary education lowered, there may be fewer high school dropouts as students look to diplomas as certification for further study.

Some research findings indicate that the savings of the Clinton proposal for a "middle-class" family in the 15 percent tax bracket savings amounting to about 7&1/4

THE PRESIDENT HAS BEEN
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McGraw
He should get
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with this - B.

percent of the cost of a typical year in college might increase enrollment 5 percent, or more than half a million people.

It is estimated that each additional year of post-secondary education, whenever undertaken, adds 6 percent to 12 percent to income. The average high school graduate who goes on to post-secondary training as a result of this tax-code change, the U.S. Labor Department has estimated, can expect to add \$400,000 or more to the economy over the course of a career compared with students who stop at high school.

As to the government support merely going to raise tuition and faculty salaries, as an old professor, I could wish it were true. When government support has risen more rapidly, tuition has not increased in tandem. Competition is increasingly keen among colleges and universities, and they are in less and less of a position to ignore competitive pressures and raise their own costs and tuition charges. Like any business, they would just lose their customers to their competitors.

There is of course more to the middle-class bill of rights than this support to higher education. Expanded IRAs also could support post-secondary education and home purchases. There are re-employment grants to help laid-off and disadvantaged workers get training. And there are \$500 tax credits for children under 13.

Much more should be done for education at all levels. We used to talk of cradle-to-grave security. What we need now is cradle-to-grave education: parental training, infant care, Head Start and preschool advancement, quality day care, education in elementary and high schools that ends the huge proportion of functional illiterates and raises us from virtually last to first in skill comparisons with other nations and higher and continuing education for better jobs and better living conditions.

The middle-class bill of rights is at least a start. Let the cynics who would knock it look back at my World War II generation and our bill of rights. We believed that we would do better than our hard-working parents, and we did. The new generation deserves no less.

Chechnya Serves as a Caution for Bosnia Hawks

Clarke, a member of the British diplomatic service for 20 years, is now at the Cato Institute in Washington.

By Jonathan Clarke=

Special to the Los Angeles Times=

"War is hell," Gen. William Tecumseh Sherman once told a group of graduating cadets. The pictures of the Russian onslaught against Chechnya have surely brought home this message for anyone who may have forgotten it. Burnt-out apartment houses, children cowering in basements, bodies in the streets all the images of war as hell once again parade before our eyes.

The horror of war is, of course, a cheap lesson for outsiders to learn, but those of us who watch Chechnya from afar must do more than wring our hands; we have a duty to reflect on our own behavior. Although it may come as little consolation to the Chechen people, their suffering may serve as an object lesson that will cool the hot heads in the U.S. Senate and elsewhere who seem intent on embroiling this country in a widened Yugoslav conflict.

One by one, events in Chechnya have demolished each and every assertion made by those who favor abandoning the diplomatic track over Bosnia.

Start with the alleged magic wand of air power: As Russian bombers unloaded their deadly cargo over Grozny, what was the West's reaction? Quite rightly, senior administration officials publicly questioned Russian tactics; European Union officials raised an official

protest in Moscow.

The Russians enjoy absolute air superiority over Chechnya and possess precision-guided munitions equal to those in the West. With these advantages, has Russian air power been successful, either in avoiding civilian casualties or in producing a Chechen surrender? Far from it. The Chechen people, far from waving a white flag, are all the more determined to continue their struggle whether now in the streets or later in the mountains.

Those who advocate American air strikes on Serb cities like Pale or Belgrade say that these would eliminate the need to deploy ground troops except as peacekeepers once the war is won. The ghastly experience of Russian soldiers incinerated inside their tanks exposes the hollowness of this idea. People who are fighting for their country as the Chechens and all sides in Bosnia believe they are doing do not give up without the most ferocious man-to-man fight.

The pro-war lobby has alleged that the Bosnian Serbs are no more than tipsy amateurs who will crumple at the first sign of Western muscle. The Russians went into the Chechen war with similar self-serving illusions that the Chechens were merely gangsters and desperadoes. Like many before them, the Russians are now feeling the pain of underestimating an opponent.

What of the proposal to lift the arms embargo against Bosnia to "level the playing field," a decision that the Senate wishes to force on the president by May? Chechnya does not suggest that this is sensible. The Chechens are hopelessly outgunned but have stood their ground. More weapons would simply make the fight bloodier, as the Russians or the Serbs bring additional supplies into the theater. In ethnic war, availability of weapons is not the core problem; the incompatibility of rival population groups is. The Russians are learning that to solve this demands the skills of a mediator, not a gunsmith.

There will be some who argue that superior technology or tactics would allow Western operations in Bosnia to avoid repeating Russia's travails in Chechnya. Maybe so, although Mogadishu is not an encouraging precedent.

But the most compelling lesson from Chechnya does not lie in the technical sphere; it is moral. The Russian actions have caused the government in Moscow to lose its moral basis. Confidence in Boris Yeltsin, in the Parliament and the army, among the Russian people and his supporters overseas, has evaporated.

If put into effect, proposals to widen U.S. involvement in Bosnia will lead in the same direction of undermining the moral basis of U.S. foreign policy not necessarily immediately but with equal inevitability. TV pictures of civilian casualties in Bosnia or Serbia caused by American bombs for disputed reasons and with minimal prospects of achieving success would ignite a fireball of moral outrage among the American people who see no American interest in Bosnia. The American leadership would face a familiar dilemma: Press ahead with an unpopular war or retreat with American credibility in tatters. Once again, a foreign war would tear the country apart.

Russian actions in Chechnya ill-advised and incompetently executed as they are have this one small virtue: They are reteaching us Sherman's lesson free of charge before a single pilot or GI is lost in Bosnia. Unless the West is willing to enter hell, we should abandon talk of war in Bosnia and put all our efforts behind the hard graft of diplomacy.

Foreign Affairs

THOMAS L. FRIEDMAN

Japan Fatigue

HONG KONG

Here is a little-known fact for you: In the 1930's, three-quarters of the cars in Japan were Fords. World War II and 50 years of Japanese protectionism reduced that to zero, but Ford is now spearheading a resurgence of U.S. car sales in Japan. Ford boosted its Japan sales by 198 percent this year by improving quality, acquiring 300 showrooms, letting Japanese auto writers drive across America in a Taurus and even sponsoring the Hiroshima professional soccer team, which won the national championship with the Ford logo on its jerseys. Last year Ford sold out its allotment of Mustangs for Japan in two months.

This is not a Ford commercial. But the Ford example is worth highlighting because it comes at a time when so many other U.S. businesses are giving up on Japan, saying that it is just too expensive and aggravating to keep trying to break into the closed Japanese market. Better, they argue, to focus sales — and U.S. trade diplomacy — on more open emerging markets in Indonesia, Malaysia, China and India. They call this "Japan Fatigue," and it is a virus that has infected large segments of the U.S. business community and Government.

Nothing could be more wrong-headed, and President Clinton should use his meeting today with Japan's Prime Minister, Tomiichi Murayama, to make clear that he too hasn't caught the dreaded disease. The Japanese quietly believe they have worn the Clinton team down. Here's why Mr. Clinton should tell them they are wrong:

First, commerce is like tennis. If you don't play with better players you never get better yourself. If American designers and salesmen are not in Japan following Japanese product research and development and competing against the best Japanese companies for some of the world's most sophisticated consumers, they will never beat their Japanese competitors in China, India or Indonesia either. "If Ford can win in Japan, Ford can win against Japanese cars in the U.S., Europe and Asia," says Konen Suzuki, the renegade Toyota executive who now heads Ford Japan and tools around Tokyo in his white Mustang.

Second, if a U.S. company, like Ford, cedes the huge Japanese market to Toyota, that means Toyota can

Bob Herbert is on vacation.

safely reap all sorts of profits at home, amass a financial war chest, then use that to cut prices on what it sells abroad and to outspend others for new plants in Thailand or China to tie up those markets as well.

Third, there is a lot of ambivalence in the U.S. public today about the merits of free trade. There is no way any administration can maintain the fragile consensus for free trade if Japan, the world's second-largest economy, continues to get away with murder — using hidden quotas, opaque regulations and business cartels to block U.S. imports.

Four, the Japanese claim that Ford's success proves what they have been saying all along — that if U.S. companies just came up with better products and more effort they could break into Japan. That's only half true. Yes, the products and effort have to be there, but if it were not for U.S. Government pressure on Tokyo to squeeze its car dealers to give more showroom space to U.S. autos, Ford never would have broken in there, says Mr. Suzuki. Economists complain that such government pressure to open markets con-

What Dr. Clinton should prescribe

stitutes "managed trade." You bet it does. In the managed Japanese economy you are either managed in or managed out. (Ford's Japan sales, despite its upsurge, are still less than 1 percent of the Japanese market.)

Finally, the tide of history in Japan is turning our way. I went to the new Toys "R" Us superstore outside Tokyo. It was packed with holiday shoppers, hauling away bargains while the Muzak played Motown hits. Thanks to their recession, Japanese consumers are eager to be Kmart shoppers. They want the sort of U.S. style retail competition and discounting they have never had. This is no time to turn away from this market. You don't get better playing tennis with Malaysia; you don't get rich either. It would be a shame if the only thing produced by 20 years of Sisyphean U.S. trade policy toward Japan was to open the Japanese market for Korean contractors, German auto makers, French farmers and Japanese discounters.

THE NEW YORK TIMES, WEDNESDAY, JANUARY 11, 1995

Pro Center
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Republicans earn NRA's ire over assault weapons

Overturning ban isn't a priority

By Laurie Kellman
THE WASHINGTON TIMES

Congress' new GOP leaders have come under fire for refusing to put a repeal of the assault-weapons ban at the top of their agenda.

Lobbyists for the National Rifle Association have descended upon Republican members of the House Judiciary Committee to request that a repeal of the ban be made part of the Taking Back Our Streets Act, a cornerstone of the "Contract With America."

NRA lobbyists made their appeal last week in a meeting with Rep. Bill McCollum, chairman of the Judiciary subcommittee on crime, which opens hearings today on the House GOP bill. During the meeting last week, the lobbyists did not hear what they wanted, Mr. McCollum said.

"The preferred method would be to bring a separate bill to repeal the assault-weapon ban," the Florida Republican said yesterday. "The speaker, the majority leader and the rest of the leadership don't want it to be part of the Contract. I don't think that is the wish of the NRA representatives."

Republican leaders weren't eager to broach the subject yesterday.

"I don't have any comment on that right now," House Speaker Newt Gingrich said.

"Oh, I haven't even thought about that," said Senate Majority Leader Bob Dole.

"The thinking is to propose items that have a consensus among our members," Mr. McCollum explained. Last year 38 GOP members voted for the ban. "This is certainly not an issue that reaches consensus."

House Judiciary Committee Chairman Henry J. Hyde of Illinois is one of the Republicans who voted for the ban.

"I would prefer it not be in the bill because it's going to be difficult enough" to get it passed, Mr. Hyde said yesterday. "The more controversial issues will weigh the bill down, and the more difficult its ultimate passage" will be. But the issue will be debated and dealt with in the committee."

His counterpart in the Senate, Orrin G. Hatch of Utah, echoed those sentiments but would support a repeal of the ban on assault weapons that was included in the 1994 Crime Bill.

"I would not like to have it brought up" in the Senate version of the bill, which is expected to come up in February, Mr. Hatch said in an interview last week. "I think we've got to make some corrections first to the main crime bill."

That approach has the NRA steaming. The GOP, they say, has the NRA's pro-gun platform — and millions of dollars of NRA campaign donations — to thank for their historic takeover of Congress.

"The NRA is the reason the Re-

publicans control the House," President Clinton told reporters and editors at the Cleveland Plain Dealer on Friday.

To put the NRA's top congressional priority on the back burner is an injustice, one lobbyist said.

"I think they are not focused enough on the gun owners' desire for repeal and reform of current gun laws," said Tanya Metaksa, chief lobbyist for the NRA. "There were a significant number of Republicans who were elected on this issue and these members of Congress have a commitment to their constituencies to bring it up."

"They know and we know [the ban] doesn't accomplish anything. It's a farce," said Bob Corbin, past president of the NRA.

Gun-control advocates, meanwhile, find themselves in an unusual alliance with Republicans, at least for the time being.

"If either the Republican Party or the NRA thinks for one minute that this election was a referendum on gun control, they will hear very differently from constituents," said Richard Aborn, president of Handgun Control Inc. "Having now won power in the House, [Republicans] don't want to squander it on the very narrow, selfish interests of the NRA."

Rather than take up the assault-weapons ban right away, members of the new majority prefer to repeal items in the crime bill that provoke less controversy.

For example, they believe funds earmarked for social programs should be reappropriated as block grants to cities, to be spent on fighting crime as the localities see

**"I haven't even
thought about that."**

*Sen. Bob Dole
on the assault-weapons ban*

fit.

The Republican strategy is to steer clear of the assault-weapons ban in the first part of the session and pass measures showcasing the GOP's resolve to change the way Congress does business.

"I had no problem voting against that ban," said Rep. Howard Coble, North Carolina Republican and a member of Mr. McCollum's subcommittee. "But I'm not sure about the timeliness of it as part of the main crime bill."

"We have no problem bringing it up as a separate issue," said Kay Ryon, spokeswoman for Rep. Fred Heineman, North Carolina Republican, another subcommittee member who supports a repeal of the ban. "If it were attached to the crime bill, it would slow things down."

"That ban [repeal] would get in the way right now, when we need to show off a little bit," said one GOP House member who asked not to be named. "There'd be too much debate."

'94 crime bill comes up for scrutiny today

By Laurie Kellman
THE WASHINGTON TIMES

Proposals to overhaul the 1994 crime bill make their debut today when a House subcommittee opens hearings on that part of the "Contract With America."

On the list of issues to be considered are trimming some \$5 billion in social spending and increasing mandatory minimum prison sentences. About a dozen witnesses will testify today and tomorrow.

Rep. Bill McCollum, Florida Republican and chairman of the 13-member Judiciary subcommittee on crime, will consider whether to change the terms of the bill before sending it to the full committee for markup in about two weeks.

The Senate has scheduled its crime bill for February.

Testimony is expected today from police and sheriffs associations and state attorneys general, including Joseph Curran of Maryland and James Gilmore of Virginia.

Others scheduled to testify include representatives from the Justice Department and the American Civil Liberties Union.

They will address such proposals as:

- Limiting to one year the time a death-row inmate may file a request for a review of his state-imposed sentence, and to two years for federal crimes.

- Making it a federal offense to use a firearm in a violent crime or drug-trafficking offense. The minimum sentence would be five years for carrying the firearm, 10 years for using it and 20 years for firing it with intent to injure. Penalties would increase on second conviction and when the firearm is a machine gun.

- Requiring offenders to pay for damages suffered by the victims as a result of the crime. Courts would also be given the option to order restitution to any person who was harmed by unlawful conduct.

- Authorizing \$10 billion for law enforcement block grants from 1996 through 2000.

- Increasing funding for prisons from \$8 billion to \$10.5 billion over five years. Half of that would go to states that have made "progress in punishing violent criminals." The other half would be made available to states that require violent felons to serve at least 85 percent of their sentences.

- Restricting inmates from challenging the constitutionality of their confinement.

THE PRESIDENT HAS SEEN

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GOP plan hits elderly, the poor

By Richard Wolf
and William M. Welch
USA TODAY

House Republicans are considering a plan to pay for \$200 billion in tax cuts by taking the biggest amount of cash from programs for the poor and elderly, like Medicare.

The document being circulated quietly among Republicans — one of the first plans drawn up by the House Budget Committee — is only one of several options. But it indicates the areas the GOP have targeted to pay for tax cuts promised in the GOP Contract with America:

- \$125 billion would come from programs known as entitlements — Medicare, Medicaid, welfare, food stamps and student loans.

- \$75 billion would come from programs requiring annual appropriations, such as defense, education, housing and transportation.

"That is only a discussion paper," said Budget Committee Chairman John Kasich, R-Ohio, as GOP leaders met late Wednesday.

House Speaker Newt Gingrich said the plan's Medicare and Medicaid savings still would allow the programs to grow, but not as fast as current projections. Proposals to cut welfare and food stamps are part of the contract, but these are the first specific numbers on the size of proposed trims — and the first proposed cuts for the health programs.

"There'll be higher dollars spent every year for the next seven years," Gingrich said. "Will we grow? Yes. But we will not grow as much."

But John Rother, lobbyist for the American Association of Retired Persons, said the cuts would push up out-of-pocket Medicare costs for the elderly and send many to managed care. "The program wouldn't look anything like it would today. To do cuts of that magnitude, you'd have to radically change the program."

The timetable for paying for the contract — the 10-item campaign document — has been pushed back several weeks as GOP members grapple with the hard numbers.

Among other things, Republicans want President Clinton, who presents his 1996 budget to Congress in February, to go first so they can examine his proposed cuts.

► House spat, 6A

Revising the crime law

Republicans' proposed revision of the 1994 Crime Law would cut spending, increase funding to build prisons and give states grants to use at their discretion for crime prevention and hiring of police officers.

TOTAL COST

1994 law: \$30.2 billion over six years

1995 proposal: \$26 billion-\$28 billion over five years

SPENDING PRIORITIES

1994 law

- \$7.9 billion to build prisons
- \$6.9 billion for crime prevention
- \$8.8 billion to put 100,000 more police on the streets

1995 proposal

- \$10.5 billion to build prisons
- \$10 billion in block grants to states for crime prevention and local law enforcement (hiring police officers, paying overtime, buying equipment)

KEY PROVISIONS

1994 law

- Applies death penalty to more than 50 added crimes
- Bans 150 semiautomatic assault weapons
- Increases federal penalties for repeat sex offenders
- Includes the "three strikes, you're out" provision

1995 proposal

- Limit appeals by death row inmates
- Make criminals pay restitution to victims
- Toughen sentences for criminals who use guns
- Provide for the prompt deportation of illegal immigrants convicted of violent crimes

GOP to take knife to crime bill

By Mimi Hall
USA TODAY

Vowing to crack down on criminals and spend less on crime prevention, Republicans in Congress are set to begin cutting back what they call last year's "pork-filled" crime bill.

Hearings begin today on the House Republicans' "Taking Back Our Streets" bill, a proposal to cut as much as \$4 billion out of last year's \$30.2 billion bill and shift federal money away from crime-prevention programs and toward building more prisons and hiring police.

"All of those prevention programs were targeted pork programs, designed to create jobs rather than to get at crime," says Rep. Bill McCollum, R-Fla., who now heads the House subcommittee on crime.



AP
McCOLLUM: Prevention was 'pork'

Last year's crime bill allocated \$6.9 billion for crime-prevention programs. It included anti-gang education and controversial midnight basketball programs that Republicans called a waste of money. It also allocated \$8.8 billion to hire police and \$7.9 billion to expand prison space.

Democrats and some Republicans said the bill struck a balance between prevention and punishment.

"The crime bill was the major accomplishment of the last Congress, and we ought not to go back and undo it," says Rep. Charles Schumer, D-



USA TODAY
SCHUMER: Don't 'undo' crime bill

"There will be complete flexibility," he says. "If they want to do midnight basketball, they can do that."

McCollum says he's certain the bill will win approval in the House. Final passage won't be easy. Democrats, including President Clinton, will be hostile to changes in their bill.

And GOP leaders may face opposition in their own party. Some Republicans, especially state and local officials, will balk at cutting prevention funds in favor of prison construction.

In a report released Wednesday by the National League of Cities, 382 elected city officials ranked prevention programs and more police as the best measures to fight crime.

More prison space was near the bottom of their list. Just 8.4% said that would reduce crime.

Paul Helmke, Republican mayor of Fort Wayne, Ind., says McCollum is wrong to label prevention programs "pork."

"It's a lot less expensive to do things on the prevention side than on the police side," he says. "There hasn't been a chance for the crime bill to have an effect. It doesn't make sense to change the rules before we can see if this bill really works."

ALSO IN WASHINGTON

Some Republicans don't want Blackbirds to fly

A group of conservative House Republicans are calling on Congress to halt revival of the SR-71 Blackbird spy plane, saying it will cost nearly \$600 million over six years and the plane is not needed. Congress approved \$100 million last year to revive three of the Blackbirds for spy missions. Supporters said they would be useful to monitor and photograph North Korea's nuclear program because they can make surprise spy flights.

COLLEGE CREDIT: Senate Democrats have joined the push to provide tax breaks for college and trade schools. The plan would give families with incomes under \$100,000 up to \$10,000 in tax credits for higher education tuition, and allow a deduction on school loans.

GENDER ROLES: House Speaker Newt Gingrich raised the ire of female lawmakers by telling students in his college course "females have biological problems staying in a ditch for 30 days." Also: Men "are biologically driven to go out and hunt giraffes." The comments are from "Renewing American Civilization," his first lecture since taking over as House speaker. In a speech on the House floor, Rep. Patricia Schroeder, D-Colo., said his comments "scare me to death." "I've been working in a male culture for a long time and I haven't met one man who wants to go out and hunt a giraffe," she said.

CUBANS: A three-judge panel of the 11th U.S. Circuit Court of Appeals ruled Wednesday that Cuban refugees detained in Guantanamo Bay do not have the same rights as U.S. citizens and may be repatriated, though government officials say they have no plans to do so.

THE PRESIDENT HAS SEEN
1-19-95

UP/600
I think an hour
to think very carefully
about this — then not
sure we should let this
one pass — out come
BC

Fed Is Likely to Increase Interest Rates By 1/2 Percentage Point at Month's End

Recent Data on Economy Show Few Indications Of Significant Slowing

By DAVID WESSEL
And LUCINDA HARPER

Staff Reporters of THE WALL STREET JOURNAL

WASHINGTON — Federal Reserve officials, unhappy that the economy is showing few signs of significant slowing, are likely to raise short-term interest rates again at month's end — probably by another one-half percentage point.

Having raised short-term rates 2.5 percentage points in the past year, Fed officials say they still expect a gradual slowing of the economy later this year. But despite hints of weakness in retail sales and home buying, the officials see few convincing signs that rate increases have had the desired effect.

"If you look at the balance of risks, there are now more on the side of overshooting and inflation than on recession," said Fed Vice Chairman Alan Blinder, offering the classic central-banker recipe for further rate increases. With the jobless rate down to 5.4% of the work force and with industry operating at a historically high 85.4% of capacity, the Fed foresees an acceleration of inflation unless the economy slows to an annual growth rate of around 2.5%.

A new Fed review of regional economic conditions found that "economic expansion remained vibrant around much of the nation," with lagging regions like California now catching up, the central bank said yesterday. The report, prepared by the 12 district Federal Reserve banks, pointed to "strong . . . underlying momentum" in consumer spending and turned up proliferating indications of price increases and labor shortages. Only in the housing indus-

'Vibrant' Economy

Summary of economic developments in the 12 Federal Reserve districts in late November and December.



Source: Federal Reserve

- 1 Boston—"Manufacturers' gains are widespread"
- 2 New York—"Unemployment rates fell sharply in December"
- 3 Philadelphia—"Rate of growth...eased somewhat"
- 4 Cleveland—"Holding steady at a high level"
- 5 Richmond, Va.—"Availability of prime office space lightened"
- 6 Atlanta—"Tight labor markets and higher materials prices"
- 7 Chicago—"Economy expanded at a moderate to vigorous pace"
- 8 St. Louis—"Tight labor markets remain a major concern"
- 9 Minneapolis—"Businesses continue to report higher wage increases"
- 10 Kansas City, Mo.—"Slower single-family homebuilding"
- 11 Dallas—"Increasing strength...in the service sector"
- 12 San Francisco—"Business investment continues to pick up"

try did the Fed find much evidence of slowing growth.

"A lot of people wanted to point to the retail-sales numbers," said Cathy Minehan, president of the Federal Reserve Bank of Boston, referring to last week's government report that sales declined in December and rose less than previously reported for November. "But I think the jury's still out as to whether there's a slowdown."

Financial markets, which last week thought the poor retail-sales figures might cause the Fed to put off a move later this month, now expect one, with analysts differing on whether it will be one-half or three-quarters of a percentage point.

The new central-bank survey, based on information collected before Jan. 10, turned up substantial momentum in manufacturing with only scattered signs that the pace of growth is "slowing modestly." In the Cleveland district, for instance, "chemicals, plastics, steel, heavy truck,

and some machine tool industries are reporting production levels near historic highs," the report said. And the Atlanta Fed said "some producers of electronics for cable television and data communications report order backlogs increasing at double-digit rates."

Finding skilled workers appears to be a growing problem, the Fed discovered. The chief executive of a computer manufacturer in the Minneapolis district noted that "over half of the workers forwarded by [temporary-help] agencies fail a drug-screening test, up from less than 8% a year ago." A small Wisconsin company told the Fed that it had to forgo production of holiday ribbon candy this season because it couldn't find enough temporary workers.

"Growth," says Fed governor Janet Yellen, "has surprised everyone."

So far, that growth hasn't been accompanied by widespread price increases. Manufacturers say there has been "strong—but perhaps diminishing—pressure against output price increases," the Fed report said. But the Atlanta Fed said "more producers expect to be able to increase final product prices," and retailers in the Dallas and San Francisco districts expect higher packaging costs to be passed along to consumers.

Fed officials and most private economists still foresee a gradual slowdown in the pace of economic growth this year. They cite interest rates, mounting business inventories and the expectation that consumers won't keep up the current pace of spending and borrowing much longer. But arrival of this slowdown keeps being postponed. It didn't show up in the fourth

Please Turn to Page A6, Column 3

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Fed Is Likely to Lift Short-Term Rates By One-Half Point

Continued From Page A2

quarter. Some analysts estimate that the economy expanded at a 5% pace; the first government estimate comes next week.

"There is a very strongly held consensus of a sizable slowdown in '95 relative to '94," Mr. Blinder says, a view to which he subscribes. But, he adds, "Such a slowdown is not at all apparent in the tea leaves in this point."

Rates Begin to Bite

The central-bank survey did turn up a few hints that high rates may be beginning to bite. The Philadelphia Fed, for instance, reported that in its territory "the rate of growth had eased somewhat" in early January from the torrid fourth-quarter pace. The Boston Fed said "recent increases in mortgage rates are beginning to depress the residential real estate market." The Dallas Fed said many retailers complained that Christmas sales didn't meet expectations. And retailers in Texas and Arizona said the devaluation of the Mexican peso is hurting sales; those in San Diego said it isn't, though.

Fed officials are also keeping a close eye on business inventories; when sales slow unexpectedly, business inventories swell and manufacturers cut production. The Commerce Department said yesterday that inventories increased 0.7% in November, the same as in October. But sales rose even faster. At the November pace of sales, it would take business 1.40 months to deplete stockpiles, the same as in October.

This is the moment in the economic cycle when the Fed is most likely to err. It has already raised the federal-funds interest rate, at which banks lend to each other, by 2.5 percentage points to 5.5%, including a 0.75-point increase in November. But it takes roughly six to nine months for rate increases to be fully felt in the economy.

Without knowing for sure what lies ahead, the central bank must decide at its meeting Jan. 31 and Feb. 1 whether to raise rates further to achieve its goal: a gentle slowing of the economy that avoids an acceleration of inflation.

Like a Thermostat

If the Fed raises rates too much more, it risks an unwelcome recession. "If it feels very hot, you turn down the thermostat," says Mr. Blinder. "If it doesn't work fast enough, you turn it down again. Before you know it, you're freezing."

But if it fails to raise rates enough, the Fed risks an unwelcome acceleration of inflation. "We haven't seen inflation heat up, but historically there is every reason to think we are at a point where we could see it heat up — gradually, fortunately," Ms. Yellen says.

Here's a district-by-district summary of the new Fed report:

BOSTON: Manufacturers' gains were widespread. Selected input prices rose. Retail sales varied highly during the holiday season; department stores and food-store chains cited "modest growth of less than 5%." Sales of durable goods fared the best.

NEW YORK: Holiday sales were "on or slightly above" sellers' expectations. Weak sales stemmed from "lackluster sales of apparel and outerwear during much of October and November." Office leasing activity picked up enough to reduce some vacancy rates. Nearly all loan officers reported steady or slower loan demand from two months ago.

PHILADELPHIA: Retailers gave mixed reports for the Christmas shopping season. Auto dealers said sales slowed in December. The rate of growth eased somewhat from the pace of a year ago. Manufacturers reported increases in both orders and shipments, but the gains weren't as widespread in early January as in December.

CLEVELAND: Sales were good over the holiday season, although they have slowed since. Undesired inventory was limited. Employment levels picked up. There are few indications of any broad-based wage pressures, and price pressures

remain largely centered in industrial commodities.

RICHMOND: Economic activity rose moderately in late November and December. Strong holiday sales boosted consumer spending. Manufacturing and commercial real-estate activity was flat. Loan demand sagged. The service-producing sector, state revenue and agriculture experienced growth.

ATLANTA: Retailers say the holiday season went well. "Sales generally met expectations," but many store owners had to use more discounting than they liked. Activity continued to expand, but more slowly than during the year-earlier period. Labor markets tightened and materials prices rose.

CHICAGO: Underlying momentum in retail sales remained strong during the holiday season and "probably exceeded its third quarter pace on a seasonally adjusted basis." Manufacturing activity remained robust and labor markets continued to strengthen. Price increases seemed to remain centered in basic materials.

ST. LOUIS: Economic activity was buoyed by "relatively strong" holiday sales and continued to increase at a moderate pace. Unseasonably warm weather hindered apparel sales, but big-ticket items sold well. Tight labor markets remained a concern, and residential construction slowed because of higher interest rates.

MINNEAPOLIS: The economy showed "robust growth in most sectors." Manufacturing remained strong. Iron-mining businesses expect their best year in more than a decade. Forest-product output remained high and paper production continued to gain strength. Urban labor markets remained "very tight." Reports of price increases in raw materials were common.

KANSAS CITY: Economic expansion continued to be strong. Holiday retail sales increased from a year earlier and manufacturers continued to operate at high levels of capacity. Markets for skilled labor remained tight. Materials prices increased. Retailers reported stable prices.

DALLAS: Retail sales growth slowed after the Thanksgiving holiday and "Christmas sales were lower than expected."

Generally, the economy grew at a solid pace in late November and December. The service sector reported increasing strength, and manufacturers' orders continued to rise. Loan-growth demand continued.

SAN FRANCISCO: Growth accelerated slightly and brought higher rates of utilization. Retail sales during the holiday season were reported to be moderately strong. The service sector expanded "noticeably." Manufacturing generally remained at high levels, except for the aerospace industry. Business investment picked up and, outside of housing, bank lending was brisk.

—Becky Gaylord contributed to this article.

Here is a summary of the Commerce Department's report on business inventories and sales in November 1994. The figures are seasonally adjusted:

	(billions of dollars)		
	Nov. 1994	Oct. 1994	Nov. 1993
Total business inventories	919.81	913.39	866.24
Manufacturers	390.01	388.06	380.18
Retailers	294.68	293.10	270.56
Wholesalers	235.12	232.22	215.50
Total business sales	658.44	651.92	606.64
Inventory/sales ratio	1.40	1.40	1.43

Burden of the Book Deal

Robert D. Novak

The mean-spirited assault on Newt Gingrich by House Democratic leaders is not reviving their troubled party, but it has reached the point where it is distracting the speaker from his formidable task of enacting the Republican agenda.

Gingrich's sacrifice of a \$4.5 million book advance did not call off the Democratic dogs. His revised contract, for royalties without a cash advance, signed with a firm in Rupert Murdoch's publishing empire, is being called a conflict of interest. Murdoch's television holdings are at stake before the Federal Communications Commission. Distorted and unfair though they are, these accusations are not going away and in fact are taking on a life of their own.

Consequently, more and more of Gingrich's Republican colleagues want the speaker to put this distraction behind him. On Martin Luther King Day, one House member close to Gingrich urged him to switch his contract to a different publisher. Other colleagues—including House Majority Leader Dick Armey—gently suggest it might be better if he abandoned the book venture altogether.

Sen. Christopher Dodd, the new Democratic

national chairman, used more temperate language than his House Democratic counterparts on CBS's "Face the Nation" last weekend and advised Gingrich "to cut the deal immediately, take nothing, move away from it." Noting Dodd's advice, Armey told me the next day: "It might be the best thing to do."

It is not because of any substance to the corruption charges, which are categorically rejected by Armey. There is no reason to disbelieve Gingrich when he says he did not know Murdoch owned the HarperCollins publishing house or to disbelieve Murdoch when he says he knew nothing of the Gingrich book deal.

But the House Democratic core strategy, initiated long before the book deal was revealed, has been to destroy Gingrich in retribution for his role in driving Speaker Jim Wright from office in 1989. These House leaders were delighted when the New York Daily News (in bitter struggle with Murdoch's New York Post) last week revealed a pre-Christmas meeting between Murdoch and Gingrich.

House Minority Whip David Bonior immediately renewed his demand for an independent counsel to

investigate Gingrich—and also underlined how the memory of Wright's fate preys on House Democrats. "He [Gingrich] called for an outside counsel to deal with the ethics problems of the speaker in the past," said Bonior, "and we need an outside counsel to deal with ethics problems of the speaker now."

But this personal animus bothers thoughtful Democrats in Congress, though they will not go public with their dismay. One prominent House member, with high seniority and an unblemished record of party loyalty, told me: "This gets us nowhere. The Republicans have a program, and we do not. Bashing Gingrich does not get us one."

Democratic leaders, in a retreat on Maryland's Eastern Shore, were ecstatic Saturday about a follow-up Daily News account that Murdoch's Washington lobbyist attended that meeting. That showed only that Murdoch was actively seeking support on Capitol Hill to defend his Fox television operations against efforts to break them up. One of the world's leading conservative publishers, he has been wounded before by congressional liberals.

House Republicans want Gingrich to abandon the HarperCollins contract partly to give them freedom to support Murdoch. But their overriding motive is that the speaker must not be bogged down with this sniping while he seeks to govern America from the House.

When the book contract was first revealed a month ago, one of Gingrich's advisers urged him to drop the project entirely. The speaker said no, that was not the way a leader functioned.

Gingrich has told other associates he was writing the book because he needs the money, even though as speaker his annual salary is \$171,500. His lifestyle is not ostentatious, and his home in Washington can be called Spartan. Nevertheless, burdened by alimony payments, he has long complained privately that he lives on the edge financially.

His colleagues' response may not be given to him, but they pass it on to me: He is still a relatively young man with enough years ahead of him to defer gratification and to use his fame and intellect for private gain in the future. Now is the time for larger pursuits by Newt Gingrich.

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MARY McGRORY

On the Inside, Looking In

The intense identity search at the White House should be called off, and for the usual reason: darkness.

Both the president and the First Lady have been crashing through the underbrush in the hope of discovering their true selves, and they are making people nervous. The convocation at Camp David of "personal growth" and "peak performance" coaches has occasioned a certain nostalgia for the astrologers of the Reagan years.

Hillary Clinton also had a seance with gossip columnists and feature writers. It was supposed to be off the record, and it was—on and off. But the reporter from the New York Times had Clinton flagellating herself, saying she had been "naive and dumb" about the politics of health care. The story led to an exchange of thunders between the executive editor of the New York Times, Joseph Lelyveld, and Leon Panetta, White House chief of staff.

Much of Washington's dinner-table talk is given to speculation about what Clinton had hoped to get from her ladies lunch, if it had gone as planned. Did she think the simmering white males who hate her would be mollified if she showed a weakness for girl talk, like their wives? Or maybe she thought that gossip and advice columnists had been softened up by seeing "Little Women," which is really about a girl who thought she could do anything.

Actually, Clinton was engaging in a familiar Washington ritual, the stroking of the press. The fact is that there is not a reporter in this city, of whatever gender, age, beat or sobriety, who does not consider himself or herself a peerless political consultant, a born campaign manager. It is an occupational disease of incurable virulence. Let a raving liberal sit down with Republican presidential hopeful Phil Gramm: first thing you know she is saying, "Had you thought of hairline modification?" The conservative is soon dispensing wisdom to a Clinton staffer: "How about a conviction transplant?"

No doubt about it, the most seductive words in the English language in these parts are: "What would you do?"

The First Lady has been doing a good deal of that since the elections of Nov. 8 shattered her world, or at least her image of herself. The results and the polls were unequivocal. People who two years before were clamoring for health care reform vehemently rejected her

version of it. Why? They found it complex and intrusive. She had used health care reform to remake society. They wanted portable insurance and universal coverage.

She has sought advice, she told David Maraniss of The Washington Post, who has written a biography of the early Bill Clinton. But it does not help her. People tell her to do "little things." No little things for Hillary Clinton. She wants "systemic change."

She defined herself perfectly. She is not one of your upward-gazing First Ladies rapt on the platform watching Himself. She doesn't want influence, which all presidential wives save Eleanor Roosevelt settled for. She wants the real thing, power.

She knows she has the brains, drive and grasp to bring about social change. Feminists complain that she could have achieved on her own. But she chose to ride her husband's coattails, and white males grumble that she thinks she's "co-president."

She is a person who loves all the machinery, the process, the meetings, the task forces, the progress reports, the charts of high policy. She knows she is more organized and disciplined than her husband and understands you can't please everyone, but for now, she has to leave it all to him. No wonder she is frustrated.

Her husband feels unappreciated, too, and hot coals won't help. He has accomplished things he is not allowed to brag about. Haiti, resolved, so far, with only one U.S. casualty, was a triumph. The Republicans would have made it sound like the Fall of Constantinople. But so deep is the country's antipathy on the subject and so adamant are the Republicans that we should not be there, that he has not been able to go there and take a bow. He never heard a single candidate laud him about his small but crucial role in Ireland. Why doesn't he get credit?

George Bush's press secretary, Martin Fitzwater, has an expert opinion. "He has personalized the office so completely that he gets no institutional credit at all. She has, too. People don't say that the president has done a fine job, the way they ordinarily would, because they think of him as Clinton, not the president."

In other words, the Clintons, in the way of their generation, talk too much about themselves. They should suffer their bad hair days in silence.

THURSDAY, JANUARY 19, 1995 THE WASHINGTON POST

THE PRESIDENT HAS SEEN
1-19-95

Melanie Under
per on occasion
H's follow up - send
her Rothstein piece plus
& sending her the GOP + Pres
Personalized at fault on her record
before anything came out of
our side.

B

456-5558

THE PRESIDENT HAS SEEN

1/19

How
 in the
 ()

LEE WILLIAMS

1-6-95

Marsha, Per our lunch discussion

Here is the Lloyd
 Hackler letter I just
 received. I know Larry
 O'Brien, and I know what
 he did and what he is
 capable of doing. He
 believes that Bill Clinton
 is our last, best hope to
 get the Country back on
 track and is available to
 do anything asked of him.

The President may not
 have time to read Lloyd's
 letter, but there are
 good suggestions and I
 hope you have time to
 reflect on them.

Good lunch - for
 everybody. Next time we
 will go in my car!

Peace - Lee

PUBLIC STRATEGIES WASHINGTON, Inc.

The Willard, 1455 Pennsylvania Avenue, N.W., Washington, D.C. 20004

Loyd's P.S. ↓

Lee,

Hope you aren't too down -- Bill Clinton has
pulled out before, and with a little political
help, can again.

If you feel inclined, be sure you hear nothing
good to say about Dave McClintock, who turned
out to be an asshole.

J.H.

V11 Eagle Creek Ranch

Lloyd Hackler

Dec. 28, 1994

Norma Hackler

Dear Lee,

As 1994 ends, I try to take a realistic look at the year regarding the political upheaval brought on by the mid-term elections. I'm not nearly so dismayed by the election results as I am by the people around President Clinton who seem to be more concerned by their own agenda than the President's agenda. I simply can't believe the Democratic National Committee and the expenditures for polling to the detriment of fund shortage for basic political organization at the grass roots level -- \$4.5 million to pollsters, a pittance for organization. Seems to me the President is carrying the load alone -- for example, I can't imagine anyone interested in personnel matters permitting the dozens of vacancies in the federal judgeships. Who in hell is looking to these serious matters? What is the process?

Back to the DNC -- now that it's without a chairman, I have a suggestion, based in part on my own experience after the debacle of the McGovern defeat and Nixon's election. As you well know, Lyndon Johnson convinced Majority Leader Carl Albert and Senate Majority Leader Mike Mansfield to approve a "Research Council" to do something about the disparity in political attention after Nixon's landslide -- Johnson convinced the Congressional leaders to retain me to help attack the GOP approach. The DNC was literally on its ass, and

Box D, Hope, New Mexico 88250 (505) 484-3464

~~and~~ the Republicans were riding high. One of the few Staff members at the DNC with understanding of the problems was a young former Peace Corpsman aptly named Larry O'Brien -- not JFK's O'Brien, but just as smart. Together, he and I were about all the Demo Party had in Washington to help the Democrats in Congress take the edge off Nixon's and atty Gen Mitchell's program to make political advances. I mention this, and our success, for a point. O'Brien is now independently wealthy, and is willing to go to work for the DNC in some responsible, authoritative position at the DNC for \$1 per year. I suggest Chairman -- some relatively unknown would shock the political press, but I guarantee you he knows how to organize politically and we agree that Clinton needs someone who truly believes in him and his vision of America. Larry understands we have a vigorous, smart young President who wants to do the right thing, but is hampered by a ^{DNC} staff that doesn't serve him well.

I hope I don't sound distressed, but I've seen the changes in Washington in the past decades, and I have real concern for our country. Bill Clinton really is our best hope, and I want to do anything possible to help him -- and Larry O'Brien is my recommendation to help him.

Sorry to be so lengthy, but watching from here dismay me.

Sincerely,
Lloyd

P.S. If you have a chance, thank the President for his personal note to me

TRIP
Follow up

~~To [unclear]~~
need to check this
out - sorry

THE PRESIDENT HAS SEEN 119
**The White House Conference
on Trade and Investment
in Central and Eastern Europe**
LEVELAND, 13 JANUARY 1995



GLIGOR TASHKOVICH
Consultant
International Telecommunications

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10576-0296 USA

Phone: +1 (914) 764-4674
FAX: +1 (914) 764-0127

DEAR PRESIDENT CLINTON:

I WANT TO BE YOUR FIRST FULL AMBASSADOR TO WHAT YOU
KNOW AS THE FORMER YUGOSLAV REPUBLIC OF MACEDONIA.
I AM THE GRANDSON OF THE LEADER OF THE DEMOCRATIC
MOVEMENT IN MACEDONIA DURING WORLD WAR II. MY
GRANDFATHER CAME TO AMERICA WITH THE INVALUABLE
ASSISTANCE OF THE INTERNATIONAL RESCUE COMMITTEE.
MRS. ELEANOR ROOSEVELT LATER INTERCEDED WITH
MARSHAL TITO TO ARRANGE A POLITICAL PARDON FOR
THE REST OF THE FAMILY (AND HELPED THEM COME TO
AMERICA).

WHEN MACEDONIA BECAME INDEPENDENT, PRESIDENT
GLIGOROV PERSONALLY INVITED OUR FAMILY BACK TO
DIRECTLY PARTICIPATE IN THE DEVELOPMENT OF THE
ECONOMY. NEARLY 3 YEARS LATER, MY FAMILY
NOW HAS MANY PROJECTS THERE IN SECTORS SUCH AS
OIL (PIPELINE), AMERICAN MAGAZINE DISTRIBUTION
(TO DEMONSTRATE FREEDOM OF THE PRESS), REAL ESTATE
DEVELOPMENT, TELECOMMUNICATIONS, AND CONSUMER
PRODUCTS.

I REMAIN DEEPLY CONCERNED ABOUT THE TREMENDOUS
MORALE PROBLEMS AT U.S. DIPLOMATIC POSTS
(USLO/USIS/USAID) IN MACEDONIA AMONG BOTH THE
AMERICANS AND THE LOCAL WORKERS. THESE SERIOUS
DIFFICULTIES ARE UNFORTUNATELY NOW A MATTER OF
PUBLIC KNOWLEDGE WITHIN THE MACEDONIAN
GOVERNMENT AND IS SERIOUSLY HAMPERING AMERICAN
EFFECTIVENESS IN THE REGION.

PLEASE TURN OVER →

WITH MY FAMILY'S EXCELLENT RELATIONSHIP
WITH PRESIDENT GLIGOROV, THE PRIME
MINISTER AND HIS CABINET, AND THE
PARLIAMENTARIANS, I AM CERTAIN THAT I
CAN RESTORE THE PROUD STATUS THAT AMERICA
SHOULD HAVE IN MACEDONIA IF YOU GRANT
ME THE OPPORTUNITY TO DO SO.

IN CLOSING, LET ME MENTION THAT:

- ① I HAVE 2 DEGREES FROM CORNELL
UNIVERSITY (WHERE YOUR WIFE SUGGESTED
THAT SHE WOULD OPEN A RECRUITING OFFICE)
- ② THEODORE SCRENSON KNOWS MY FAMILY VERY
WELL AND YOU CAN CONTACT HIM FOR FURTHER
INFORMATION.
- ③ PRESIDENT RHODES OF CORNELL AND PRESIDENT
GLIGOROV OF MACEDONIA BOTH SUPPORT MY
APPLICATION TO YOU.

I WOULD HUMBLT CONSIDER IT A GREAT HONOR
TO REPRESENT YOU IN MACEDONIA AND I
HOPE THAT YOU WILL GRANT ME THAT
OPPORTUNITY.

YOURS MOST SINCERELY,



GLIGOR TASHKOVICH



THE WHITE HOUSE
WASHINGTON

DATE: 01/17/95

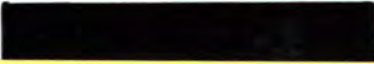
TO: LEON PANETTA

FROM: JOHN D. PODESTA
Assistant to the President and
Staff Secretary



This was sent to my office. I am
sending it to you to make sure
that you have seen and that it
is ready to go forward.

Thank you.



1-17

John.

Send this to Panetta's ofc to
see if he has signed off
on this →

S (yes)

THE WHITE HOUSE

WASHINGTON

January 9, 1995

95 JAN 17 P3:31

MEMORANDUM FOR THE PRESIDENT (via Leon Panetta)

FROM: ABNER MIKVA, JOEL KLEIN, BRUCE LINDSEY, JACK QUINN,
MELANNE VERVEER, SUSAN BROPHY, ELEANOR ACHESON,
AND VICTORIA RADD 

SUBJECT: DISTRICT COURT NOMINATIONS -- DECISION MEMORANDUM

This memorandum seeks your final approval to nominate the seven candidates listed below. They are now completing the review process at the White House, Justice Department, FBI and American Bar Association. We are also still consulting with several of the home-state Republican senators. We hope to announce some of these nominations by the end of this week.

1. **Janet Arterton, District of Connecticut**

Arterton, 50, a partner in a small New Haven firm, represents plaintiffs in civil rights and employment discrimination cases. She graduated from Mount Holyoke College in 1966, and received her law degree from Northeastern School of Law in 1977. She served as a law clerk to Judge Herbert Stern of the District of New Jersey. Arterton received a "well qualified" rating from the ABA, and was recommended by Senator Lieberman.

2. **Alex Bartlett, Western District of Missouri**

Bartlett, 57, has been a partner in a Jefferson City law firm since 1990. Previously he practiced with several other law firms and a casualty company. A graduate of Missouri State College and the University of Missouri School of Law, Bartlett also served in the Army's Judge Advocate General Corps. He received an ABA rating of "well qualified" and was recommended by Representative Skelton and Governor Mel Carnahan.

3. **Curtis Collier, Eastern District of Tennessee**

Collier, 45, is an Assistant U.S. Attorney who now heads the Chattanooga branch office. From 1979 to 1987, he was an AUSA in the Eastern District of Louisiana. An African-American graduate of Tennessee State University and Duke University School of Law, Collier received an ABA rating of "well qualified." He was originally one of three candidates submitted by Senator Sasser. [After the election, Sasser suggested

that we consider another applicant; the Vice President agrees that we should proceed with Collier (who has been in the pipeline for months.)]

4. Wiley Daniel, District of Colorado

Daniel, 48, is currently the managing partner of the Denver office of Popham, Haik, Schnobrich & Kaufman, where he specializes in complex civil litigation. An African-American, he received his undergraduate and law degrees from Howard University. Daniel was rated "qualified" by the ABA, and is recommended by Senator Campbell.

5. Willis Hunt, Northern District of Georgia

Hunt, 62, has been a Justice on the Georgia Supreme Court since his appointment by Governor Joe Frank Harris in 1986. From 1971 to 1986, he served as a state superior court judge (Carter appointee). He practiced law from 1959 to 1971 -- for many years as Senator Nunn's law partner. Hunt received his law degree from Emory University in 1954, and later served in the U.S. Army and as a special agent for the FBI. He received an ABA rating of "well qualified," and is recommended by Senator Nunn.

6. Susan Illston, Northern District of California

Illston, 56, is engaged in a complex commercial and white-collar litigation practice in Northern California. A graduate of Duke University and Stanford Law School, she received a "well qualified" rating from the ABA. She is recommended by Senator Feinstein.

7. Charles Kornmann, District of South Dakota

Kornmann, 57, has been in private practice in Aberdeen since 1965, where he represents private entities in the state legislature and maintains a state-court litigation practice. From 1970 to 1986, he also served as Aberdeen Assistant City Attorney. A graduate of the College of St. Thomas and Georgetown University Law Center, Kornmann was Executive Secretary of the South Dakota Democratic Party from 1963 to 1965. He received a "qualified" rating from the ABA, and is recommended by Senator Daschle.

APPROVE

DISAPPROVE

THE PRESIDENT HAS SEEN

1/19

THE WHITE HOUSE

WASHINGTON

January 10, 1995

To: President Clinton

From: George S.

Attached is a recent speech Brian Atwood gave at The Center for National Policy. Brian presents a strong argument for our foreign assistant programs, and he wanted you to see this.

Ce: ~~Ther~~ Tony
VP
Don Bauer



U.S. AGENCY FOR
INTERNATIONAL
DEVELOPMENT

DEC 22 1994

The Administrator

MEMORANDUM FOR: The President
FROM: J. Brian Atwood 
SUBJECT: Foreign Assistance

I wanted you to see a speech I recently delivered to defend our approach to foreign assistance. I recognize that "foreign aid is not popular politically, but we have found in public opinion research that the component parts that comprise our approach to sustainable development are indeed popular. The American people want us to engage in crisis prevention. They want us to create economic growth and new markets for American exports. They want us to protect them from environmental pollution and disease. They want us to lead the world in stabilizing population growth and they want us to promote democracy.

My worry is that we will lose this war in the budget resolution process before we have the chance to debate the issues. I am hopeful that you will soon call in the Republican leadership and ask for a bipartisan partnership to preserve the resources we need and to advance our national interests in a much more competitive and potentially more dangerous world. I hope you will find the arguments that I have set forth in this Center for National Policy speech persuasive and will find an occasion to use them yourself.

Attachment:

Center for National Policy Address

Remarks of J. Brian Atwood

The Center for National Policy

Washington, D.C.
December 14, 1994

Let me thank Mo Steinbrunner and the Center for National Policy for making it possible today to launch what I hope will be a truly national debate over the future of our foreign assistance program. Over the years, the Center has used its good offices and this public forum to illuminate the great issues of the day. The tradition continues under Mo Steinbrunner's leadership.

Last month, the American people reaffirmed the revolutionary potential of the ballot box. There was no mistaking the call for change. We know the people were unhappy with their government; we know they were dissatisfied with special interest politics; we believe they want reform and reinvention at both ends of Pennsylvania Avenue.

Some have said that the American people want to move the country to the right. I am not so sure. We do know that the people want responsible government and they want both our great political parties to share the responsibility for governing.

But let me tell you what the American people did not vote for in my opinion. They did not vote for a foreign policy of isolationism. On the heels of the most far-reaching free trade agreement our world has seen, an agreement negotiated by successive administrations of both parties -- it is reasonable to conclude they did not vote to tie America's hands in the new global economy.

This week Senator Mitch McConnell announced that he is introducing legislation to reform the foreign aid program. The Senator has been a consistent supporter of foreign aid and I want to work with him to assure that the program makes sense to our taxpayers and serves our national interests. I don't agree with all of Senator McConnell's conclusions -- particularly his budget estimate -- but he is an internationalist and a constructive critic.

Other critics would throw the baby out with the bath water. These are the people who would exploit the legitimate demand for reform to advance a neo-isolationist agenda. These people, probably representing no more than 25 percent of the new Congress, would close their own minds and our borders to the new global marketplace on which our domestic economy increasingly depends. I would remind these politicians of a line that guided the Presidential election of 1992: "It's the

economy, stupid." And I mean our economy.

As we analyze the international challenge we now face, some would like to view our foreign aid program through an exclusively economic growth prism. I personally believe that economic growth cannot be sustained if we fail to consider population growth rates, the environment, human capacity and the strength of governmental institutions. Nonetheless, I have no problem focussing on economic growth as a principle objective of our foreign assistance program.

But we should ask the right questions. In this post-GATT environment, how do we advance America's economic interests? How do we create and exploit new markets? How do we help poorer nations survive and compete in an even more active world economy? How do we work with the other industrialized nations to expand the world economy?

The Heritage Foundation is addressing these questions in its own way. This week it released its annual index of Economic Freedom, which rates countries by assessing the extent to which they have achieved free, market economies. Heritage would provide aid only to those countries that have made a commitment to and have already achieved the freedom of the marketplace.

There is much in this report with which I can agree. I can certainly agree that our aid dollars can be wasted by governments who refuse to deregulate their economy, or who practice protectionism, or state control over the economy. We have specifically recognized these constraints to development in our new approach to foreign assistance.

But I cannot agree with the Heritage Foundation's assertion that "not one country receiving foreign aid has succeeded in developing sustained economic growth." If this index is based on that kind of thinking, it is likely to be used as a rationale for disconnecting the United States from the growing markets of the developing world. I was assured yesterday by the authors of the Heritage report that their intention is not to encourage isolationism and I believe them. But I don't agree with their assessment of the impact of foreign assistance.

Perhaps the best way to answer their skepticism about foreign aid would be to ask an obvious question: If not one country has succeeded in achieving sustained economic growth, why have successive President's and Congresses from both parties supported foreign aid for the past 48 years. Why have dozens of other industrial nations contributed increasing amounts to official development assistance?

Our aid program has obviously served American national interests. And along with our military power, it has been an expression of responsible American leadership.

The growth in the world economy is not the result of serendipity. Some of us believe in the Immaculate Conception, but there's no miracle here. The growth in the global economy from 3.4 trillion in 1946, to 7.2 trillion in 1960, to 23.9 trillion in 1993 (in constant 1993 dollars) is not exclusively attributable to a group of Adam Smiths who chose voluntarily to pass liberal economic laws on who went around chanting "get government off our backs." It resulted initially from reconstruction efforts during the Marshall Plan. It happened because the United States led the Western World in an effort to create and then support an international economic system that was the engine of progress and support for fragile new national economies.

Yes, you can find instances where foreign aid was wasted. It wasn't always spent on good development. Part of it was spent on the Cold War. Part of it was spent to buy influence. But the major part created new markets and educated the workforces that today drive the engines of such productive economies as South Korea, Taiwan, Mexico, Chile, India, Thailand, and Tunisia. It provided crucial breakthroughs in agricultural technology and health care. These breakthroughs provided the space for economic liberalization and growth. The world economy did not expand seven-fold on its own. Nations who had been the beneficiaries of foreign aid, became themselves foreign aid donors.

In 1946, the United States provided virtually all of the foreign aid provided in the world. That amount, by the way, was more than double what we provide today in 1994 dollars. It represented 1.75 percent of our gross national product, compared to .117 percent today.

By 1960, we were providing only 60 percent of all aid given. We created the Development Assistance Committee of the OECD to pressure the reconstructed economies of Europe and Japan to do more. And they gave more, because they wanted to expand their own economies through trade. And they wanted to contribute to a stable and growing world economy.

Today, we provide only 19 percent of the world's foreign aid. But that's a good deal for the American taxpaying family, a family that contributes only \$44 per year to foreign aid, a lower amount -- I might add -- than any other donor nation family.

But today we may be leading the world in the wrong direction. In 1993, the amount of donor assistance fell by 8 percent and it will fall by much more in 1994. This is a dangerous trend, made even more dangerous because of the exponential rise in the world's population.

Make no mistake about the danger here. We are not just talking about the loss of economic opportunity -- lost markets, lost exports, lost jobs. We are talking about the failure to treat conditions that create instability. We are talking about chronic food shortages, devastating diseases and illiteracy that destroy human productive capacity, environmental damage that forces people to migrate, and population growth rates that inhibit economic growth and cause social tensions and even civil war.

Those who suggest that our nation can afford to reduce our foreign aid budget still further are playing with fire. They are yielding the ground of responsible stewardship of our national interests to the isolationists and the populists.

Thanks to the President's successful deficit reduction program and the economic growth achieved largely by his export promotion policies, we will be able to give a tax cut to the middle class. But to continue the progress we have made, his budget request for FY-96 will responsibly preserve American international leadership. If we sacrifice that in a bidding war for shortterm political gain, we will have to answer to coming generations. For a very dynamic global economy may pass us by.

What I fear is that we may lose much of the international leadership shaped by a bipartisan consensus over the past 48 years in the first 100 days of the next Congress. My fear is that the Budget Resolution process will cut so deeply, through recisions and lowering the caps across the board, that we will slide almost unconsciously into isolationism. We will wake up one day next spring and ask ourselves what happened to a bipartisan foreign policy that has served us so well. And then it will be too late. Someone will then write a book, perhaps entitled "While America Slept."

That won't happen if voices of reason speak up. We cannot exercise influence over the international community in some rosier future if we abdicate responsibility now. Leadership is not a faucet we can turn off and on. It is a commitment, because it speaks to our notion of what a community of nations should be, and how that community should comport itself.

The threat is international disorder, and it is a strategic threat, because it endangers the political, economic, and security interests of the United States. How should we reply? The answer should be apparent: By mounting a response that fits

the threat that is, not the threat that was. That response is a policy of crisis prevention, and foreign assistance plays a central role in it.

The end of the Cold War unleashed ethnic, environmental, and political tensions that are still emerging. The fact that we have seen only a few nations fail does not mean that the threat is not real. Events take time to gestate; this is particularly true of protracted, complex crises, in which natural disasters and political breakdowns combine with refugee movements, lack of infrastructure, and donor fatigue. At a certain point warlordism, aggression, and criminality masquerading as governance become inevitable.

A diplomacy that focuses only on the representations of sovereign governments and not on the conditions that put those governments and our interests at risk will forever be caught short. We cannot simply wall out the chaos beyond our borders. Millions of refugees, the spread of drug trafficking, pollution of our air and water and the disruption and loss of markets will inevitably undermine our security and our standard of living. Economically, politically and morally, we will pay a price if we ignore these conditions.

This is where American leadership -- in the security field, in international economics, in diplomacy and in the field of development -- comes so vitally into play. For just as disorder feeds on itself, so does sustainable development. So does respect for the rule of law. So does the expectation of international order. And so does democratic governance. If we want to create positive self-fulfilling prophecies in these areas, the United States has to lead.

To those who want a hard-headed cost-benefit analysis, I would say, the price of peace and stability is infinitely less than the cost of reconstructing entire nations. Ho Chi Minh once threatened "One, Two, Many Vietnams." The international community simply does not have the resources or the will to deal with "One, Two, Many Rwandas." Not consistently. Not year after year. It is far, far more economical to prevent than to reconstruct.

The development approaches we advocate for our programs and those of other donor governments -- approaches that focus on decentralization, local and individual empowerment -- address the alienation and powerlessness that drive the conditions that create disorder. If people can acquire the necessary tools, and the freedom to use them, they will create opportunities to solve their own problems. They will actively work for their own well-being and in doing so they will help us achieve peace and stability, two longtime objectives of our foreign policy.

Foreign aid creates jobs for American workers and advances our economic well being. But trade does not simply materialize. The ground must be prepared first. The enabling environment must be right before capital will begin to flow. That is partly a matter of policy reforms: That is why we are helping nations liberalize their markets. That is why we have launched initiatives to remove institutional and legal barriers to trade. That is why we are fostering trading cultures that are receptive to foreign investment. And that is why we are supporting programs that create broad-based economic growth in developing countries. All these endeavors help create markets that have the desire and the wherewithal to buy what we have to sell.

Contrary to the Heritage Foundation assertion, every major trading nation has used foreign aid as a primary means of building markets. And our emphasis on supporting broad institutional change is producing enormous benefits: Developing nations now represent the fastest growing markets for American goods. They are growing ten times as quickly as our traditional markets in Europe and Japan. Developing countries are particularly good customers for our high-value exports: pollution control equipment, computers, communications equipment, and expert services. Exports to emerging economies in Latin America and Asia are one of the main reasons our unemployment is low and why the export sector is leading our economic growth.

What then should we say to those who claim that foreign aid is nothing more than international welfare, that aid creates dependency, that the market will do the job, that events in places like Rwanda or Bosnia or Haiti don't really affect us? What should we say to those who argue for trade, not aid, or for aid tied to exports, not development assistance? What should we say to those who claim that we are throwing our money down a rathole?

We say: look at the facts. They say otherwise.

The two great political parties of our nation now have an opportunity to govern together. The people expect us to be responsible. The people know that their incomes and their jobs are tied to the global economy as never before.

They know that in the post-Cold War world, the United States has a unique opportunity -- to deal directly with the international factors that can advance our political and economic interests or injure them profoundly.

They know that we stand now at a turning point and that irresponsible stewardship can doom future generations.

They know that developing foreign markets, stabilizing population growth, promoting democracy and preserving the environment is the right thing to do. They know this even if they don't like the sound of the phrase "foreign aid."

They know these things, but they expect their leaders to remind them from time to time of these self-evident truths.

The American aid program has changed. I invite the new Congress to look at it closely. We have presented a new vision for a post-Cold War, post-GATT world. We have reorganized, reformed, reinvented and reengineered. It is in fact a new AID whose mission is relevant and whose commitment is to produce results.

We haven't made these changes just to save a bureaucracy. We have fixed what is wrong because we believe that if America is to lead, it must lead with the best development agency in the world. And we do believe America must lead. I look forward to working with the Republicans and the Democrats of the new Congress as we forge a new bipartisan consensus in support of our foreign assistance programs.

THE PRESIDENT HAS SEEN 1/19

MEMORANDUM

To: President Bill Clinton

Dated: January 17, 1995
Don Ball
Southern Union
R

From: Bob Raymar

Re: The State of the Union Address

At dinner on December 16th you twice asked a question of concern to you: how to give a sense of well being to middle class folks who, despite most economic indicators, do not feel secure? The answer to this question is one of the themes to stress during the State of the Union Address because it was at the core of your campaign, is at the heart of the November 1994 election results, and is the key to your reelection.

At dinner, I offered one answer: to show how your initiatives have put the Nation and especially the middle class on the path toward greater economic and physical security that you have charted. This memorandum addresses your question more fully.

1. You need to restate and reaffirm the economic vision that led to your election.

The recent election results show that the American people have lost sight of where you are taking them, and that the public cannot see any coherence to your domestic and foreign policy initiatives. Your vision for America has become obscure. The midpoint of your first term is the opportunity to demonstrate the coherence and vision that has thus far eluded America. In doing so, you should empathize with the public's frustration at the pace of improvements, and firmly outline the remainder of the path that is necessary for America's economic rejuvenation.

President Roosevelt's declaration that "there is nothing to fear but fear itself" will serve you well if middle class voters become convinced that your path will soon yield benefits. Nearly every policy success you have had can be presented coherently as building blocks that will ultimately result in a more secure structure, but

no such presentation has been apparent.¹ America is moving again: the economy is improving, inflation is low, personal opportunities are expanding, individuals and companies are becoming more technologically adept, the Nation is competing and winning abroad. Nearly all of your initiatives have played roles in this rejuvenation, and your Address should show how they have done so.

Mickey Kantor, during his fine Yale Law School Day session, was asked why the Administration was not more persistent in spreading the message that NAFTA and GATT would generate jobs. He responded that Americans for the first time favored freer trade, but that this issue would not make a material difference to your current standing or prospects for 1996. This response misses the point you made at dinner that your constituency (unlike the public at large) distrusts the trade initiatives and disbelieves the benefits of freer trade, and also misses the equally important point that NAFTA and GATT are two important blocks building toward your economic vision. If your constituents continue to believe your successes are meaningless or harmful to them, you cannot win.² Your Address should lay out, and then the entire Administration must repeatedly explain, the benefits of your initiatives and their role in building coherently toward a clear, worthy economic vision, and in improving middle class security step-by-step.

In doing so, your Address should not shrink from the truth that the middle class tax cut originated with you during the campaign, and that Senator Tsongas and others excoriated you for it. When you faced your first budget, you decided that America's economy and finances had to be rescued before tax cuts could be responsibly considered. Your Address should remind people of that battle, in

¹Such a presentation addresses what the New York Times on January 8, 1995 termed your "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." If voters can be made to see that you have advanced the vision expressed during the campaign, and have won tough fights on the budget, NAFTA, GATT, the Crime Bill in doing so, then both aspects of your "problem" will be solved.

²Similarly, you cannot tolerate a public believing that the 1993 Budget Act simply raised taxes, and did so on the middle class.

which you prevailed without any Republican votes against the special interests and those who wanted you to do less. You should trumpet budgetary reforms which are beginning to reverse the damage of twelve years of crippling deficits that hurt the middle class and America's competitiveness. As a result, now the middle class's understandable pent-up desire for relief--relief you began to deliver in 1993 by restoring to the tax code some of the progressivity that was lost during years of GOP tilt toward the wealthy--can be furthered in 1995.³

In this context, you intend to fight as hard in 1995 for your Middle Class Bill of Rights as you did to restore budgetary sanity in 1993. In doing so, however, you intend at all times to be responsible: to invest in America's, and especially in the middle class's, technological and commercial future in a more complex global economy (as you sought with your 1993 investment package). You intend to stand firm against delivering a quick but ephemeral "fix", resorting to budgetary gimmicks, or tilting again to trickle-down economics.

2. In restating your visions clearly and convincingly, you need to put positive faces on your successes in the same way as Republicans have simplistically demonized their more visible targets.

During the Yale Law School Day briefings, Laura Tyson observed that Republican issues have faces easy to demonize, whereas Democratic issues do not. You made somewhat the same point at dinner with your ten-second summary of what the Republicans stand for, and against. However, during the campaign and beginning of the Administration, the moving vignettes in your speeches put faces on your issues far more effectively than the Republicans put faces on theirs. The empathy you once exuded with these vignettes, particularly for middle class insecurities, must emerge anew.

³This context was missing from your "Middle Class Tax Cuts" speech, except for a brief early allusion. Too often, your initiatives and successes stand alone, without any context to help voters understand their importance.

There are faces to the Family Leave Act, to the tax reductions within the 1993 Budget Act, to the increased trade resulting from NAFTA, to the Americorpsmen and the newly employed, to the initiatives begun by the SBA, Export-Impact Bank, FCC and other agencies, to handgun controls, to GATT.⁴ There are faces to the Brady Bill and to the Crime Bill, which respond to the middle class's fear of violence at school, at work, in the home and on the streets. Your Address should present the faces of your successes, and the faces of your vision. Many of these faces should be in the House Gallery.

In his December 21, 1994 Washington Post column, David S. Broder made the following valuable observation:

"[T]he Republicans...triumphed by putting their negative labels on [Clinton's] initiatives--demonizing the Democrats in the process.

True, there were Republican alternatives on the health bill, the crime bill and the budget. But the Republicans expended no huge effort in promoting them. Rather, they labored to turn Clinton's prescriptions into poison pills. The 1993 budget bill, which could have been described as a tax cut for millions and the most ambitious deficit-reduction measure in years, was instead labeled by Republicans as 'the biggest tax increase in history.' The crime bill, a conservative measure originally supported by scores of Republicans, was relabeled a 'pork bill'; the health bill, a scheme for a 'government-run medical system.'"

Bob Reich's January 5, 1995 speech was a welcome sign that the Administration will be firm and forceful in calling the public's attention to the demons in the Republican agenda. You should in your Address forcefully exercise the demons Broder mentions, and make clear the GOP demons you will be firm in opposing. Despite the battles you have won and lost, the public still wants to learn if there are issues that you consider worth a fight. You are

⁴Just where are the 6 million new jobs you have created? Where has the federal government downsizing occurred? What communities have hired new police under the Crime Bill? I doubt that anyone in America outside of The White House can answer any of these material questions, but you should put faces on the answers. A few telegraphic charts would also help.

surely able to summarize what you stand for and against as clearly and effectively as you summarized the Republican's case at dinner.

3. In foreign policy too, you have persistently pursued a coherent vision, but that coherence has eluded America.

Although this Administration's foreign policy has developed in a ragged manner, the Nation is at peace and the American people overwhelmingly agree with the results. Your Address should demonstrate how your initiatives and successes have furthered democracy and market economics globally, a campaign theme that remains a valid, valuable vision.

Moreover, has America ever before mounted an invasion without losing any lives to accident or enemy fire? Was aggression ever more swiftly deterred than in Iraq? Powell, Carter, Nunn and the military officers who planned and executed the Haitian success have faces too. They should be sitting with the First Lady and be saluted. You can wave the flag too!

Whether the examples are Haiti, Middle East, Ireland, North Korea, Iraq or former Soviet Republics, NAFTA, GATT or the Summit of the Americas, you should express the importance and value of persistence in a post-Soviet world in which the goals of fostering democracy and global economies have replaced the goal of containing an evil empire. Your Address is a good time to remind the public that during 1994 you stood up to the doves on Haiti, the hawks on North Korea, and took care of some unfinished business in Iraq, and in each case showed thoughtfulness, creativity, and strength in your own way.

Conclusion

The November 1994 election highlights the Administration's failures to show its continuing domestic and foreign policy visions, to show the importance and coherence of its initiatives and especially its successes, and to convince the middle class (white males in particular) that Americans are on the path to greater economic and

personal security.⁵ Rarely does a picture emerge from a puzzle in pieces; now that at least half of the pieces are in place, it is time for you to demonstrate both that the emerging picture is the one the voters bought in 1992, and that it remains worth owning in 1996.⁶

In acknowledging the message the electorate delivered last November, and pledging to govern in accordance with that message, you should not entirely abandon your initiatives during 1994. Persistence is one of your strengths, and you are credible as the comeback kid. Thus, the public wants to accelerate welfare reform, campaign finance reform, lobbying reform, and reducing the federal bureaucracy, and therefore you will do so in 1995 more boldly and wisely than in 1994. The public (especially the middle class) wants healthcare reforms, but it wants leaner, less bureaucratic health care reforms, less focused on the poor, and you should respond.⁷

You should use this critical Address to link your midpoint summary and initiatives to your campaign themes, and to the picture you want in place on November 5, 1996. Context and coherence are key. The American people are particularly skeptical of talk, whether it is yours or the Contract's. They want to see action and results, faster and deeper than have been achieved thus far. You should present the actions you have taken these past two years as important, hard won beginnings, which you will now use to give America

⁵The voters also reacted negatively to the lack of discipline in the Administration's style and in the Congressional Democrats' votes, two subjects of our 9/8/94 memorandum.

⁶You should find a subtle way to make the critical distinction between the open, flexible way you develop policy, and the resolution you have demonstrated on the budget, NAFTA, Brady and Crime Bills, GATT once you have fixed on a policy. You need to overcome the "waffler" epithet while using a decision-making style that will never become Reaganesque no matter how much you and the Chief of Staff tighten up The White House.

⁷It will not be credible, and will therefore damage your image, to abandon the healthcare issue on which you and the First Lady staked so much. Why not move to curing portability, preexisting conditions, and other coverage problems in a responsible way, and perhaps propose coverage of every uninsured school child who is a citizen or legal alien? Such a proposal presents a more widely attractive face than government-run orphanages, and moves toward solving the Nation's healthcare deficiencies.

and Americans the opportunities to move further along the path to increased strength, security, and well-being.¹

In short, one key to reelection is to present yourself as a thoughtful President who avoids quick fixes like Proposition 187, the repeal of affirmative action, the creation of orphanages, the early budget-breaking tax cut. Your own style of leadership and strength must emerge from the creative, responsible, persistent effort to invest in sound fiscal, economic and foreign policies in a post-demon world. If the public begins to perceive the benefits from and you begin to receive the credit for your initiatives, a Nation at peace, with a strong economy, low inflation and low unemployment, will reward a President who expresses a continuing, clear, coherent, worthwhile vision.

RSR/cb

cc: Honorable Hillary Rodham Clinton

¹While your Address should not be overtly partisan, it should set the stage for more overtly partisan speeches to come when Republican protestations of cooperation evaporate into battles over philosophy and details. In those speeches, it will be even more important to define yourself by what you oppose. However, the State of the Union is the occasion to define yourself primarily by what you support.

Jim Hoagland

British Words To the Wise

For the Record

From remarks by PBS President Ervin Duggan and Gil Klein at the National Press Club Tuesday.

Gil Klein: It's not very often you get to meet the object of a revolution. But that is who we have speaking to us today. The colonists had King George III, the French had Louis XVI, and the Bolsheviks had Nicholas II. When Newt Gingrich, the leader of the Republican revolution was asked, "What in the federal budget would first feel his ax," he answered, "The Corporation for Public Broadcasting." "Zero it out," he says, which is the modern version of "off with its head."

Ervin Duggan: Elizabeth Campbell, the great founder of WETA and the reigning matriarch of public broadcasting in America, asked me if I would make a farewell presentation to you ... a book called "Televisonaries." It is for the National Press Club library, ... and the pictures on the front appear to be pictures of wealthy plutocrats who endowed public television, and all the people who are not plutocrats in this country are in their debt.

Mr. Klein: The last question is: To avoid this elitism tag, why not put on something like "Favorite Tractor Pulls From Around America?"

Mr. Duggan: We put on ... "Austin City Limits," ... one of the longest-running country music programs in the country, and we had, in Pasadena before the television critics last week, several country music stars who said they learned to play the guitar by watching public television.

I suppose I could have worn my bib overalls to make this speech today. We are not elitist. Every fact, every shred of research suggests that the audience for public television looks like America, looks like schoolteachers, grandparents, grass-roots people who love what we do and want it to continue.

Don't go wobbly on Boris Yeltsin now. Don't muck up what may be the last chance for a repugnant but necessary settlement in Bosnia. And don't get at cross-purposes with John Major on Northern Ireland, perhaps the British prime minister's only hope for political survival.

Douglas Hurd, Major's foreign secretary, was not this blunt or simplistic in his talks with administration and congressional leaders here this week. Hurd is no Maggie Thatcher, the Iron Lady who admonished George Bush not to go wobbly when Saddam Hussein invaded Kuwait.

But boiled down, these were the central messages Hurd communicated with edge and purpose in his 24-hour visit—a trend-setting diplomatic mission to a Washington occupied since Nov. 8 by Republican majorities in Congress.

It was never clear that Bush needed Thatcher's spine-stiffening as much as her aides later claimed. But Hurd carried messages that Washington's newly bifurcated foreign policy establishment needed to hear and should now absorb. These are urgent topics on which Democrats and Republicans should speak if not with a single voice then with a joint purpose.

Other allied foreign ministers and rulers will follow Hurd to Washington in the weeks ahead to assess, and influence, Republican intentions and capabilities on foreign policy. In his talks on Capitol Hill, Hurd sought to expose the

Douglas Hurd's spine-stiffening mission to GOP-occupied Washington.

vision of a disorderly and dangerous world to Republican legislators saddled with new responsibilities and limited learning time.

Hurd, foreign secretary since 1989, was not nearly as insufferable as Brits can be in playing the role Harold Macmillan originally proposed: weakened but worldly wise Athenians guiding the brash, more powerful Romans (the Americans) on the world stage. Instead Hurd was crisp and direct.

He used a *Realpolitik* argument in opposing Bob Dole's efforts to force the Clinton administration to stop observing the U.N. embargo on arms shipment to Bosnia.

Once at bitter odds over Bosnia, the State Department and the British Foreign Office now stand together in fending off Dole's attempt to take the high ground on Bosnia. The Anglo and American diplomats are warning their politicians that Dole's embargo-lifting course will plunge the Bosnians into an all-out war that they will quickly lose.

Will Dole run that risk if the current shaky cease-fire does not hold? And is he prepared to support major American military action to rescue the Bosnians once the embargo is lifted? Hurd's questions should echo through the debate on Dole's proposed legislation to lift the embargo this spring.

The foreign secretary was also blunt on Northern Ireland, where peace talks with the Irish Republican Army loom. Americans should press the IRA to turn over its large hidden quantities of Semtex, a particularly lethal explosive given to the guerrilla organization by Libya's Moammar Gadhafi. This could help Major's government—riding at a 10 percent approval rating in public opinion polls—pull an Irish peace rabbit out of the hat.

But it was on Yeltsin that Hurd's message was perhaps most compelling and phlegmatic at a moment when Washington has begun to show an uncharacteristic wobbliness because of Yeltsin's botched offensive in Chechnya. An early and ardent supporter of the Russian president, the British diplomat believes the West must continue united and public support for Yeltsin as the embodiment of democratic reform, come what may.

Administration officials heard the foreign secretary suggest they should tone down public criticism of Russian actions in Chechnya while making it clear in private to Moscow that the brutal military campaign has to be ended quickly—and effectively.

That is a different emphasis from what Washington is hearing from Bonn, where Chancellor Helmut Kohl bows to public opinion by distancing himself from Yeltsin on Chechnya, and from Paris, which has never been enthusiastic about Yeltsin and which would not mourn his being brought down by this crisis.

Two straws in the wind suggest that President Clinton or his aides need some spine-stiffening on Russia now. As Hurd arrived in Washington, Clinton spokesmen were denying Russian reports that Clinton would go to Moscow in May to meet Yeltsin. This followed Clinton's failure to find an hour for a bilateral session with Yeltsin during the European security summit in Budapest on Dec. 6. These are small public slights that gain Clinton nothing politically but which the Russians will not forget.

The implicit subtext of Hurd's visit was a familiar but particularly apt one for a politically divided Washington establishment sorting out its foreign policy priorities: Clear and consistent American leadership is vital to allied unity and success of the Russian revolution. That is one thing Nov. 8 did not change.

Not need to obscure
This — B

THE PRESIDENT HAS SEEN
1-19-95

16

THE SECRETARY OF VETERANS AFFAIRS
WASHINGTON

January 18, 1995

MEMORANDUM

TO: William J. Clinton
President of the United States

FROM: Jesse Brown
Secretary of Veterans Affairs

SUBJECT: Veterans Participation, State of the Union Address

CC: Don Bauer

Mr. President, on January 24, 1995, you will deliver the State of the Union Address. I believe that it is important to note that when you speak to "middle class" Americans, you are speaking to "veterans." There are 27 million veterans and 96% have incomes of \$50,000 or less. Many of the nation's veterans will benefit from the Middle Class Bill of Rights. I believe that it is important for you to reach out to this special audience by recognizing their contributions during military service.

No President, in recent memory, has mentioned veterans in the State of the Union Message. I recommend that you honor veterans during the State of the Union message by recognizing three Medal of Honor recipients, one each, from WWII, Korea and Vietnam, requesting that they stand and be recognized by the chamber. After recognizing this distinguished group, it is appropriate to request that all veterans in the audience (198 House and Senate members are veterans) to rise for recognition. Subsequently, I suggest that you pay tribute to those men and women standing by making the following statement: "As Commander-In-Chief, it is an honor for me to stand in tribute to all men and women who have put themselves in harms way for this great nation."

In addition, I recommend that you invite the National Commanders and Executive Directors of the three major Veterans Organizations to attend the State of the Union Address. With your approval, I will be pleased to coordinate this.

By recognizing this group of middle class Americans, you further define the commitment of your Administration to those who have served and continue to serve the nation. Your recognition of veterans will capture the attention of an important audience and promote their support of the Administration's proposed reforms and programs.