

Chron

Phil

THE PRESIDENT HAS SEEN
515198

RECOMMENDED TELEPHONE CALL

TO: Elaine Schuster

DATE: ASAP

'98 APR 30 PM 3:28

RECOMMENDED BY: Craig T. Smith *CT*

PURPOSE: To send YOUR condolences on the death of Elaine's father.

BACKGROUND: Elaine's father, Burt Siegal, passed away on April 29. Burt was 93 years old at the time of his death. Elaine's mother has already passed away.

Her husband, Gerald, owns Windgate Properties.

YOU will be hosted by Elaine on May 9, 1998. Elaine hosted the First Lady in her home during the fall 1997.

Elaine is active with WLF and a longtime supporter of the Democratic National Committee.

TELEPHONE NUMBERS: 617-738-4055

DATE OF SUBMISSION: April 30, 1998

ACTION: _____

*Copied
Smith
Bowles*

THE WHITE HOUSE
WASHINGTON

May 1, 1998

THE WHITE HOUSE HAS SEEN
515198

Mr. President:

I have attached a condolence letter
in case you don't want to make this
call.

Phil Caplan

Recommended telephone
call to Elaine Schuster
to offer condolences
on the death of
Elaine's father.

Call

THE WHITE HOUSE
WASHINGTON

April 30, 1998

Ms. Elaine Schuster
132 Yarmouth Road
Chestnut Hill, Massachusetts 02167

Dear Elaine:

Hillary and I were deeply saddened to learn of your father's death. Our hearts go out to you, and we hope that the loving support of your family and friends will bring you strength and comfort during this difficult time. We are keeping you in our thoughts and prayers.

Sincerely,

Bill Clinton

U.N. Chief Denies New Rwanda Charges

By The New York Times

UNITED NATIONS, May 4 — Secretary General Kofi Annan today dismissed renewed accusations that he was among those at United Nations headquarters who were warned in early 1994 that a campaign of genocide was coming in Rwanda and did nothing.

"It's an old story," Mr. Annan said in Nairobi, when told of an account in *The New Yorker* that as Under Secretary General in charge of peacekeeping he had ordered peacekeepers in Rwanda not to intervene after an informer had said lists were being drawn up and weapons stored for an assault on Tutsi.

Mr. Annan, who is on an eight-nation tour of Africa, said, "The

A 'lack of political will' led to killing, Annan says.

failure to prevent the 1994 genocide was local, national and international," adding that the failure included important nations with the power to make a difference.

"The fundamental failure was the lack of political will, not the lack of information," he said.

The American, French and Belgian Embassies in Kigali, Rwanda, were told about the warning imme-

diately, and the Security Council later received a less detailed briefing, United Nations officials have said.

Those officials and independent experts say the Clinton Administration effectively blocked international involvement for months, even after the killings had begun to run their destructive course. On a recent visit to Rwanda, Mr. Clinton apologized for the inaction.

"No one can deny that the world failed the people of Rwanda," Mr. Annan said today. "But the crucial issue is not how to apportion blame with the benefit of hindsight."

Rather, he added, "we should be asking how we can insure that such a tragedy can never happen again."

Argentina to Seek Extradition Of 2 Executives From U.S.

By CLIFFORD KRAUSS

BUENOS AIRES, May 4 — An Argentine federal judge investigating allegations that I.B.M. gave Government officials up to \$21 million in bribes in exchange for a lucrative bank contract said tonight that he would seek the extradition of two current and two former I.B.M. executives if they refused to come to Buenos Aires to testify voluntarily.

"They know they are implicated here, and that's why they don't want to come," Judge Adolfo Bagnasco said. "If they don't come voluntarily to testify, I will have to ask Interpol to capture them with or without the assistance of the U.S. Government."

The Argentine judge said he would wait two weeks, after which his extradition efforts promise to mean years of legal battles in the United States, Brazil and perhaps other countries.

I.B.M. has consistently said that its executives in the United States knew nothing of any bribes that employees in its Argentina unit may have given to win a major contract with the state-owned Banco de la Nación in 1994 and 1995. Nevertheless, because of the case the company has suffered more than three years of bad publicity and lost Argentine Government contracts worth hundreds of millions of dollars.

In an interview with American reporters, Judge Bagnasco, who is effectively the chief prosecutor in the case, said there was growing evidence that the local unit was not simply a rogue operation. He noted

that last week Ricardo Martorana and Gustavo Soriani, the former president and vice president of I.B.M.'s Argentine operations, testified that their supervisors in the United States had total control over the contract negotiations. Meanwhile, a former Banco de la Nación executive was the first official to say that he had accepted a payoff, of more than \$1 million, as a sign of I.B.M.'s appreciation.

Two of the four people sought by Judge Bagnasco, who supervised the company's Argentina operations at the time of the payoffs, still work for the company. The two others, both senior officials, are Brazilians and have since left the company.

I.B.M. issued a statement last Wednesday saying the four men would be willing to give evidence to American, but not Argentine investigators. Fred McNeese, the I.B.M. spokesman who is authorized to comment on the matter, was unavailable to comment tonight, according to his secretary.

In an April memorandum to the Argentine Government, the Justice Department said it needed hard proof before it would turn anyone over to the Argentine authorities.

Banco de la Nación granted I.B.M. a \$249 million contract to install new computer software, redesign its telephone systems and train 12,000 employees in how to use computers. After I.B.M.'s local Argentine unit paid local company \$21-million, Argentine tax auditors began asking questions.

*Summary
What's the deal here?
Too far called?
For extradition
Treaty w/ them?
BZ*

The New York Times

TUESDAY, MAY 5, 1998

THE PRESIDENTIAL SEVEN
5-6-98

Sunday

copied
Berger
Bowles

Black U.S. Marine Assaulted In Wave of Racism in Moscow

By MICHAEL R. GORDON

MOSCOW, May 4 — A black American marine has been severely beaten by a band of Russian skinheads in a new wave of assaults against foreigners of African and Asian descent.

The attack occurred in daylight on Saturday at Fili Park, a busy area where Russians often buy compact disks, according to Western officials.

The pattern of assaults has become so worrisome that the American Embassy has two times alerted United States citizens, particularly those of African or Asian origin, that they may be the subjects of unprovoked attacks.

Other embassies have issued similar warnings.

Foreign student groups have complained that the Russian police have routinely failed to protect them.

Racism is hardly a new problem here. Even though the Soviet Union portrayed itself as a defender of the third world against a colonialist West, there had been a strong current of racism in Soviet society.

And with many Russians struggling to make ends meet after the collapse of the Soviet Union, Africans, people of the Caucasus and Jews are routinely faulted for the many ills of Russian life.

Before the celebration of the 850th anniversary of Moscow, in September, the city cleared the streets of refugees from third world countries, according to Human Rights Watch, a nongovernmental organization. Visitors from Central Asia and the Cau-

casus were also harassed.

Even Aleksandr I. Lebed, the retired general and would-be governor of the Siberian territory of Krasnoyarsk, engaged in racial stereotyping when he told a group of voters that Nigerians were responsible for the sale of drugs.

But recently the confrontations have been more ugly — and more violent.

The latest assaults are the works of neo-Nazi skinheads, or "skinny," as they are called in Russian. Wearing high-top boots, jeans or camouflage pants, the small bands represent a small minority of Russian youth.

The skinheads, however, recently struck fear among foreigners of African and Asian origin when they proclaimed that they would step up their attacks to commemorate Hitler's birthday, April 20.

At first the main area of concern was near dormitories where foreign students live near the Russian University of People's Friendship in southwestern Moscow.

Formerly known as Patrice Lumumba University, after the Congolese revolutionary, the university still draws African and other foreign students because of its prestige in the third world and its low tuition.

But two Asian women were reportedly beaten near Novy Arbat, a main thoroughfare in central Moscow. That prompted the American Embassy to issue its first warning.

Asian and African embassies have also warned their citizens to take special precautions.

Sandy
I visited this
university when
I knew a friend
in 69 — racism
was just
then — no
prevalent
two
skinheads

The New York Times

TUESDAY, MAY 5, 1998

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5-6-98

Foreign Affairs

THOMAS L. FRIEDMAN

Booting Up Africa

Jim Lowenthal is wiring Timbuktu.

Mr. Lowenthal runs a small Internet company based in Morocco that has an unusual contract from the U.S. Agency for International Development. His job is to go to the most remote African countries and establish Internet nodes in their capitals so that anyone there can make a local phone call and get on the World Wide Web. He's already helped bring Mali, Madagascar, Mozambique and Guinea on line, and is in the process of wiring Benin, the Ivory Coast and four others, as well as helping design Internet access for Timbuktu, in Mali — the city that is a synonym for the most obscure spot on earth.

"Timbuktu is a small town, but in the 14th century its university was a center of learning for the Arab world, because it was a key crossroad for caravans traversing the Sahara," said Mr. Lowenthal. "It's now a town of sand and shrub but with amazing archives that are piled up and deteriorating. The Mali Ministry of Culture would love to share them with the world but they never had a way. The Internet gives them the way."

Projects like Mr. Lowenthal's highlight why globalization can leave one simultaneously optimistic and pessimistic about Africa. Globalization does two things at the same time: It increases the gap, further and faster than ever before, between those partaking of the information revolution and the global economy and those who are not. So the gap between the Rift Valley and Silicon Valley is growing exponentially.

But at the same time, globalization and the information revolution offer an escalator from poverty into the global economy that also moves further and faster than ever before for countries that get the basics right. Global investors are always looking for the next great opportunity, and Africa has the potential to be that.

"What U.S. A.I.D. is trying to do," says Mr. Lowenthal, "is broadly disseminate the basic information infrastructure that will allow African countries to move from one step to the other. And the great thing about the Information Age is that you can move from 0 to 60 much more quickly than in the Industrial Age, if you get the basic digital information technologies. I just came back from Guinea-Bissau. It has one of the least developed telecom systems in Africa, but two entrepreneurs there just put up a three-story building

that is completely wired. They're now running a computer training center, an Internet cafe and a marketing business for next-generation information technology solutions. You should see the colorful web page designs now coming out of Africa by their own Webmasters."

Sure, it's just one building in a big continent, but that's how it starts. Americans don't realize that when they go to the doctor and get examined and the doctor dictates his notes from the examination onto a tape, that tape often gets shipped on the Web to a housewife in Ireland who transcribes it in her spare time for a fee and then sends the transcript back on the Web. There is no reason, with some basic English education and

There's good news and bad news.

digital infrastructure, that Africans cannot get into this lucrative area of telecomputing and data processing.

No, the Internet will not solve the problems between Hutu and Tutsi in central Africa or cure AIDS in Kenya. And yes, power in Africa still resides with those with the guns, not those with the phones. Africa's tribal and economic problems will not be solved overnight or on line. But all of these problems are related to, or exacerbated by, chronic underdevelopment, and the Internet gives Africans a new tool to leapfrog back into the game.

In 1977 there was a movie, "Black and White in Color" about French and German army units that were caught in West Africa at the end of World War I, but because the local newspapers were six months old, they never got the news that the war was over, so they went on fighting while the Africans watched in amusement.

"If they made that movie today it would be about how Deutsche Telekom and France Cable et Radio were competing over who will get to privatize the telephone system in Senegal by offering the most connections at the cheapest cost," argued Mr. Lowenthal. "If you don't factor the Web into your analysis of Africa, you're going to miss something. We're just two years away from large numbers of people in Africa being able to tell their own story, and that has got to impact politics there." □

The New York Times

TUESDAY, MAY 5, 1998

THE PRESIDENT HAS SEEN
5-6-98

Sandy Green

This is exciting
We should put it
to do more of it

ES

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Sperting

5-6-98

E. J. Dionne Jr.

Some Good News About Teen Pregnancy

The Washington Post

TUESDAY, MAY 5, 1998

It's easier to find televised debates on abortion, gun control or affirmative action than to run across serious talk about teen pregnancy. We seem to love issues that can be squeezed into ideological formats that allow people to scream at each other with commercial breaks in between and a handshake at the end.

Yet teen pregnancy, especially the birth of children to single mothers who get little or no support from the dads involved, is a huge social problem—and the source of many other personal and social calamities.

It is also a matter on which there is good news. On Thursday, the National Center for Health Statistics announced that the percentage of teenage girls having babies declined for the sixth year in a row. The overall teen birthrate has fallen 12 percent since 1991, and it's down 21 percent among African Americans.

Beneath the media radar screen, people of very different social, moral and religious views decided they faced a choice: They could keep arguing, or they could try to help kids. Sarah Brown, the director of the National Campaign to Prevent Teen Pregnancy, used to put it this way: "While the

adults are arguing, the kids are getting pregnant."

For many years, the teen pregnancy debate fit nicely into that televised ideological format. One side said the answer lay in promoting sexual abstinence among teens. The other pushed for birth control education and the distribution of contraceptives. The abstinence side argued that the birth controllers were promoting premature sexual activity. The birth control side said the champions of abstinence were naive moralists.

The new study suggests both sides have reason to celebrate: The new decline in the birthrate appears to be the result of both reduced teen sexual activity and better birth control.

Even before the evidence started coming in, many people on both sides of the old debate had grown weary. They also became more practical, and this was reflected in new programs. The most successful approaches, says William Galston, a professor at the University of Maryland, combine strong preaching of abstinence, especially for teens 16 or under, with counseling on birth control. The core idea is that teaching clear values is essential to helping teens avoid early sexual activity and

pregnancy. But birth control advice is needed as a backup. "Technique without values gets you nowhere," says Galston. "But values without a safety net is a risky business."

Brown pointed to the acclaimed Teen Outreach Program, which started in the St. Louis public schools. It includes not only sex education and contraception advice but also intense involvement by adults who serve as counselors and role models (to provide an alternative to peer pressure) and many programs that offer kids "useful things to do."

The idea of mixing an emphasis on values with birth control information is where most Americans are. Polls show that parents overwhelmingly want teenagers to avoid sex but also support giving them birth control information. In other words, Americans mix strong moral views with a devotion to pragmatism.

Parents might take that approach to heart. "One way to prevent pregnancy is for parents to talk to their kids about values," said Isabel Sawhill, president of the National Campaign. "Parents have gotten very timid about their willingness to do that and have started to doubt that their voices matter to their children. The studies show that their voices do matter."

And if we care about teen pregnancy, we'd

do well to get serious about the problems of poverty. Kristin Moore, president of Child Trends, notes that the same factors that predict drug use, school problems and delinquency also predict teen pregnancy. They include family dysfunction, child abuse, early difficulties in school—and poverty. Preventing pregnancy in the teen years requires intervention in the early years, especially in the first years of school. If children can succeed in those years, they can develop the motivation and self-respect to avoid both premature sexual activity and pregnancy.

And a final bit of good news: The National Campaign gave an award recently to the California communities of Bloomington and Colton, near San Bernardino, for a program that brought together the most socially conservative and socially liberal to find common ground on preventing teen pregnancy.

Galston sat with the group at the awards dinner. "People who had been throwing grenades at each other for many years," he said, "found that they could not only come together and talk together but also work together." Fighting the culture wars may make for good television, but solving problems makes cease-fires worthwhile.

THE PRESIDENT HAS SEEN
5-6-08

Calvin
good piece
PC

copied
Emanuel
Bowles

Workfare's Misguided Critics

By Mickey Kaus

WASHINGTON
In 1935, in the middle of the Depression, President Franklin Delano Roosevelt ended a huge Federal program that gave cash welfare to the able-bodied poor, declaring it "a narcotic, a subtle destroyer of the human spirit." Instead, he created a large public jobs program, the Works Progress Administration, which eventually employed more than three million Americans and built a lot of New York City's public works, including La Guardia Airport.

What would happen today if we substituted F.D.R.-style public jobs for cash welfare in New York City? We now know the answer. The effort would be attacked for taking work away from unionized municipal

Many of those finding fault with welfare reform don't understand the goals.

workers. It would be called "slavery" by union officials and criticized for forcing the poor into "menial" tasks like cleaning parks. Such jobs, the critics would complain, don't necessarily lead to good private employment. These are the accusations currently leveled at Mayor Rudolph Giuliani's workfare program — which, like the W.P.A., offers the poor last-resort jobs instead of a cash dole.

Roosevelt's rationale for the W.P.A. was basically the same as the rationale for workfare today: if people can't find private sector work, it's better to give them useful public jobs than to pay them to sit at home and do no work at all. The main difference is that today's workfare programs extend that rationale to a group the W.P.A. didn't cover: single mothers, who often need subsidized child care.

Workfare, and welfare reform in general, offer a way to "break the culture of poverty and dependence," as Bill Clinton said during the 1992 Presidential campaign. The idea is not merely to give those on welfare the dignity of earning their way.

The hope is that once work is required, those not on welfare will avoid making the decisions — like having children out of wedlock — that might put them on welfare. Eventually, communities of mainly fatherless welfare families will become communities of mainly intact working families. That's the hope, anyway.

Workfare in New York has hardly been perfect. Recent published reports have revealed major holes in the city's child care system. Other accounts, and a lawsuit, have de-

Mickey Kaus, the author of "The End of Equality," writes a column for Slate magazine.

scribed workers as lacking adequate protective gear and restrooms.

But these problems can be fixed. Working conditions have already improved. The Mayor's latest budget more than doubles the money set aside to provide child care to help welfare mothers go to work.

And other, broader criticisms of workfare reflect basic misunderstandings of its role, and of the goals of welfare reform. Here are the main spurious criticisms:

- "Workfare doesn't move people into private full-time jobs."

Only those who fail to find private sector work wind up on workfare. Let's say someone walks in the door of a welfare office. If the reformed system works as it should, a case worker would immediately try to "divert" that person into private work by, say, helping her find child care, if lack of it is the reason she is unemployed. Those who aren't diverted then go through a "job search" program, which teaches job-hunting techniques and provides leads. Only if the person can't find a job in 30 days would he or she "work off" the welfare check in a workfare job.

It's crazy to expect the people who end up in these last-resort jobs to be the ones who will fly out the door into the private sector. The people who move most quickly into private jobs will be those who don't show up at the welfare office in the first place, because they figure that as long as they're going to have to work, they might as well go straight into private employment. If these people are getting jobs, the only statistical indication will be a declining welfare caseload. New York City's caseload has fallen by almost a third in three years.

Jason Turner, Mr. Giuliani's new Commissioner of the Human Resources Administration, plans to do more to help welfare recipients find work in the private sector, through job search efforts that continue after recipients are assigned to workfare.

Even so, many will stay on workfare without finding private jobs. But at least they're working. They



can hold their heads up. And there is some evidence that workfare teaches discipline — like showing up on time — that can be useful in preparing these workers for the labor market. A study conducted in San Diego by the Manpower Demonstration Research Corporation found that one group that got job search training followed by workfare was about 32 percent more likely to be employed a year and a half later than those who received only job search training.

- "Most of those dropped from welfare don't get jobs."

There has been a big fuss about a survey showing that only about 30 percent of those who came off the welfare rolls in New York City from July 1996 through March 1997 showed up on the tax rolls as earners in the first quarter after they left welfare. But the survey doesn't in-

clude those who, thanks to workfare, go right into jobs without ever applying for public assistance. It doesn't count self-employed workers — like waitresses, laborers or day care providers — if they don't report their earnings. It doesn't count the large number of employers who file their quarterly reports late, or not at all.

Most important, welfare reform hasn't necessarily failed just because single mothers leave the rolls and don't take jobs. Many women leave the rolls because they marry men who can support them. Some get help from friends or family. If former welfare recipients were showing up in shelters or on the streets, that would be bad news. But that doesn't seem to be happening.

- "Workfare workers are doing jobs once performed by regular civil servants."

Sometimes critics complain that workfare jobs are menial or dead-end. At other times they complain that workfare is taking desirable civil service jobs away from others. Which is it? The truth is that the more useful the work is — cleaning streets, for example — the more likely it is to be work that regular city workers once did, or still do.

It's perfectly reasonable for unions to insist that no current civil servants be laid off to make way for workfare. But once jobs open up through attrition or buyouts, why not fill them with workfare workers? Sure, workfare wages are lousy. Workfare can't pay union wages, or else half the city would go on welfare to get a workfare job.

Last-resort wages, as F.D.R. said of the W.P.A., must be "not so large as to encourage rejection of opportunities for private employment or the leaving of private employment to engage in government work."

Incidentally, Roosevelt had trouble with unions, too. In 1939, they demanded that the W.P.A. pay "prevailing" — that is, union — wages, and they staged a strike. F.D.R. broke it. □

The New York Times

TUESDAY, MAY 5, 1998

THE PRESIDENT HAS SEEN
5-6-48

Rahm
Good piece

Bc

Meyer is worth doing
a well known before uplast
on radio address -

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Rahm
Bowles

HE HAS BEEN
5.6.98

Maria E
met him on last trip
seemed sharp - might
want to check out
events here -
CALIFORNIA LEGISLATURE
TONY CARDENAS
ASSEMBLYMEMBER, THIRTY-NINTH DISTRICT
DISTRICT OFFICE
9140 VAN NUYS BLVD.
SUITE 109
PANORAMA CITY, CA 91402
PHONE (818) 894-3671
FAX (818) 894-4672
E-MAIL: a39@assembly.ca.gov
STATE CAPITOL
SACRAMENTO, CA 95814
PHONE 445-1616
FAX: 324-6860

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Maria E.
Bowles

Maria E

met him on last trip
seemed sharp - might
want to check out
keep him in mind for
events here

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Baqala
Bowles

THE WHITE HOUSE
WASHINGTON

Date 5/6

To: Paul Baqala

From: The Staff Secretary

See POTUS' note. If
you think we should reply,
maybe you could draft
something. I'm not so sure
that we should though. You might
want to check with McCurry. Phil

April 28, 1998

Dear Mr. President:

HE PRESIDENT HAS SEEN
5-5-98

Just a word of thanks for offering your take on "Spin Cycle" at the correspondents' dinner Saturday night. Your high-level attention should cause sales to skyrocket among the millions of C-SPAN junkies, who probably even got the Lanny Davis reference. You did leave out the spinmeister who did damage control for George Washington after he whacked that cherry tree, but otherwise your historical review was right on the money.

I'm sorry we didn't have a chance to have an extended conversation while I was writing the book, but I hope, if you've looked at it, you've found the book to be fair. Some people who've read it say the press comes off worse than the White House. Perhaps that's why a number of thin-skinned (or no-skinned) journalists are ticked off at me. One thing I've learned is that folks on your side of the fence are used to taking their lumps from the media. Wish I could say the same for some of my colleagues, and that's no spin.

All the Best,

Howard Kurtz
Howard Kurtz

*Book should be
returned to
Library!*

April 6, 1998

Memorandum

To: The President
From: Nancy Hernreich
Kari Oudenhoven
Re: Stanley Sheinbaum Fa.

Stanley Sheinbaum sent you a copy of Bob Scheer's review of Howard Kurtz's book "Spin Cycle", from the LA Times on Sunday, March 29, 1998.

Spin Cycle is a book about the conflict between the journalists who are eager to discredit and a White House equally determined to prove they can govern in this scandal filled atmosphere.

The White House press corps are not interested in real issues, which is obvious when Mike McCurry can get through a day with important policy issues, yet the only questions asked are scandal related. Kurtz mentions Mike Deavers use of alternative methods instead of outright discussions with correspondents, which he viewed as unsuccessful. In reality, Deavers was more successful in manipulating the media to end the Iran-Contra Scandal than the Clinton Administration has in its dealings with Whitewater or Monica Lewinsky.

Kurtz's book never addresses the fact that the public has proven they are not interested in the sensationalism. He also only limitedly discusses the problem of high income media moguls, who are becoming too distant from the general public.

Kurtz comments that Maureen Dowd has been especially hard on the White House. Overall, Scheer finds Kurtz's book flattering to you and your strict focus on running the country, while the White House press corp look petty and shallow. Unfortunately, in the epilogue Kurtz reverses himself to say that you are almost finished. Scheer states that you have been judged unfairly by receiving too little credit for the economic successes and keeping us out of war, yet this seems to be what reporters do not care about, Kurtz included.

③ ERB for TT

① cc: T. Branch

Ed B

Rahn

Paul

McCurry

② Ask Press Office
for cc of book

f. Press. file



Stanley K. Sheinbaum

*Kari as James
Summerville*

Fax

To: Nancy Herrnreich

From: Stanley Sheinbaum

Fax:

Pages: 7

Phone:

Date: 03/30/98

Re:

CC:

☐ **Urgent** ☐ **For Review** ☐ **Please Comment** ☐ **Please Reply** ☐ **Please Recycle**

• **Comments:**

For the President. Thank you very much!



Stanley K. Sheinbaum

30 March, 1998

President Bill Clinton
First Lady Hillary Rodham Clinton
The White House
Via Fax

Dear Bill and Hillary,

I cannot resist this excellent counterattack by my good friend Bob Scheer in his review of Howard Kurtzer's book on the Washington press corps.

Warmly,

Stanley K. Sheinbaum
SKS/kc
enclosure



Archives

GO

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GO

Los Angeles Times

ARCHIVES

HELP

Sunday, March 29, 1998

Home Edition

Section: Book Review

Page: 3

Belt-Way Blues; What Happens When One Hand Washes the Other;

SPIN CYCLE: Inside the Clinton Propaganda Machine. By Howard Kurtz . Free Press: 326 pp., \$25;

By: ROBERT SCHEER

Robert Scheer is a contributing editor of The Los Angeles Times

During his recent trip to the White House, U.N. Secretary-Gen. Kofi Annan complained that none of the reporters present was interested in any subject other than the ongoing Clinton sex scandal. "I wish you would concentrate on my issues. I don't come every day," Annan complained--to no avail.

Annan's issues included the elimination of weapons of mass destruction and the avoidance of a war that likely would have left tens of thousands of innocent Iraqi dead, but the White House press corps couldn't have cared less. It was no different than the supercilious contempt afforded other world figures who have traveled in the past months to Washington to secure the ear of our president and nation.

But it is not just international matters that are treated with this scorn of indifference. The Annan incident, which occurred after the publication of Howard Kurtz's book "Spin Cycle," proves to be typical of the gossipy contempt for real issues that has come to define the Washington press corps. Kurtz, media critic for the Washington Post, presents as much detail as one can stand about how the daily White House news cycle bears almost no relation to news of national and international significance. Instead, the gathering of news has been reduced to the nauseating ritual of gotcha journalism followed by presidential denial, a process that clearly explains why the public is so turned off.

They have every right to be: The Washington media elite, as portrayed here, is a collection of blathering narcissists preoccupied with the sensationalism that feeds their careers to the exclusion of anything that might interest an ordinary citizen. That is the inescapable conclusion of this valuable insider's view of the battle between the people who cover the president and those who are paid to preserve his reputation in the face of their onslaught.

In his introduction, Kurtz warns that "Spin Cycle" is about the conflict between journalists eager to discredit and a White House equally "determined to rout the journalistic naysayers and prove that they could govern in this scandal-charged atmosphere. Neutralizing the media had become ground zero in the struggle for supremacy, and the spin would clearly be as important as the substance."

Understand that by "substance," Kurtz is not referring to the national debt, inflation, unemployment, the Asian economic crisis or the unfolding issues of welfare reform. Presidential spokesman Mike McCurry was prepared to answer those and other serious questions that he hoped would emerge. But no reporter ever asked. One question McCurry recently expected, Kurtz writes, was: "What was the U.S. policy on this land mines bill now before Congress?" What indeed? I would have loved to have read about how McCurry made sense of the fact that the United States is one of the few nations that has refused to sign off on the international campaign to ban land mines, whose organizers received last year's Nobel Peace Prize. But, again, no reporter ever asked.

It is a testament to the superficiality of the White House press corps and the influential editors, anchor stars and columnists who buttress them that issues of public policy are rarely raised in this 326-page book. There are 18 references to Paula Jones in the index but none to welfare. Fund-raiser John Huang rates 16 references, but Saddam Hussein, with whom we almost went to war, does not appear. Even Kurtz, like a sportswriter covering golf, is invested in the game being covered though he acknowledges, in various asides, that it is hugely boring.

No one can doubt the expertise that Kurtz brings to the game of political spin. He knows all of the players, and many have obviously confided in him, expecting these favors to advance their careers. That is a given, because one thing the book does establish is that career advancement is all that really matters: "For all the animosity, the White House spinners and their cynical chroniclers were ultimately joined at the hip in a strangely symbiotic relationship. . . . McCurry and company needed the press to peddle their message to the public, and the journalists needed an action-packed presidency on which to build their reputations and name recognition."

Nor will McCurry, "smart as hell and extraordinarily helpful," and the others on both the White House and visiting media teams, who entrusted Kurtz with their confidences, be disappointed. He pays them the compliment of taking their petty bickering and incessant whining seriously. But to anyone not initiated into the sacred rituals of the game, the participants seem like any other group of self-absorbed, overpaid athletes submerged in their sporting careers and devoid of ideas or concerns regarding life outside the stadium. They speak comfortably in the self-inflated but vacuous idiom of a wide receiver turned television announcer.

Clearly the ambition of this generation of journalists is to exceed the high-scoring days of Watergate. They are paced by the still-performing veteran Bob Woodward, mentioned frequently here, but most often the yardstick is chalked up by those for whom Nixon and his crimes are only a movie memory.

Kurtz himself falls into the trap of believing that presidential history begins with Watergate: "As the campaign financing scandal exploded, McCurry found himself facing the question that had dogged every presidential press secretary since the Nixon administration: whether it is possible to tell the truth, or something approximating the truth, in a highly polarized and constantly shifting political atmosphere." Was this not a problem for pre-Nixon presidents, say Lyndon Johnson, when he made lying about Vietnam the essence of his governance?

There is a generational parochialism at work here in the underlying assumption that the

spin of the Clinton White House is somehow uniquely skillful. Yet nothing the Clintonites have accomplished in the way of media manipulation matches the flawless performance of spokesman Mike Deaver during the Reagan years, particularly when he had to explain those long stretches when the president was off dozing in another world. Kurtz acknowledges that Deaver, "who had choreographed much of Ronald Reagan's presidency, was legendary for his steadfast belief that television pictures mattered far more than what the correspondents said. The entire Reagan administration was a made-for-TV enterprise, a daily staging of visuals for the networks." What he seems to miss is that it was a far more effective exercise in media manipulation than anything that the Clintonites have pulled off. Just consider Reagan's effective stonewalling to the end on Iran-Contra, compared with this White House's fumbling on Whitewater and Lewinsky.

But who cares how well they manipulate? The basic error in this book is to judge the spinners by their own amoral standards. Dick Morris is derided here not as the cynic who helped the conservatives capture Congress and then brokered Clinton's approval of their welfare reform program but as a brilliant operator who overreached. The press is chided by Kurtz for having missed the story that "the president had knowingly employed a political strategist who had fathered an illegitimate child." But then again, a writer who doesn't know that branding a child as "illegitimate" is inherently pejorative toward the child probably is not tuned in to the welfare debate.

The big question, barely raised and never answered by Kurtz, is why the public remains so impervious to the antics described in this book. The answer preferred by the media folk, who earn a good living off this endless play-by-play, is that the Clintonites are so effective at manipulation that the public never catches on.

This leaves the elite media sounding like sore losers in a game they should have easily won. Indeed, in Kurtz's telling, the White House is inept more often than not and in an almost permanent state of estrangement from the media folks they are supposed to be cajoling. Both Hillary and Bill Clinton seem to have developed a transparent contempt for the shallowness of the press corps; matters of war and peace, the economic well-being of the populace and the sustenance of its health and education are interpreted by the media as politically motivated gimmicks. It is no small achievement that the president manages to govern despite the media's persistence in making matters of sleaze and scandal the national political agenda.

Just why the media are so indifferent to truly important news is an important question that unfortunately will have to be more fully explored in some other book. Kurtz alludes to the high income level of top Washington journalists but only hints at the possibility that the perks of their profession distance them from ordinary human concerns like joblessness and inflation. The corruption of the Fourth Estate is clearly a major story that needs to be told, but Kurtz only teases the subject with paragraphs that all too briefly consider the class bias of elite journalists: "[I]t was this same self-absorption that caused many reporters to dismiss much of Clinton's agenda as small-bore. Take the Family and Medical Leave Act. It wasn't a big deal for a hotshot journalist to take time off from work if his or her kid was sick, but for a factory worker in Illinois, the new law was a godsend."

The career needs and class ambitions of elite journalists, including the prosecutorial

fraternity of investigative journalists who Kurtz indicates are, not surprisingly, enamored of special prosecutors, also coincide with the monied interests of the conglomerates and privileged families who pay their salaries. The old division between the ink-stained wretches and the arrogant corporate suits struggling over the integrity of journalistic art is long gone. Also gone is the assurance that some patrons are far better than others. The quest for sales and ratings on the part of owners and top managers has reduced once distinguished news organizations to the level of Rupert Murdoch's New York Post. That there is no apparent difference in the behavior of the White House reporters for the New York Post and the New York Times is one of the valuable, if under-explored, contributions of this book.

I don't know if this was Kurtz's intention, but no tabloid journalist comes across as more reckless and supercilious than New York Times columnist Maureen Dowd, emulated by other print reporters for her "nasty, snarky, but invariably funny column." Kurtz is evidently easily amused by Dowd, but what comes through is Dowd's conviction that nothing the president ever does can be judged worthwhile. Clinton's second term, in which the budget was balanced, real wages rose and inflation and unemployment are at a 25-year low, has been dismissed by her as "shrunk," "defeated" and "aimless." Dowd seems incapable of treating a single aspect of public policy as important. In her appearances in "Spin Cycle," politics is style, rendering the New York Times' treatment of presidential politics on its op-ed page no different than its coverage of fashion—even kinky fashion, as in Dowd's reference to "those rumors about that bald eagle tattoo" on the president's penis.

By comparison, the Clintonites seem serious in their attempts to take care of what they call "the nation's business" despite the journalists. By the end of what was intended as the book's final chapter—the publisher pulled the galleys after Monica Lewinsky hit big and Kurtz penned a new conclusion—the media seem really beside the point and the public sensible in focusing on matters other than scandal. After all, as he admits almost ruefully, the public is enormously approving of the way Clinton governs.

Oddly, what emerges is a portrait of Clinton, drawn virtually in absentia, that is quite flattering. While the press corps and its handlers squabble in the sandbox of their minds, Clinton is shown dealing with what the rest of us do care about, as boring as Maureen Dowd may find it. By contrast, the journalists seem petty beyond belief. Michael Frisby of the Wall Street Journal stands out as particularly vengeful when his ambitions are bypassed; "I'm going to f--- you," he screams at White House aide Rahm Emanuel after being passed over on the leak of some story. "Emanuel knew exactly what Frisby meant," Kurtz writes. "Frisby was renowned inside the White House for tossing poison darts at uncooperative aides in the Journal's gossipy, anonymously sourced 'Washington Wire' column, which ran on the front page every Friday. No one wanted to be the next target." True to form, Frisby seems to love playing the schoolyard bully, threatening to expose one Clinton aide for chatting with ABC executives in the hallway with the charge that he was soliciting a job with the network. "We're desperate for 'Washington Wire' items," he said. "Give me something else or I'm going to have to use this about you."

If "Spin Cycle" had ended as Kurtz first intended, Clinton would have emerged the obvious winner. But the epilogue is curious, for Kurtz reverses himself and jumps to the

conclusion that Clinton is just about finished. "The damage to his presidency would never be repaired. . . . [T]he spin-meisters could no longer save him from himself. The president would have his place in history, but it is not the one he had imagined."

Perhaps, but is that fair? By the standard of the media scandal mongers, many of our great presidents would have been judged even more stunning failures than Clinton. Personally, I think Clinton will be judged harshly if his very risky welfare reform proves a failure during the inevitable downward swing of the business cycle. But doesn't he also deserve considerable credit for the controversial economic initiatives of 1993, which cost his party control of the House but contributed to a booming economy? Will he not be remembered for balancing the budget, for keeping us out of war and for low employment and inflation? Or do reporters, Kurtz included, just not care?

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INSIDE THE

CLINTON

PROPAGANDA

MACHINE

Spin Cycle



Howard Kurtz

The Free Press

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Weekly
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THE WHITE HOUSE
WASHINGTON
May 4, 1998

MR. PRESIDENT:

Attached are the following weekly reports:

- (A) Weekly Economic Briefing
- (B) Interest Rates and the Stock Market (CEA) and
Update on Emerging Markets (Treasury)
- (C) DPC Report
- (D) NEC Report
- (E) CEQ Report
- (F) OSTP Report
- (G) Legislative Affairs Report
- (H) Communications Report
- (I) Public Liaison Report
- (J) Intergovernmental Report
- (K) Race Initiative Report
- (L) Cabinet Affairs Report
- (M) Political Report

Phil Caplan *PC*

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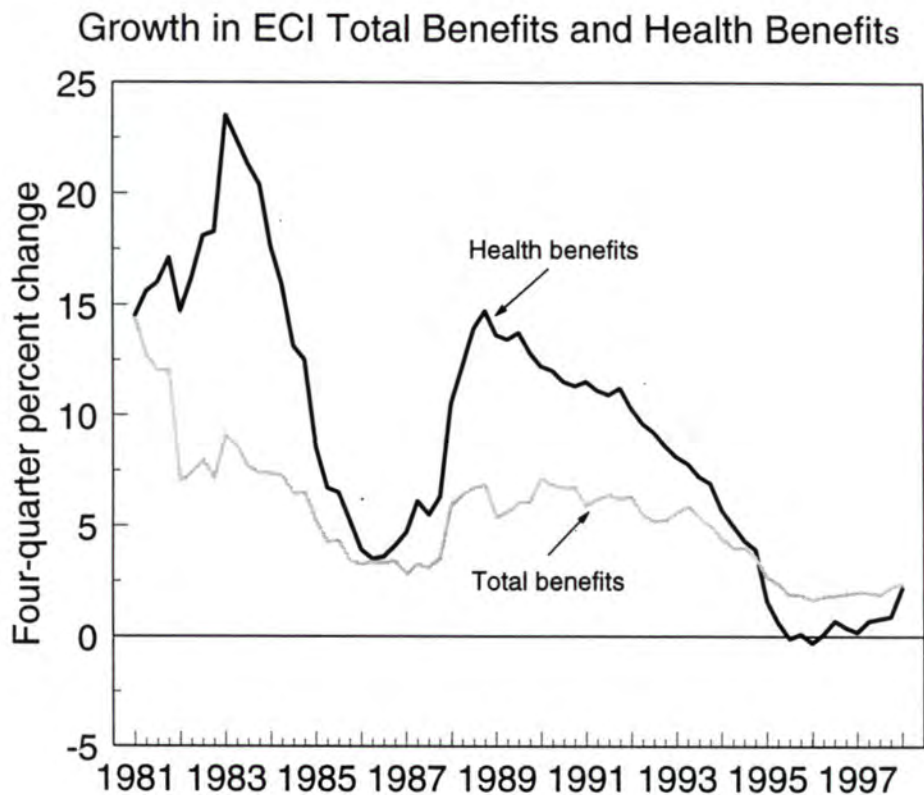
WEEKLY ECONOMIC BRIEFING OF THE PRESIDENT OF THE UNITED STATES

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

May 1, 1998

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CHART OF THE WEEK



✓ For the past 3 years, growth in the employment cost index (ECI) has been restrained by slow growth in health benefits. The most recent ECI shows some acceleration of health benefits (2.2 percent for the 12 months ending in March 1998). Nevertheless, the increase in health benefits (and benefits generally) was less than that of wages and continued to restrain growth in overall compensation relative to the wage component.

5-6-98

WEEKLY ECONOMIC BRIEFING OF THE PRESIDENT OF THE UNITED STATES

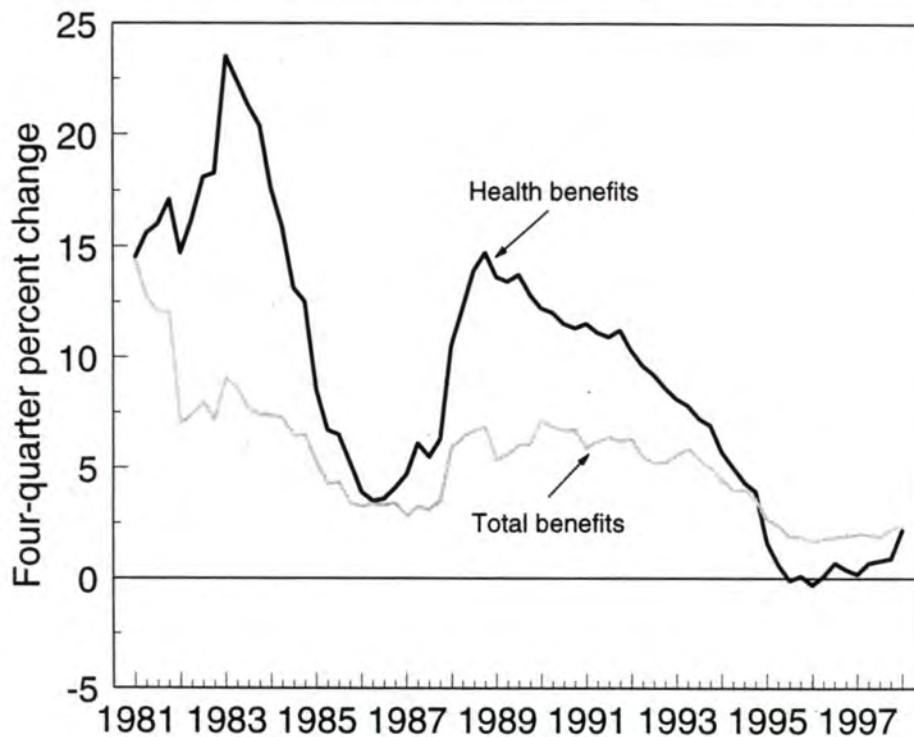
Prepared by the Council of Economic Advisers
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May 1, 1998

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CHART OF THE WEEK

Growth in ECI Total Benefits and Health Benefits



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SPECIAL ANALYSIS

5-6-98

cc: Sandy Gould

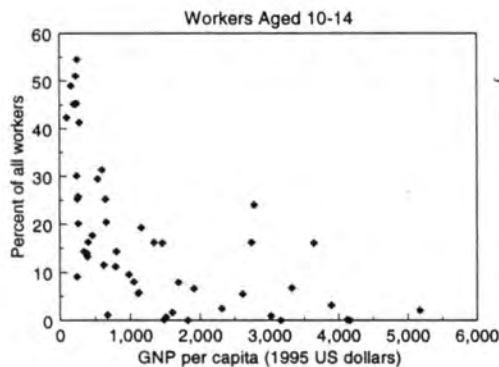
Child Labor in Developing Countries

The Administration is proposing a sharp increase in funding for efforts to fight abusive child labor. Recent studies provide evidence on the scope and nature of this problem.

Where are children working? More than 95 percent of child workers are in the developing world. There, an estimated 250 million children between the ages of 5 and 14 are working, about half full time. In some developing countries, children constitute over 10 percent of the total labor force. In Africa, which is the continent with the highest proportion of children working, about 40 percent of children are engaged in some kind of economic activity. Roughly equal numbers of boys and girls work.

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What work are children doing? Virtually every country has laws that limit the extent to which children may be employed. But because most children work in the "informal" economy, they are normally beyond the reach of protective labor legislation and inspection. (This also makes it difficult to measure precisely the extent and composition of child labor.) More children work in agriculture than in any other sector. A considerable number can also be found in domestic service and on the street as self-employed traders. About three-quarters of children work in the family enterprise. Less than 5 percent of child laborers work in export industries. Children hired as full-time laborers usually perform the same work as adult workers, but their pay is typically one-half to one-third that of adults doing comparable work.



Why do parents put their children to work? There is widespread agreement that child labor has its roots in poverty. Both the incidence of child labor and children as a proportion of the total labor force decline with per capita national income (see chart) and with the level of industrialization. Child labor is often thought necessary for the short-term survival of the family: Child workers in poor families sometimes contribute up to a quarter of household income.

But child labor may not be in the long-term interest of either the family or the nation. Up to half of all working children in developing countries drop out of school or have never gone to school; their lifetime earnings may therefore be lower as a result of their limited human capital investment. Indeed, school reforms—such as those which increase access, reduce costs, or make attendance compulsory—may be at least as important as legislation that directly regulates and restricts child labor.

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BUSINESS, CONSUMER, AND REGIONAL ROUNDUP

Has Falling Union Membership Contributed to Rising Inequality? Rising wage inequality among men over the past 25 years has occurred at a time when male union membership has been falling dramatically. A new study estimates that the sharp drop in male union membership from 31 percent in 1973-4 to 19 percent in 1993 can explain 10 to 20 percent of the rise in male wage inequality over that period. Other studies have found that the fall in union membership can account for about one-quarter of the rise in male wage inequality over the 1980s. Declining union membership can increase wage inequality because unions tend to increase wages for low-skilled workers relative to high-skilled workers. The recent study also found that in the public sector, where membership has increased, unionization has apparently forestalled rising wage inequality to a significant degree. There was little overall change in union membership for women over the period studied.

Study Documents Continuing Crisis in Low-Income Rental Housing. Despite robust economic growth between 1993 and 1995, the number of households with "worst-case" housing needs remained at an all-time high of 5.3 million, according to a new study from the Department of Housing and Urban Development. Households with worst-case needs are defined as unassisted renters with incomes below 50 percent of the area median who pay more than half of their income for rent or live in severely substandard housing. While all of these families qualified for HUD assistance, the Department did not have adequate funding to help them. The number of families with worst-case needs increased by 8 percent between 1991 and 1993 and then held steady between 1993 and 1995. Worst-case needs increased dramatically for working poor families over this period, rising by 24 percent between 1991 and 1995. The number of rental units affordable to families with less than half the area median fell by 900,000 units (9 percent) between 1993 and 1995.

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GAO Reports on Uninsured Medicaid-Eligible Children. In 1996, 3.4 million Medicaid-eligible children—23 percent of those eligible under the Federal mandate—were among the 10.6 million children without health insurance, according to a recent study from the General Accounting Office. The report finds that the demographic and socioeconomic characteristics of uninsured Medicaid-eligible children suggest that outreach strategies could be targeted to specific groups. In particular, the majority were children of the working poor or near poor, and their parents were often employed by small firms and were themselves uninsured. Hispanics have the highest uninsured rate among uninsured Medicaid-eligible children. Over one-third of uninsured, Medicaid-eligible children live in immigrant families. And nearly three-quarters of the uninsured Medicaid-eligible children live in the West and South. The study reports that some states have undertaken education and outreach initiatives and have tried to change the image of the program and simplify enrollment. However, more effort to target immigrant and ethnic communities might be warranted, and other strategies provided for in the Balanced Budget Act—such as continuous enrollment and presumptive eligibility—have not been widely implemented.

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THE WHITE HOUSE
WASHINGTON

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May 1, 1998

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MEMORANDUM FOR THE PRESIDENT

FROM: Bruce Reed
Elena Kagan

SUBJECT: DPC Weekly Report

1. Tobacco -- Legislative Update: The Senate Commerce Committee filed on Friday a new version of the McCain bill, which includes technical changes. Senator Lott apparently has acceded to Senator Roth's request that the Finance Committee have a chance to consider the bill; that Committee is now expected to hold a mark-up during the week of May 11. If all goes well, Lott will bring the bill to the floor the next week.

We are still trying to set up negotiations involving the Administration, Lott and Daschle (or their designees), and McCain and Hollings. The aim of these negotiations would be to develop an agreed-upon manager's amendment as well as an amendment strategy for the floor. Without these negotiations, we are fearful that (1) Lott will decide not to bring the bill to the floor, or (2) the bill will not survive the floor in a viable form. So far, however, neither Lott nor Daschle have definitively agreed to this strategy.

Senator Daschle has set up a number of working groups to develop possible amendments to the McCain bill. The working groups -- some of which have begun to meet already and some of which will begin next week -- tend to be slanted toward the left, with heavy participation from Senators Conrad and Kennedy. Preliminary information from Daschle's staff suggests that the working groups are considering greater increases in price (\$1.50 over three years) and look back penalties (uncapped penalties with a very significant company-specific component) than we support. The price issue may become less important once CBO scores the McCain bill, but the lookback issue is likely to remain troublesome.

In addition to providing Sen. McCain's staff with purely technical amendments, which they incorporated in the new version of the bill, we have given them (or will give them this week) two sets of amendments designed to better effect the aims of the legislation. First, we provided McCain's staff with language to strengthen the bill's licensing provisions, so as to ensure that we have an adequate mechanism in place to prevent smuggling. (Deputy Secretary Summers gave highly effective testimony on this issue to a skeptical Senator Hatch last week.) Second, in response to a request from McCain's staff, we will give them advice early this week on how to restructure the bill so that it can operate effectively regardless of industry consent. Our suggested changes, drafted by the Justice Department, would reorganize the bill into two parts: the first part (Titles 1-11) imposing measures on all tobacco

manufacturers regardless of consent, the second part (Title 12) creating a protocol by which manufacturers would agree to additional, otherwise unconstitutional marketing restrictions (and also agree not to challenge any provisions in the first part of the bill) in exchange for the bill's liability cap. We will make clear that this organizational proposal is in the nature of legal/technical advice, and does not indicate agreement with the McCain bill's substantive "bargain."

2. Crime -- COPS Initiative: At our request, the Department of Justice is preparing to provide \$240 million in a new kind of COPS grant to hire about 2,000 police officers for high-need areas. The Department will waive the standard 25 percent local match for these grants, which will go to 16 cities (8 small and 8 large) to hire officers for crime and drug "hot spots" and/or economically distressed neighborhoods. We are working with Rahm to devise a good forum to announce these new grants. You can link them to your race initiative by stressing the historic and pervasive underprotection of minority populations against criminal activity.

3. Crime -- Assault Weapons: The Administration beat back an effort to include in the supplemental appropriations bill a provision to weaken your recent executive action on modified assault weapons. This provision, pressed by Senator Craig, would have exempted from the new ban on importation any weapons "in transit" to an importer -- an exemption affecting tens, or even hundreds, of thousands of weapons. We unfortunately have not seen the last of this fight: Craig is very likely to offer a similar amendment during the appropriations process.

4. Health -- Medicare Coverage for Prescription Drugs: The DPC and NEC are setting up a long-term working group, led by Chris Jennings, to consider whether Medicare should cover any of the costs of prescription drugs. As you may know, prescription drugs are the highest out-of-pocket health care cost for three out of four elderly people. Many older Americans "stretch out" their supply of these drugs to lessen costs; their non-compliance with drug regimens often results in additional, more expensive health care treatments. For this reason, a number of your Medicare Commissioners, as well as a host of outside validators (including Bob Reischauer and Henry Aaron), have expressed interest in providing prescription drug coverage for Medicare beneficiaries. These experts believe that given the increased importance of drug-based medical treatments, Medicare's current lack of coverage ~~of out-patient drugs is both antiquated and counterproductive~~. At the least, these experts favor requiring Medicare's managed care plans -- which remain overcompensated relative to the patients they serve -- to offer a prescription drug benefit to their members, as more than half already do. Chris's working group will evaluate all options in this area, in the expectation that we may want to show relatively early in the Medicare debate that a good long-term reform package involves not only financing measures but quality improvements.

5. Health -- Patients' Bill of Rights: Rep. Ganske and six other Republicans joined Rep. Dingell's Patients' Bill of Rights legislation on Wednesday. Their action will increase

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the pressure on Republican leaders to move legislation on this issue this year. We released a written statement from you praising these members for providing "new momentum towards ensuring that a patients' bill of rights will become the law of the land." Also last week, Chris Jennings met with disability advocates to encourage them to step up their efforts on behalf of the Dingell bill. The advocates indicated to Chris that they would make quality legislation a high priority.

6. Education -- This Week's Events: You are currently scheduled to meet with approximately 50 mayors on Thursday to discuss urban education. We expect your remarks to focus on the Education Opportunity Zones initiative, including its emphasis on eliminating social promotions. The remarks will note the increasing number of cities, including Washington, D.C. and New York, that have adopted no-social-promotions policies since you began to highlight this issue. You will speak to the Delaware State Legislature the next day regarding your education agenda, this time with an emphasis on your class size initiative. Delaware has made a strong effort to reduce class size, and you can call on Congress to provide it and other states with assistance.

7. Education -- Unz Initiative: Secretary Riley issued a detailed statement on Monday opposing California's Unz Initiative, but advocating reforms to the current system of bilingual education, including a three-year goal for moving students into regular English-language classes. Senior staff in the offices of Intergovernmental Affairs, Political Affairs, and Public Liaison have reported a good response from the Hispanic community and most state and local leaders to both the content and the timing of the announcement.

8. Education -- Charter Schools in California: After two weeks of negotiations among Silicon Valley high-tech executives, the California Teachers' Association (CTA), and state legislators, the California legislature passed and Governor Wilson signed new charter school legislation. The new law, which moots a charter school ballot initiative sponsored by Silicon Valley, allows 150 new charter schools in the first year and an additional 100 in each subsequent year. The bill also eases the requirements for starting a charter school.

9. Family -- Child Support Enforcement: The House and Senate are about to begin conferencing on legislation to set realistic penalties for states' failure to put in place statewide computer systems to track parents who owe child support. The two bills are very similar, but the Senate version is slightly less tough; it gives the states an additional year to comply without penalty and allows them to recover some prior penalties once they come into compliance. These more lenient provisions were crafted to satisfy members from California, which is years away from having a functioning statewide system and accordingly faces greater penalties than any other state. (About 15 states in total are likely to face a penalty under the legislation.)

L.A. County is now lobbying hard for a new provision that would reduce California's penalty by the precise share that the State intends to pass along to the County. (If Congress

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*Good - we
need to work
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were to enact this amendment, California would excuse L.A. County from paying any part of the State's penalty.) L.A. County District Attorney Gil Garcetti argues that L.A. County has a well-functioning system, which was designed with federal involvement under a waiver several years ago. Senator Feinstein supports Garcetti's proposed change to the child support legislation, but many House members from other parts of the State oppose it. DPC, HHS, and OMB oppose the provision because (1) numerous counties in non-complying states could make an identical argument and (2) optimal tracking of deadbeat parents across state lines requires statewide (not just well-functioning countrywide) systems.

10. Welfare Reform -- Welfare-to-Work Transportation Initiative: At our request, Secretaries Slater and Herman and HHS Assistant Secretary Olivia Golden will participate in an event on Thursday to highlight your Access to Jobs initiative. The event also will include several Governors and Members of Congress. On the same day, Slater, Herman, and Secretary Shalala will issue guidance to states and communities on ways to use TANF and Welfare-to-Work funds to break down transportation barriers. The Access to Jobs initiative currently appears to be in good shape; we think it will emerge from the ISTEA conference authorized at \$150 million per year -- \$50 million more than we requested. We now must keep the spotlight on this initiative for purposes of ensuring an adequate appropriation.

11. Disability Task Force -- Health Issues: The task force you created last month by executive order on employment of people with disabilities got off to a strong start last week at its first meeting. The all-day meeting, chaired by Secretary Herman before an audience of 200 disability activists, included panels on health care, education and training, and civil rights. The task force hopes to issue a few recommendations in July, with a fuller report in November. We face particular challenges crafting policies in the health care area. The disability community's highest priorities in this area are: (1) a bill, sponsored by Senators Jeffords and Kennedy and Representatives Bunning and Kennelly, to encourage people with disabilities on the SSDI or SSI rolls to return to work by allowing them to retain Medicare or Medicaid even after they find a job, and (2) a bill known as CASA that would provide greater Medicaid coverage of "community based attendant services" and thereby allow more people with disabilities to live in communities, instead of in nursing homes or other institutions. Both pieces of legislation raise budgetary concerns: in the form advocated by the disabilities community, CASA would cost no less than \$10-20 billion each year. Chris Jennings will work with the Disability Task Force and HHS to develop feasible proposals that will go some way toward responding to the disability community's needs in this area.

12. Immigration – H1B Visas: The House Immigration Subcommittee approved by voice vote on Thursday a bill, authored by Rep. Lamar Smith, increasing the cap on H1B visas while making substantial reforms to the program. The bill is surprisingly in line with Administration objectives: although it raises the cap somewhat more than we would (to 115,000) and fails to include a training component, it includes strong provisions to protect U.S. workers from being displaced or passed over in favor of foreigners. Bruce and Gene sent

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Smith a letter just prior to the mark-up indicating that the Administration would support the bill if it were modified to include meaningful training provisions and a more modest increase in the cap. The full Judiciary Committee mark-up is set for next week, and we expect some movement in our direction. Sally and Elena will brief Democratic staff prior to the mark-up, as well as meeting with representatives of the high-tech community.

A handwritten signature, possibly "Sally", is written in dark ink. A curved arrow points from the signature towards the text above it.

THE WHITE HOUSE

WASHINGTON

May 1, 1998

98 MAY 1 11:00

Copied
Spierling
Bowles

MEMORANDUM FOR THE PRESIDENT

FROM: GENE SPERLING

RE: NEC WEEKLY REPORT

cc: ERSKINE BOWLES

5-6-98

IRS Hearings: As you know, the Senate Finance Committee held four hearings this week on the IRS, focusing specifically on the IRS Criminal Investigations Division. Witnesses included IRS employees, taxpayers, and others, a number of whom recounted being on the receiving end of IRS strong arm tactics. As you know, Commissioner Rossotti and Secretary Rubin went out on Tuesday (4/28), the first day of the hearings, and announced that Judge William Webster will conduct an independent review of the Criminal Investigation Division. Commissioner Rossotti announced additional measures as well, including strengthened discipline of CID managers and employees, a new complaint system, and support for a new Inspector General for Tax Administration. The Senate is expected to consider the IRS bill on the floor next week. A main concern we have with the Senate bill is that, unlike the House bill, it loses significant revenue, \$9.7 billion over ten years. While continuing to express overall support for IRS reform, we will work as the bill moves along to ensure that in final form it is paid for.

H-1B: As you know last month the Senate Judiciary committee reported out a bill sponsored by Senator Abraham that the administration did not support. The House Judiciary committee is now working on their bill. On Thursday (4/30), the House Judiciary sub-committee on immigration reported by a voice vote a bill introduced by Rep. Lamar Smith that would temporarily increase the number of H-1B visas for skilled foreign workers. Also on Thursday, Bruce Reed and I sent a letter to Rep. Smith stating that the Administration supports the reforms to the H-1B visa program that protect U.S. workers that are contained in the bill, but that until the bill includes a training provision (which we have stressed must accompany any temporary increase in the number of these visas) we cannot support the bill. We are working with Hill staff to ensure that an amendment including a training provision is included at the full Committee mark-up which is expected to be on Wednesday, May 6. We expect the Senate version to reach the floor the week of May 11th which Senator Lott has declared to be High-tech week.

G. I. Bill: The Senate version of the G. I. Bill, the Workforce Investment Partnership Act, was debated on Friday (5/1); the vote is scheduled for Tuesday (5/5) afternoon. We support the job training reforms in the Senate version of the bill, however there is an amendment by Sen. Ashcroft that threatens the Administration legacy on School-to-work which we strongly oppose. Our strategy is to not oppose the bill, but let it get voted out of the Senate and fix it in conference. We are working with Senator Kennedy who has received verbal commitment from DeWine and Jeffords to "render this amendment benign." The NEC is convening an interagency

5-6-98

cc: HRC

meeting next week to insure that the final bill reflects all of your principles.

Securities Litigation: On Tuesday (4/28), Bruce Lindsey and I sent a letter to Senators Dodd, D'Amato and Gramm concerning S. 1260, the Securities Litigation Uniform Standards Act, which provides that class actions generally can be brought only in federal court. We supported amendments negotiated by the SEC to clarify that the bill will not preempt certain corporate governance claims and to narrow the definition of class action. More importantly, we made clear that the Administration's support for the bill depends upon delivery of legislative history and floor statements promised to SEC Chairman Levitt that should help to reduce confusion in the courts about the proper interpretation of the Private Securities Litigation Reform Act of 1995. The Senate Banking Committee will report the bill out on Monday (5/4); it is expected to reach the Senate floor the week of May 11. We expect that House action on the bill, later in May, will respect the commitments that the SEC obtained from the Senate.

cc: HRC
America Reads: On Thursday (4/30), Bob Shireman on my staff met with a group of black educators, including Doctor Charlie Knight, superintendent of the East Palo Alto district where Chelsea tutors. She asked Bob to pass along to you that you have raised a wonderful daughter, the kids love her, and she clearly loves working with them. Her help is valuable and appreciated.

Chairman Jeffords held a hearing Tuesday (4/28) on literacy. It covered both adults and children, and generally underscored the need for action on reading instruction, including teacher training. Jeffords indicated that he would like to mark-up a reading bill in the next few weeks; his staff thinks that Sen. Coverdell is sincere about moving a bill in time for the July 1 funding deadline, rather than just grandstanding on the issue (as you know, it is part of the Coverdell bill that you will veto). But passage of a separate bill that you can sign is by no means assured.

Student Loan Interest Rates: Majority Leader Arney fought hard to include a bank-friendly fix as part of the supplemental appropriations bill, but it may have to be broken off separately at some point. We opposed his fix -- in part because its subsidies to banks were not offset -- and he ultimately failed. Keeping it as part of HEA helps to provide a driver for the reauthorization to occur this year. We may seek to quietly negotiate a compromise in the near future.

Response to Times Article on Medicare Billing: You asked about Monday's (4/27), *New York Times* article that reported that HCFA is implementing a policy to delay payments to providers. While it is true that HCFA is changing its payment policy, even with this change, Medicare pays providers as fast if not faster than private insurers. Medicare has been a leader in this field in the past and will continue to do so. Your 1999 budget adds \$100 million in funding from user fees to improve payment and oversight in Medicare, and to assist in implementing the major changes in Medicare that were made in the bipartisan Balanced Budget Act. User fees are controversial amongst providers who would prefer that needed administrative funding come from the traditional discretionary spending. We proposed these fees precisely because of the tight

discretionary caps and because we believe that those who directly benefit from Medicare payments should help pay for its efficient administration. The day after this article (4/28), the *Times* editorial board (subsequent to discussion with Administration officials) endorsed this budget request and criticized Congressional opposition. Although we are beginning to pick up Congressional proponents, it is unclear whether this will translate into passage of the full request. We will encourage validators (e.g., Reischauer and Newhouse, the chair of the Medicare Payment Advisory Council) to repeat their support for this request.

Financial Modernization: H.R. 10 is tentatively on the House calendar for action next week. Commerce Committee ranking member Representative Dingell has lent his support in exchange for a series of consumer protection amendments. Negotiations are on-going to address concerns of other Banking Committee Democrats. However, Treasury has not yet seen any proposal that fully addresses its primary concern -- bias in favor of a holding company structure (regulated by the Fed) rather than an operating subsidiary structure (regulated by the OCC). The concern is not turf, but: (1) whether we should shift control over financial institution policy to an independent agency not accountable to the President; and (2) whether federal law should create powerful incentives to perform new financial activities outside a bank structure so that those new assets do not count toward CRA obligations. The NEC interagency process will continue to follow legislation development. In addition, Secretary Rubin and I will be meeting Tuesday (5/5) with legislation proponents, including Dave Komansky of Merrill Lynch, Sandy Weil of Travelers Group, John McCoy of Banc One, Jim Hance of MetLife, Hugh McColl of NationsBank, and Tom Wheeler of Mass Mutual.

Bankruptcy: The NEC is preparing a letter to send to the Senate Judiciary Committee setting forth certain principles that the Administration will use to guide its review of consumer bankruptcy reform proposals. The letter is designed to send a signal that we would oppose the most radical and inflexible proposal, known as means-testing or the Gekas bill. This approach is almost certain to survive in the House and we hope to steer the Senate (which will mark up in full committee next week) down a more moderate path. However, we also signal that we are open to reasonable consumer bankruptcy reform that asks people who are able to repay a portion of their debts (taking into account all relevant circumstances) to act responsibly. We also state emphatically that debtors' ability to pay child support and alimony must be protected. Proposals that would put some credit card payments on an equal footing with child support and alimony are clearly wrongheaded.

Credit Unions: An acrimonious Senate Banking Committee mark-up concluded late Thursday (4/30) with a 16-2 vote for the credit union bill. Our safety and soundness reforms were adopted, as were a host of provisions troublesome to the credit unions. A Shelby amendment to exempt small banks from CRA failed when Senator D'Amato voted with the Democrats. A Gramm amendment to eliminate the CRA-like provisions applicable to credit unions was withdrawn, but the Senator vowed to offer it on the Senate floor. We are preparing for battle on the CRA issues in what is expected to be quick floor action.

5-6-98

Product Liability: As you will recall, in March, Senators Rockefeller and Gorton met with Erskine Bowles. At this meeting, Senator Gorton proposed a host of so-called technical changes to the draft bill worked out between the Administration and Senator Rockefeller. At the time we rejected any substantive changes, accepted some technical changes, and promised to reply after review of the remaining technical issues. On Friday (5/1), Bruce Lindsey and I sent a letter to Senators Rockefeller and Gorton responding to the outstanding issues. We understand from press accounts that Gorton knows he has not gotten enough and that he plans to advance his own bill. We expect that it will vary only slightly from the agreement with Rockefeller, primarily limiting the two-way preemptive effect of the bill; and limiting manufacturer liability for harm in accidents involving drunk drivers even if the driver's conduct was not the cause of the injury. (For example, where a drunk driver backs a car into a wall at 5 miles per hour and the car explodes.)

Agricultural Research bill/food stamps for legal immigrants: The NEC has been working in conjunction with OMB, NEC and USDA to secure Senate passage of the Agricultural Research bill conference report. This legislation provides mandatory funding for crop insurance, agricultural research and rural development, as well as restoring food stamps to about 250,000 legal immigrants -- children, the elderly and the disabled, and refugees and asylees. Senator Lott has thus far refused to schedule the conference report for floor action, in large part because the Senate budget resolution reserves as an offset for increased transportation spending the food stamp administrative cost savings that are the primary source of the Ag Research bill funding.

Gorton Facing growing pressure to move the bill (73 Senators signed letters to the Majority Leader last week urging him to bring the bill to the floor expeditiously), Senator Lott attempted to add the crop insurance provisions to the supplemental bill, to mollify that constituency without acting on the food stamp restorations. Thanks to the efforts of Senator Harkin and the Administration, this attempt did not succeed. Given evidence that he will not easily be able to add the crop insurance title to another vehicle, Lott may now relent and schedule the Ag Research bill for a vote. The food stamp restorations in the Agricultural Research bill are not all that we sought -- the Administration's FY 1999 budget proposal would have restored benefits to roughly three times as many legal immigrants, including parents in working families -- but would still represent a genuine achievement.

U.S.-EU Trade Initiative: The EU General Affairs Council met last Monday (4/27) to consider the proposed U.S.-EU trade initiative. Led by French resistance, the Council firmly rejected Sir Leon Brittan's ambitious proposal but left the door open to a more modest proposal, which U.S. and EU negotiators had already begun to discuss. The goal is to agree on an agenda for future negotiations by the May U.S.-EU summit, but important hurdles still remain: the EU has conditioned progress on the trade initiative on the resolution of ILSA and Helms-Burton negotiations, and differences on key issues (audio-visual services) remain between the U.S. and EU, and France could reject even a refashioned proposal. I will convene an NEC Principals meeting Monday (5/4) to assess progress, determine how to push back on the ILSA/Helms-Burton conditionality and resolve various substantive issues.

5-6-98

Good **OECD Anti-Bribery Convention:** Final inter-agency agreement regarding the treaty's implementing legislation was reached on Tuesday (4/28), and the Convention is en route to the Senate for ratification. The implementing legislation, incorporating changes in the Foreign Corrupt Practices Act, is being forwarded separately to the Congress. These important steps will put you in an even stronger position to push for transparency and good governance at the upcoming G-8 Summit in Birmingham. Also, at this week's OECD Ministerial Meeting in Paris (4/27-28), we achieved all of our goals regarding the implementation timetable, ending the tax deductibility of bribes, and future anti-bribery work program.

The major issue of discussion at the OECD Ministerial this week was the MAI, the Multilateral Agreement on Investment. Charlene succeeded in renewing the negotiating mandate that will allow proceeding on a steady pace with a strong commitment to transparency, outreach and other NGO concerns. This avoided an artificial deadline and a commitment to launch WTO investment negotiations. On the Asia crises, we were able to gain reference in the communique to all elements needed to resolve the crises, including "rapid implementation of structural reforms" and policies throughout the OECD that "sustain growth and domestic demand" and "further open markets," linked to a specific call for "domestic-demand led growth in Japan."

Japan: On Thursday (4/30), Hashimoto sent Taku Yamasaki, Chairman of the LDP Policy Research Council, to meet with Secretary Rubin, Deputy Secretary Summers, Chairman Greenspan and me to explain and seek endorsement of the PM's "bold and courageous" 12 trillion yen (2.4% of GDP) "real water" stimulus package as well as its financial stabilization package. He underscored the political difficulty for Hashimoto of reversing his own fiscal consolidation law and policy, but noted the landing thus far had been relatively soft. Yamasaki said the Government intentionally exceeded the size of the package Secretary Rubin and other Treasury officials had suggested. Yamasaki predicted it would boost GDP by 2%. I explained that we have pressed Japan because we are honest in our economic assessments, we truly believe that Japan needs to be an engine for growth in Asia, and because protectionist sentiment will rise if the United States becomes the buyer of last resort for Asian goods. Secretary Rubin's public statement welcoming the substantial policy measures as positive steps, while urging the Japanese government to implement them quickly, is what we believe. I underscored, as did Secretary Rubin, that further action to strengthen Japan's financial system and to deregulate and open Japan's markets is necessary to establish a sound basis for long lasting, domestic, demand-led growth.

Good **USTR's Annual Intellectual Property Review:** Ambassador Barshefsky announced Friday (5/1) the results of the 1998 Special 301 annual review. The annual review examines the adequacy and effectiveness of intellectual property protection of our trading partners. The release highlighted continued progress in China, where illegal exports of compact discs dropped from \$260 million to \$10 million from 1995 to 1997 through China's shutting down of 64 plants and imprisonment of 800 individuals. Although no new countries were identified as Priority Foreign Countries (PFC), triggering a section 301 investigation and sanctions process, USTR will initiate WTO dispute settlement consultations with Greece and the European Union over 150 Greek

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television stations that broadcast U.S. owned motion pictures and television programming without authorization and without any payment of compensation to U.S. copyright holds. 15 countries were placed on the "priority watch list" including Macao, Argentina, Ecuador, Egypt, the EU, Greece, India, Indonesia, Israel, Russia, Turkey, Bulgaria, Italy, Dominican Republic, and Kuwait, 32 trading partners were placed on the "watch list", and concerns were noted about 15 other countries. This year, as every, the April 30 deadline has produced meaningful commitments to improve intellectual property from a wide range of nations.



EXECUTIVE OFFICE OF THE PRESIDENT
COUNCIL ON ENVIRONMENTAL QUALITY
WASHINGTON, D.C. 20503

98 MAY 1 PM 6:26

May 1, 1998

MEMORANDUM FOR THE PRESIDENT

CC: ERSKINE BOWLES
FROM: KATHLEEN A. MCGINTY
SUBJECT: CEQ WEEKLY REPORT

WPN for Kam

5-1-98
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PROTECTING COMMUNITIES FROM TOXICS

Food Quality Protection Act

In response to a wide range of constituent groups that have raised concerns about implementation of the Food Quality Protection Act (FQPA), CEQ has worked with agricultural, environmental, and public health groups, as well as Members of Congress, to help revamp the FQPA implementation process. A memorandum directive from Vice President Gore, released on April 8, 1998, finalized guidance that will help ensure that major pesticide decisions will recognize the need for reasonable transition for farmers, be based on sound science, be transparent to the affected public, and be informed both by USDA's expertise and by enhanced public participation.

On Wednesday, pursuant to the Vice President's directive, EPA announced an advisory committee for FQPA implementation chaired by Fred Hansen, Deputy Administrator of the EPA, and Richard Rominger, Deputy Secretary of Agriculture at USDA. The committee consists of experts from various groups including pesticide users, food processors and distributors, environment and health officials, pediatric experts, pesticide companies, public interest groups, academicians, and state, local, and tribal government officials.

RESOURCE STEWARDSHIP

New World Mine

Goof
Today, we delivered to Congress an appraisal of the "New World Mine" property in Montana, an important step toward completing acquisition of the property to protect Yellowstone National Park from the potential impacts of mining. Congress now has 60 days to pass additional legislation, or we can consummate the agreement without any further Congressional action.

Under an agreement you announced in August 1996, Crown Butte Mines, Inc. will transfer the New World Mine property to the federal government for \$65 million. The appraisal places the value of

the 1,625-acre property a few million dollars over this amount at just over \$69 million. Congress last year appropriated \$65 million for the acquisition, subject to completion of an independent appraisal.

Among the other steps that must be taken before the transition is final is the completion of an agreement on cleanup of contamination from nearly 100 years of mining activity. Crown Butte has already agreed to place \$22.5 million in escrow for the cleanup. Therefore, the parties are optimistic that the acquisition can be completed sometime this summer.

Forest Service Management Reform

The U.S. Forest Service has recently come under fire from the GAO, as well as Members of Congress, for a lack of accountability and financial management. These problems have been building up for decades and are not, as our opponents would have it, the result of our forest policies.

Earlier this week, Secretary Glickman and Chief of the Forest Service, Michael Dombeck, announced a number of measures that USDA is taking to improve the Forest Service's management scheme. The reforms include the creation of three high-level positions (Chief Operating Officer, Deputy Chief/Chief Financial Officer, and Deputy Chief for Business Operations) aimed toward getting the Service's finances in order. The plan is a major step in the right direction and will help put management of the Forest Service back on track.

Supplemental Appropriations Bill

The Administration was defeated in its efforts to remove two anti-environmental riders from the Emergency Supplemental Appropriations bill for FY 1998 -- one that allows a highway to be built through Petroglyph National Monument in New Mexico, and another that undercuts the U.S. Forest Service's proposed 18-month moratorium on new roads in roadless areas of National Forests. These provisions are unfortunate, both because of their effect on these particular resources and because of the encouragement that their passage will give to supporters of anti-environmental riders in the future.

As a result, we can expect to see additional riders in the future (especially timber riders), combined with an increased willingness on the part of the House to accept such riders if they come from the Senate. To have any hope of counteracting this expected onslaught, the Administration will need to take very strong positions in opposition to such riders throughout the FY 1999 appropriations process.



EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF SCIENCE AND TECHNOLOGY POLICY
WASHINGTON, D.C. 20502

98 MAY 1 PM 2:29

May 1, 1998

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MEMORANDUM FOR THE PRESIDENT

FROM: KERRI-ANN JONES *AB for KAJ*
CC: ERSKINE BOWLES
SUBJECT: OSTP WEEKLY REPORT

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Bowles*

OSTP FORMS LEGISLATIVE WORKING GROUP/RAPID RESPONSE TEAM

An S&T Legislative Working Group has been formed with the mission to obtain full funding for your R&D budget request. The group is composed of members of White House agencies (NEC, OSTP, OVP, CoS, OMB, Leg Affairs) and the major S&T agencies (NIH, NSF, Energy, NASA, Defense, Commerce).

The group will formally meet weekly to share legislative information, identify opportunities for amplifying your R&D message, and to compile a database of information regarding R&D in key states. The group will also serve as a rapid response team reacting to Congressional S&T requests/actions.

OSTP R&D BUDGET AMPLIFICATION

On Tuesday, I testified before the Senate Committee on Commerce, Science and Transportation regarding the importance of R&D spending to the country, and particularly on the strength of your R&D budget request. Sen. Frist presided, and was joined by Sen. Rockefeller who both indicated strong support for increased R&D funding.

On Wednesday afternoon, I gave the keynote address at the American Association for the Advancement of Science (AAAS) Colloquium on Science and Technology. In the address I presented your historic R&D budget request to a room of 400 active members of the science community, and provided a snapshot of the political lay of the land. The capacity crowd was reminded that the work is not done and that the scientific community must continue to be active on the Hill to ensure Congressional appropriations support for your R&D request.

CHINA'S WATER SHORTAGES OF MOUNTING INTERNATIONAL CONCERN

In the recent issue of World Watch, Lester Brown predicts that China's impending water crisis could "shake world food security." (See attached article.) China currently depends on irrigated land to produce 70 percent of the grain for its population, but increasing diversions for China's fast-growing cities and industries are leaving rivers and aquifers depleted. A World Bank study has also concluded that water shortages and water pollution are considered the two main water-related constraints to China's socio-economic development.

OSTP, on behalf of the Vice President and his Environment and Development Forum, is organizing a U.S. Government wide water initiative with China. The Chinese are enthusiastic about the initiative and are working with us to plan a joint workshop on water resources management to be held this Fall, probably in New Mexico. Our workshop will compare approaches to water resource management by looking at side-by-side case studies of specific river basins or watersheds in the U.S. and China. The workshop will also involve U.S. industry--particularly irrigation and wastewater treatment companies--and international financial institutions.

UPCOMING CONGRESSIONAL TESTIMONY

- May 6 -- House Committee on Science, Duncan Moore on "International Space Station"
- May 7 -- Subcommittee on HUD, VA, and Independent Agencies, Senate Committee on Appropriations, Kerri-Ann Jones on "OSTP's FY99 Budget"

We are also trying to schedule confirmation hearings in early May for Neal Lane and Rosina Bierbaum.

THE WHITE HOUSE
WASHINGTON

May 2, 1998

THE PRESIDENT HAS SEEN

5-6-98

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BowlesMEMORANDUM FOR THE PRESIDENT
Ann

FROM: ANN LEWIS AND STACIE SPECTOR

SUBJECT: COMMUNICATIONS WEEKLY REPORT

Amplification

- To further promote your tobacco agenda and build support for it within the minority community, we worked with specialty press and our friends to highlight Monday's release of Surgeon General Satcher's report on minority youth and tobacco use. Secretary Shalala and the Surgeon General also worked hard to amplify the announcement in minority press.
- We are working with labor and other friends to amplify Friday's event at Therma Inc. on the economy and its impact on working people.

On-Going Projects

- **Census.** Building on our Census communications efforts, we are planning the first Census event to reach the Hispanic community (probably in Houston on June 2). This should enable us to frame the issue of a fair and accurate census; to meet the requests from Congressional allies for public demonstration of support; and to begin building an understanding of the particular importance of the issue to the Hispanic community.
- **Women.** This week Ann and Audrey Haynes met with women leaders and Administration staff to further develop plans for the 150th anniversary celebration of women's history at Seneca Falls in July, and to begin a discussion of a women's agenda that could be unveiled around the Seneca Falls celebration. Central policy issues include equal pay and child care.
- **Seniors.** Following a meeting with OPL, DPC, OPA, and others, we are developing a schedule of seniors-oriented events and announcements on issues including Medicare fraud, new Medicare preventive benefits available soon on-line, and measures that will ensure safety in medication and nutrition.

5-6-98

Message Overview

- Next week's message schedule focuses on a variety of key family-oriented themes, including two events to highlight your education agenda: the announcement of Education Opportunity Zones Legislation at your meeting with Mayors and your announcement on smaller class sizes before the Delaware Legislature. We are also working on a Mother's Day radio address on Child Care for next Saturday.

Note

- Ann received a pleasant letter from Abigail Thernstrom expressing her interest in continuing to communicate with us. She also related to Ann her hope that the formation of the new committee will not be seen as "hostile." Ann was able to respond on Friday by quoting your words at the press conference. Ann and Abigail will speak again on Tuesday.

98 MAY 1 PM 5:14

THE WHITE HOUSE
WASHINGTON

THE PRESIDENT HAS SEEN

May 1, 1998

MEMORANDUM FOR THE PRESIDENT AND THE VICE PRESIDENT

FROM: MARIA ECHAVESTE

SUBJECT: OPL WEEKLY REPORT April 25 - May 1

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ACTIONS SUPPORTING PRESIDENTIAL INITIATIVES

- **OPL coordinates senior staff meeting with Leadership Conference on Civil Rights Executive Committee.** On Monday, Erskine, John, Sylvia and I, along with about a dozen other WH staff members, met for about 90 minutes with Wade Henderson and the LCCR Executive Committee. (They very much appreciated your coming to their dinner.) We covered a wide range of civil rights issues, including judicial nominations (and the Lee, Castro, Hormel and Hochberg nominations), the Census, the budget implications of ISTEA, higher education affirmative action issues, the Washington State ballot initiative, black farmers litigation, ENDA, the Hate Crimes Prevention Act, Fair Housing amendments and Japanese/Latin American redress litigation. This was a follow-up meeting to one we had with them eleven weeks ago on the race initiative. At the end of the meeting, LCCR asked that we work more closely with them on AIDS prevention issues in communities of color, juvenile justice and the Census. *They are enormously appreciative of your efforts on their issues and your responsiveness.*
- **Africa Trade Bill.** Our efforts to rally support for your Africa Trade Bill include working with the NSC to host a religious meeting to encourage the interfaith communities to support the bill. Hugh Price of the National Urban League has agreed to attend Bob Johnson's black business leaders meeting on the 18th of May to lend his support to the trade bill.
- **Tobacco.** African American national organizations, are eager to support Tobacco legislation that will reduce smoking among African American youth. The NAACP intends to meet with the American Association of Mom and Pop Retail Food Stores to combine efforts to encourage less teen smoking among African American youth.
- **Education.** We met with the Board of Directors of the National Alliance of Black School Educators about your Education proposals. They support School Construction, America Reads, "High Hopes", and your Class Size Initiatives. They are currently withholding support of your National Standards Initiative.

5-6-98

CONSTITUENT OUTREACH AND OTHER ISSUESRELIGIOUS OUTREACH

- **National Association of Evangelicals.** They very much appreciated your meeting with them, and while concerned that the *New York Times* report might be troublesome for you, it was not a problem for them. What is a problem for them is this week's *U.S. News and World Report* cover story on James Dobson. They feel strongly both that he is abusing the trust he has gained as an expert on child care to now pursue a political agenda, and that his "agree with me or I'll bury you" approach is the antithesis of the spirit of Christ.
- ✓ **Guatemala.** The brutal murder of Bishop Gerardi has brought renewed attention to the School of the Americas and its opponents.

ASIAN PACIFIC AMERICAN OUTREACH

- **AG's Report on Smoking.** Our constituents were very pleased by the Attorney General's Report on Minorities and Tobacco and have likened it to an encyclopedic reference book. They noted that the release of this report represents the first time data for Asian and Pacific American community have been comprehensively collected.
- **Asian Pacific American Website.** The Asian Pacific American Heritage Month Proclamation and your photograph with White House Asian American appointees, a group as diverse as the Asian American community, will be highlighted on the first-ever White House Asian Pacific American Heritage Month Website.

ETHNIC COMMUNITY OUTREACH

- What do they advocate?*
- **Kosova.** The Albanian community is becoming increasingly uneasy about the continued killings of ethnic Albanians in Kosova. Several Members of Congress led by Congressman Engel has appealed to you to take serious preventive measures to cease the violence. Senator D'Amato has promised the community if the Administration's actions are not satisfactory he will champion their cause. The Senator's support is beginning to really resonate with the community.

AFRICAN AMERICAN OUTREACH

- **America Reads tutor.** Citing Chelsea work as an "America Reads" tutor in the Ravenswood City School District at the Caesar Chavez Elementary School, A NABSE representative (school superintendent) from the East Palo Alto community commended you and Mrs. Clinton on raising her to be such a responsible young adult. She was said to be an excellent role model and superb tutor.

We have to hurry if we want get on this train

Black Farmers. We are continuing to talk with members of the black farm movement regarding a legislative remedy to the statute of limitation problem. John Boyd, president of the National Black Farmers Association sent a letter endorsing our efforts.

The farmers are holding a national meeting in Detroit next week and have scheduled protest of the Vice President when he travels to Detroit. We have arranged for the Vice President to meet with John Boyd. Rev Joseph Lowery is one of the keynote speakers at the farm convention, and thinks the protest is unwise and unproductive. He and Mr. Boyd have agreed to try to head off the demonstration.

We finished another round of discussions with CBC and Republican staffers and now appear closer to a bipartisan Bill that will establish a process for resolution of the discrimination complaints.

BUSINESS OUTREACH

- **Financial services modernization.** In response to a letter from David Komansky, CEO of Merrill Lynch, OPL is arranging a meeting with Secretary Rubin and Gene Sperling and CEOs from the banking, insurance and financial services industries to discuss the financial services modernization legislation. The CEOs are concerned that Wall Street, in light of all of the recent mergers taking place, is well in front of where Congress should be on this issue. They would like the Administration's support for meaningful legislation this year. Others expected to attend are: Sandy Weil of Travelers, John McCoy of Bank One and Tom Wheeler of Mass Mutual.

HISPANIC OUTREACH

- **National Hispanic Religious Partnership for Community Health briefed.** The NHRPCH is a group of religious leaders from across the United States who are very interested in Health and Education issues. They were briefed by OPL, DPC and NEC on the Administration's priority initiatives including Education, Child Care, Health Care, Children's Health Care and Tobacco. They were also briefed on the Administration's position on Immigration, Bilingual Education and the Race Initiative. The religious partnership is very interested in working with us on these top priority initiatives.
- **Hispanic Serving Institutions briefed.** The Hispanic Association of Colleges and Universities invited OPL to speak to the Presidents of the Hispanic Serving Institutions on the top priority education initiatives. They are very supportive of the school construction and class size initiatives. They also expressed support in the Administration's position against the Unz Initiative. The group believes that it would be helpful for you to visit California and speak out against the Unz Initiative as a way of building support for the Administration's recent announcement.

SENIOR CITIZENS OUTREACH

- **AARP Works to support Medicare Buy-in.** On Thursday, AARP held a press conference to announce that the Medicare Buy-In option is an affordable and important alternative to the individual market. According to a study commissioned by AARP, the cost for an individual between 62-64 years old to buy-in to Medicare would be \$381 per month in 1997, based on a participation rate of 20%. The premium drops to \$254 if everyone not covered took part in the buy-in. Unlike our proposal, AARP does not assume that a portion of the premium would be deferred until after age 65. AARP will be circulating the report on the Hill and to the key health care reporters.

cc: Erskine Bowles
Craig Smith
Doug Sosnik
Sylvia Mathews
Sid Blumenthal
Bruce N. Reed
Mickey Ibarra

Rahm Emanuel
Michael McCurry
Gene Sperling
Thurgood Marshall, Jr.
John Podesta
John Hilley
Ron Klain

TRANSLATION:

98 MAY 5 PM 2:31
Prague, April 23, 1998

Dear Mr. President and Mrs. Clinton,

On behalf of President Havel, allow me to thank you cordially for your warm and friendly words wishing him a quick recovery. Your sincere moral support has been very encouraging for him in these troubled moments of his life.

Respectfully yours,

Ivan Medek
Head of Office of the President of the Czech Republic

**The President of the United States of America
and Mrs. Clinton**

TO NSC?
YES

V Praze dne 23. dubna 1998

Vážený pane prezidente,
Vážená paní Clintonová,

dovolte mi, jménem pana prezidenta, srdečně Vám poděkovat za Vaše přátelská a upřímná slova s přáním jeho uzdravení. Vyjádření Vaší upřímné morální podpory je pro pana prezidenta v těchto nelehkých chvílích jeho života velmi povzbuzující.

Se srdečným pozdravem

Ivan Medek
vedoucí Kanceláře prezidenta republiky

Vážený pan a paní
William a Hillary Clinton
prezident Spojených států amerických

The Embassy of the Czech Republic presents its compliments to the Department of State of the United States of America and has the honor to transmit herewith a thank you message from Vaclav Havel, President of the Czech Republic, addressed to the President of the United States and Mrs. Clinton, with the request that the telegram be forwarded to them.

The Embassy of the Czech Republic avails itself of this opportunity to renew to the Department of State the assurances of its highest consideration.

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April 20, 1998

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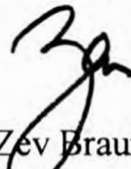
President Bill Clinton
c/o Carolyn Huber
The White House
1600 Pennsylvania Ave.
Washington, DC 20500

Dear Mr. President,

Recently, I was at a meeting with the scientists at Georgetown and can tell you personally that tobacco plants are perfect hosts for transgenically developed vaccines, particularly for the papillomavirus vaccine. And I'm told it could be available soon to women who are considered susceptible, perhaps by the end of next year. As a member of the board of the Sabin Institute at Georgetown University, I'd be delighted to join in any meeting you care to arrange in this regard.

Meanwhile, Mayling and I send you and Hillary our very best wishes,

As always,


Zev Braun

5-6-98

*To Burkhardt for
reply?*
Yes ☒ No ☐
OK 5/9 8.

ZB/sah

cc: H.R. Shepherd

CHAIRMAN
H. R. Shepherd

ALBERT B. SABIN VACCINE INSTITUTE, INC. AT GEORGETOWN UNIVERSITY

April 17, 1998

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The President
The White House
Washington, DC 20500

Re: How to Simultaneously Protect Tobacco Farmers' and
Taxpayers' Interests When Demand for Tobacco Products
Declines

Sir:

During your forum last week in Kentucky, you eloquently defined the challenge of protecting farmers' economic health while also protecting public health by reducing teen smoking. The Sabin Vaccine Institute wants to help you achieve both of these laudable goals which seem to be in conflict.

A promising, potential solution to this challenge already is in development. This solution will enable tobacco farmers to continue to plant and harvest the crop. It provides the elusive "alternative within the tobacco economy," to which you and Dr. Goatley referred. And it minimizes the potential outlay of public funds to help tobacco farmers and their communities.

Instead of paying public funds to farmers who stop producing, the public would get a better return if fewer dollars were invested in research and development that produces a revolutionary new, positive use for tobacco.

The prospective solution is to develop genetically-engineered (transgenic) tobacco plants that produce vaccines.

This is not a pie-in-the-sky fantasy or something decades away from reality. A tremendous amount of research already has been done. It indicates this is a viable concept. Scientists at Georgetown University Medical Center and North Carolina State University School of Agriculture are jointly working on this very solution. Specifically, we are developing transgenic tobacco plants that will produce apapillomavirus vaccine. Human papillomavirus leads to cervical cancer, the second most deadly



GEORGETOWN UNIVERSITY

Building D Suite 154 4000 Reservoir Road NW Washington DC 20007
202-687-9145 fax 202-687-9242 e-mail shepherdh@sabin.georgetown.edu

Dedicated to Disease Prevention

ALBERT B. SABIN VACCINE INSTITUTE, INC.
AT GEORGETOWN UNIVERSITY

The President
April 17, 1998
Page 2

women's cancer. A vaccine that prevents human papillomavirus will prevent cervical cancer, too.

There is a precedent for the proposed transformation: ordinary fruit rot was transformed into life saving penicillin. So it could be with tobacco.

The Sabin Vaccine Institute at Georgetown University and NCSU are committed, financially, morally, and intellectually, to this project. It is underway, relying on meager private resources. Increased funding would greatly accelerate our progress and speed the development of this solution.

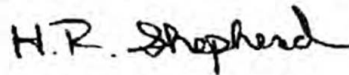
Once developed, this new technology theoretically can be used to produce vaccines to prevent many other diseases, as well: other cancers, HIV/AIDS, malaria, respiratory syncytial virus, hookworms, and more. What's more, it will greatly reduce the cost of manufacturing vaccines, making them more affordable to families, and reducing government vaccine purchasing costs and aggregate health care expenditures.

The attached project summary outlines the extraordinary prospective health and economic benefits of vaccine production in transgenic tobacco plants.

Our entire nation will benefit if tobacco farmers can keep farming -- and earning -- and their product is transformed into one that improve women's health, save lives, and reduces health care spending.

To help you understand and accelerate progress toward this solution, I would welcome an opportunity to discuss it in detail with you and/or your staff.

Respectfully yours,



H.R. Shepherd
Chairman

Enclosure

ALBERT B. SABIN VACCINE INSTITUTE, INC.
AT GEORGETOWN UNIVERSITY

**Save Women's Lives, Improve Women's Health,
Reduce Health Care Costs, and
Save Tobacco Farmers**

Executive Summary

Scientists affiliated with the Albert B. Sabin Vaccine Institute at Georgetown University have **patented a vaccine to prevent human papillomavirus (HPV) and cervical cancer**, the **second most prevalent and deadly cancer among women**.¹ The Sabin Vaccine Institute proposes to research and develop the production of this vaccine in genetically-engineered tobacco plants.

The American people stand to reap enormous benefits from the development of genetically-modified or "transgenic" tobacco plants capable of producing HPV/cervical cancer vaccine. Production of this vaccine in tobacco plants will:

- **Save women's lives** -- cervical cancer **kills 50,000 women** in the U.S. each decade. Worldwide, it **kills 225,000 women a year**.²
- **Save billions of dollars**. Diagnosis, evaluation and therapy for HPV cost **\$9.25 billion in the U.S. annually**. Vaccination will reduce the need for **these tests and therapies**, especially the advanced ones that are the most costly.
- **Save tobacco farmers from financial ruin**. Transforming tobacco into a plant that saves lives will preserve the livelihoods of many of the families that own and work America's 124,000 tobacco farms in 15 states.
- **Cut vaccine costs**. Plant production is projected to cost a fraction of traditional methods, reducing the cost of vaccines.

¹ Human Papillomavirus, http://www.brown.edu/Courses/Bio_160/hpv/index.html, p. 1

² Human Papillomavirus, http://www.brown.edu/Courses/Bio_160/hpv/index.html, p. 2

ALBERT B. SABIN VACCINE INSTITUTE, INC.
AT GEORGETOWN UNIVERSITY

Vaccines for several diseases in addition to cervical cancer/HPV are candidates for plant production.

- Solidify the U.S.' leading role in biomedical innovation.

Need for a Human Papillomavirus / Cervical Cancer Vaccine

Cervical cancer is second only to breast cancer as the most common type of cancer in women, in both incidence and mortality. Unlike breast cancer, cervical cancer is associated with a well-defined and preventable disease agent – the human papillomavirus. Carcinogenic types of HPV are found in over 90% of cervical cancer lesions.

Stopping cervical cancer/HPV is impossible without a vaccine. According to the National Institute of Allergy and Infectious Diseases, "as many as 40 million Americans are infected with HPV, and the incidence of this disease appears to be increasing."³

Fighting HPV/ cervical cancer is very costly in both human and economic terms:

- Each year in the U.S., 16,000 new cases of invasive cervical cancer are diagnosed, and 5,000 women die as a result of the disease.
- HPV drives up health care costs -- it was the reason for 240,000 initial visits to physicians' offices in the U.S. in 1995.⁴

³ "Human Papilloma Virus & Genital Warts," Office of Communications, National Institute of Allergy and Infectious Diseases, Bethesda, Md., 1992, <http://www.nai.edu/~fronske/warts.html>, p. 1.

⁴ "Human Papillomavirus (genital warts) – Initial visits to physicians' offices: United States, 1966-1996 and the Healthy People year 2000 objective," http://wonder.cdc.gov/wonder/STD/STDD0609/Figure_36.html

ALBERT B. SABIN VACCINE INSTITUTE, INC.
AT GEORGETOWN UNIVERSITY

Vaccine Production in Transgenic Tobacco Plants

The Sabin Vaccine Institute proposes to produce a papillomavirus vaccine in genetically-modified tobacco plants, in collaboration with scientists at Georgetown University Medical Center and North Carolina State University. Transgenic plants are well suited to the production of therapeutic proteins, such as vaccines. Tobacco is easy to genetically manipulate and is one of the most widely studied plant systems.

Other Candidates for Transgenic Vaccines

Many vaccines are candidates for production in tobacco plants. All that is needed is the gene sequence that codes for a protein which will serve as an antigenic agent. Other vaccine targets include:

- **Cancer**, which kills 400,000 Americans each year.
- **HIV/AIDS**, which infects over 1 million people a year.
- **Respiratory syncytial virus (RSV)**, which causes 91,000 hospitalizations and 4,500 deaths a year in the U.S., mostly of infants and young children.
- **Malaria**, which kills over 3 million people annually.
- **Hookworms**, the most prevalent infection of humans.
- **Rotavirus**, which causes 50,000 U.S. children to be hospitalized, more than 870,000 deaths worldwide annually.

Summary

This single program can save thousands of American women's lives and billions of health care dollars annually, and preserve the livelihoods of families dependent on America's 124,000 tobacco farms, allotment income, and processing jobs.

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THE WHITE HOUSE
WASHINGTON

Copied
Emanuel
COS

May 4, 1998

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MEMORANDUM TO THE CHIEF OF STAFF
FROM RAHM EMANUEL
SUBJECT WEEKLY REPORT

CRIME/DRUGS: The GOP has decided to make teen drug use a major issue in the 1998 elections. They see the issue and the "moral" component of the drug debate key to turning out their base in November. We have a number of initiatives to announce and highlight in the coming weeks in order not to cede this issue terrain. However we will not be able to hold our own by focusing just on drug courts, reduction in sentencing and treatment efforts.

(Should be a part of the release)
This weekend the Department of Education will complete their Zero Tolerance report. The report will show that 7,000 kids were expelled for one year for bringing guns to school. School safety is a top priority for parents and I believe this report is important to highlight as a Presidential initiative.

Last Wednesday Elena and I met with Chuck Ruff concerning the Chicago ordinance before the Supreme Court. The case involves a gang disruption ordinance by the police department. A number of police groups, communities, neighborhood groups, and the Conference of Mayors have filed on behalf of the City of Chicago. I think the administration should file an amicus brief on behalf of the city as well. This case is crucial because it will establish the guidelines on behalf of cities and police departments across the country.

Don't know where to put this

Politics: Time Magazine is preparing to release a story indicating that an internal GOP memorandum warns about potential losses this year unless they excite their base voters. Unlike 1996, in which the GOP saw cooperation as their ticket to survival, they see 1998 defined by confrontations. They specifically see saving their majority by attacking the President and highlighting "moral decline" issues. This does not bode well for getting anything accomplished this year.

Stan Greenberg just finished a survey involving Emily's List that concludes the political environment has changed in the last six months. Stan also sees a rise in moral and value based issues and a decline in traditional 'bread and butter' issues. I believe we need to take stock of this change and review our communications, legislative, political and scheduling priorities. For example, in 1996 we were very disciplined in our communication on issues, and dedicated to

ensuring they were discussed in a value laden term. We do not do that with any regularity now. I want to suggest a small subset of the Residence Group to take a Saturday afternoon and work through this altered landscape.

EDUCATION: I have spoken to Bruce Reed about the suit being filed by the teachers union in North Carolina against Governor Hunt for his teacher testing initiative. I believe we should analyze filing an amicus brief on behalf of the state. The brief would demonstrate the President's commitment to teachers and teacher testing.

It seemed to me that during the President's meeting with Senator Lott and Daschle, Senator Lott was open to avoiding a veto on the Coverdale amendment. We should use this opportunity to think about a grand compromise. Newsweek is reporting that Senator John Kerry is working on a similar compromise on school vouchers and school construction. I believe the earlier we get ahead of this change the better.

~~agrus~~

~~agrus~~

~~agrus~~

THE WHITE HOUSE
WASHINGTON

April 30, 1998

98 MAY 1 AM 10:40

MEMORANDUM TO THE PRESIDENT
FROM RAHM EMANUEL
SUBJECT SURVEY OF WOMEN VOTERS

Attached is the Emily's List survey that I mentioned to you earlier.

Copied
Mark Penn
Emanuel
COS

To Mark Penn
for discussion
BC

GREENBERG
QUINLAN
RESEARCH
INC



515 SECOND STREET NE
WASHINGTON DC 20002
TEL 202 547-5200
FAX 202 544-7020
www.GreenbergResearch.com

EMILY'S LIST WOMEN'S MONITOR #9
Spring 1998 National Survey of Women Voters

Conducted by
GREENBERG QUINLAN RESEARCH
LAKE, SOSIN, SNELL, PERRY & ASSOCIATES

April 24, 1998



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Introduction and Summary

The latest national survey conducted for EMILY's List in early April suggests a close election for control of the Congress, with a number of trends in evidence that are potentially unfavorable for Democrats. We believe this survey should send up warning flags for Democrats who are in a position to shape the issue agenda and discourse ahead. If Democrats do not respond to these emerging trends, we believe, Republicans could strengthen their hold on the Congress.

This survey shows the Democrats and Republicans in a dead heat in the race for Congress, with 44 percent of voters saying they plan to vote Democratic and 44 percent planning to vote Republican. That is produced, in part, by an extraordinary level of satisfaction with incumbent members of Congress. Almost three-quarters of the public approves of the job being done by their own member. That combination suggests, at the very least, a status-quo election in November.

But this survey suggests a shifting issue focus that centers more on moral decline, families, and crime and drugs and that centers less on issues that have favored the Democrats, particularly education. That is not a benign change for Democrats, particularly as Democrats are faltering on a broad range of "values" issues – from personal responsibility and discipline to family values and honesty. The uninterrupted attention to campaign finance excesses and personal scandals is eroding the gains Democrats have made on these family-centered issues.

Because the Paula Jones suit against the President was dismissed while this survey was fielding, we had a unique opportunity to examine this dynamic. We found that



the saturation news coverage surrounding the event did seem to have an immediate and negative impact on Democrats with regard to values issues.

Perhaps as a result, more traditional women voters, such as suburban women with children, or "soccer moms," who Democrats wooed successfully over the past few years, have begun to pull back since 1996.

There has also been significant erosion of support for Democrats among seniors, who appear to be becoming more Republican than we've seen in the past. Perhaps most disconcerting is the dramatic losses among drop-off women—so dramatic, in fact, we believe that if they hold they represent a very real danger for Democrats in the future.

This picture is inconsistent with that presented in a number of recent national surveys. A recent Pew Research Center poll (March 25-29) shows the Democrats with a commanding 12-point lead in the generic congressional race. A CNN/Time poll conducted April 8-9 has Democrats up by 13 points.

We hope those surveys are correct, though we are very cautious about them. At the moment, we do not see large shifts in overall in votes for Congress. Both of the Women's Monitors for this election cycle – which surveyed only likely voters – show the congressional race dead even. The Lake/Tarrance "Battleground" Poll in January showed a dead heat, with each party at 40 percent. An early March NBC/*Wall Street Journal* poll conducted by Hart/Teeter showed the public slightly favoring the Republicans on who should control Congress. And a CNN/*USA Today*/Gallup poll taken April 17-19 shows a slim 3-point lead for Republicans among "regular" voters.

In that light, we think Democrats should pay close attention to this survey which describes the emerging dynamics of the 1998 contest. In any event, we are completely



confident that the changing issue agenda and the changing currents underneath are very real and require adjustments by Democratic campaigns in the months ahead.

It is very important that Democrats move quickly to shape the campaign ahead. Democratic leaders in Washington and Democratic candidates in battleground districts must seek to move this election to Democratic issues – education, Medicare and Social Security, and, indeed, crime and drugs and support for the family. Democrats must contrast themselves with Republicans to focus public attention, for these are issues where Democrats are much better trusted than the Republicans to use government in the right way. On these issues, there is little evidence of Democratic erosion, and indeed, the public is looking to President Clinton and the Democrats, rather than the Republicans, to set the agenda for the challenges ahead.

Democrats have an opportunity to assert a broader, middle-class family agenda that is being blocked by Republicans who want the government to do nothing in support of families. This survey shows that Democrats can begin to define the Republican Congress as a “do-nothing Congress,” interested more in partisan gain than addressing the real needs of middle class families.

Seven months before the election, the Democrats have an opportunity to create their own currents. The 1998 election for Congress is still up for grabs.



THE CHANGING ISSUE ENVIRONMENT

The Values Problem

The Issue Focus

The major developments in our politics of the last few years are moving the electorate toward a values-centered issue agenda. The percentage choosing the economy and jobs as their biggest concern has plummeted to just 6 percent among women and 9 percent among men – about half of what we witnessed in the 1996 election. The attention to education has also dropped off as well – to just 11 percent of women – after the issue was so strong in the 1996 presidential election and in our 1996 polling for EMILY's List. Republican attention to the issue and the absence of a big public battle on education has allowed concerns to recede somewhat. At the same time, just 3 percent of women say their biggest worry is the budget deficit and government spending. Men remain more concerned (11 percent), but that is also down from 1996.

Those trends on the economy, education and government spending have allowed the public focus to shift to issues, like moral decline, crime and drugs and families. Together, they account for half of the responses among women and about 40 percent of the responses among men, who are also concerned about taxes and government spending (20 percent). The concern with moral decline began to rise in October of 1996, when the campaign finance charges were first raised, and now 20 percent say it is their biggest worry. The same number say they are worried about crime and drugs, up from 14 percent in 1996. Another 10 percent say they are worried about families – which likely repre-



sents a more general concern on the broad pressures facing families, including economic ones.

Among key groups of women, we are witnessing a sharp drop in economic and education worries and sharp rise in concern with these values-related issues – particularly young voters (20-somethings) and baby-boomers, married moms, suburban and professional women, Catholics, small town and Southern whites. Seniors too have focused much more on these values issues.

The shift of the country's problem focus has important electoral consequences. Those women who say their main concern is education or Social Security favor the Democrats for Congress by almost 40 points, and those who say health care, by over 20 points. Women who say their biggest worry is crime and drugs also favor the Democrats by over 20 points, and those who say families, by 8 points. But the growing worry about moral decline produces a Republican backlash: these women support Republicans for Congress by 46 points.

**Concerns and Congressional Vote
Voting Women
(Net Democratic Advantage)**

Concern	Net vote
Education	+39
Social Security	+36
Health Care	+23
Crime and Drugs	+23
Families	+ 8
Moral Decline	-46



Declining Democratic Legitimacy on Values

The 1998 electorate seems to be moving away from the issues and concerns on which Democrats run best. We asked voters which party does a better job with a range of issues, and Democrats emerged dominant on education, health care, Medicare and retirement and Social Security. Democrats are also running very respectably on handling the economy. On these traditional Democratic issues, we found, like the Pew poll, that Democrats are holding their traditional strong standing over the Republicans.

But the focus of the electorate, at the moment, has shifted away from those issues and increasingly to values and family-related concerns. Here, Democrats are losing serious ground and with important segments of the women's electorate.

Word Associations (Net Democratic Advantage)

Word/Phrase	Voting Women	Voting Men	Drop-off Women Voters
Kids Getting Right Start in Life	+24	+ 8	+18
Community	+24	+13	+21
On your side	+16	0	+ 3
Individual Freedom	+14	- 3	+14
Commitment to Family	+ 2	-15	- 6
Too Partisan	+ 2	- 1	+ 4
Shares Your Values	+ 2	-11	- 3
Economic Security	0	-16	- 7
Ethics and Honesty	-10	-22	- 8
Personal Responsibility	-12	-28	-18
Morality	-16	-34	-13
Discipline	-21	-36	-35



EMILY's List: The Women's Monitor

Among women, Democrats are today associated with important values, like kids getting the right start (24-point advantage), community (24 points), being on your side (16 points) and individual freedom (14 points). (They are not dominant for men on any of these except community.) On key family-related values among women, Democrats edge Republicans on commitment to family (2 point Democratic advantage) and shares your values (2 points). But on a range of values that create the underpinnings for the family and for raising and directing children, the Democrats are in serious trouble among women: ethics and honesty (- 10 points), personal responsibility (-12 points), morality (- 16 points), and discipline (- 21 points). (In each case, the Democratic disadvantage is almost double among the men.)

The current weakness of Democrats on values has been produced by an 18-month period of unrelenting attention to financial corruption, ethical lapses and sexual accusations. During this period, the President's job approval rating is risen and Democrats have maintained their strong position on the country's issue agenda. But on values and the family, the Democrats have watched significant erosion of their position. On most of these attributes, the losses have mounted steady over the whole period since October 1996 and on some, there has been sharp erosion in the last four months.



EMILY's List: The Women's Monitor

Association Trends (Net Democratic Advantage)

Word/Phrase	Fall 1996	Nov 1996	Fall 1997	Spring 1998
Ethics and Honesty	- 8	-20	-11	-15
Voting Women	- 2	-14	- 4	-10
Voting Men	- 14	-27	-19	-22
Drop off Voters	+ 4	- 1	- 5	- 8
Shares Your Values	+ 3	+ 1	- 1	- 4
Voting Women	+12	+ 8	+ 9	+ 2
Voting Men	- 6	- 7	-11	-11
Drop off Voters	+16	+23	+19	- 3
Commitment to Family	+ 5	-	- 4	- 6
Voting Women	+13	-	+ 7	+ 2
Voting Men	- 4	-	-16	-15
Drop off Voters	+19	-	+15	- 6
Family Values	-	-	-10	-15
Voting Women	-	-	+ 2	- 6
Voting Men	-	-	-22	-24
Drop off Voters	-	-	+ 5	-10
Personal Responsibility	-13	-22	-14	-20
Voting Women	- 5	-15	- 4	-12
Voting Men	+21	-29	-21	-28
Drop off Voters	- 2	- 6	+ 2	-18
Reform Campaign Finance	-	- 2	-10	- 2
Voting Women	-	+ 4	- 6	- 2
Voting Men	-	-10	-14	- 2
Drop off Voters	-	+11	- 5	- 8

On the values most closely associated with the public scandal – *ethics and honesty* – the EMILY's List surveys show a sharp drop in the Democrats' position right before the 1996 election, when Democrats were accused of fundraising excesses (from a -2 point advantage on the issue to a -14 point). That receded somewhat last year but re-emerged in the most recent survey, with the Republicans now holding a 10-point advan-



tage on ethics and honesty. (Again, an identical pattern was evident for men, though the Democratic disadvantage on the issue is more than double (- 22 points)).

For all voters, but particularly women, Democrats have lost some of their affinity with ordinary voters on their values. Democrats had a 12 point advantage on *shares your values* among women in the Fall of 1996, but that advantage has dropped steadily, and sharply in the most recent period, leaving the Democrats with only a 2 point advantage on this central association. (Among men, the Democratic advantage has dropped from -6 to -11 points, though there was no erosion in the most recent period.)

Before the 1996 election, the Democrats had re-emerged with credibility on their *commitment to family*: among women, they were preferred to the Republicans by 13 points; among men, the Democrats were only 4 points behind. That was a remarkable turnabout for Democrats and allowed Democrats to make major inroads among more traditional Republican groups. But today, the Democrats have only a 2-point advantage among women and trail the Republicans among men by 15 points on commitment to the family. On *family values* – a more traditional formulation – Democrats have lost serious ground in the most recent period; dropping from a 2-point advantage last fall to a 6-point disadvantage now.

It is interesting that while the Democrats were initially hurt on campaign finance – the starting point for the scandal stories – that issue has reversed itself. Among all voters, the Republicans maintained a small advantage on *reforming campaign finance* during the 1996 election. (Among women, Democrats were only marginally ahead.) By last Fall, Republicans moved into a significant lead on the issue (10 points). But that lead has dropped in recent months to no lead at all (- 2 points). Indeed, over 40 percent of the



public says "neither" party will do a better job or say they do not know. Men are more likely to say "neither" party and the women are more likely to say, "don't know."

Multiple Routes to a Values Problem

The Democrats' position on values has been eroded among the most traditional segments of the women's electorate. That should not be a surprise. In the most recent survey, reflecting the events of the last four months, the Democrats have lost significant ground with rural white women: the Democratic advantage on shares your values dropped from -2 points to an overwhelming -23 points. They also lost ground with small town white women (from even to -2) and Southern white women (-5 to -26), and least surprisingly, among devout Evangelicals (from -25 point advantage to an extraordinary - 54 points).

Married moms were the critical battleground in 1996 and were an important part of the new Democratic ascendancy among women. In the past, they had trusted and voted Republican, particularly on values issues. But last fall, the Democrats had emerged with a 6-point advantage among married moms on commitment to family. Unfortunately, for Democrats, married moms have moved back to their traditional position with a vengeance. They now think the Republicans are more committed to family - and by 20 points. Last Fall, they favored the Republicans on family values by 12 points, but that has risen to a gaping 29 points.

In general, the Democrats have lost ground on values with the non-college-educated women and more blue collar women who have moved to the Democrats in recent years. The non-college-educated (non-retired) women divided evenly on the parties



and family last Fall, but no longer: they now give the Republicans a 19-point advantage. The same pattern holds for women in low-wage occupations.

Catholic women have proved very strong for the Democrats in recent years and have not moved away on the abortion issue and the various scandals. But in the most recent poll, their confidence has been shaken somewhat: the Democratic advantage on family values dropped from + 16 points to a - 6 points.

Seniors are emerging as a serious problem in 1998. On family values, the Democrats' position has weakened (from -4 to -13), and on ethics and honesty, the Democrats fell from -13 to -19, down significantly from 1996. Indeed, on almost every value question, the seniors have eroded steadily since 1996.

At least as important, however, are the Democratic losses on values among younger and suburban women, even the more secular. On family values specifically, Democrats have dropped among the 20-somethings (from a -7 point advantage in the Fall to a -14 point advantage now), among baby-boomers (from -6 to -18), suburban women (-9 to -24), and secular women (+14 to -2). There is a deepening sense that Democrats are somewhere else on these values issues. For example, the 20-something voters in 1996 gave the Democrats a remarkable 18 point advantage on shares your values. Democrats are now at a 7 point disadvantage on this issue among these young voters who gave the Democrats their biggest margin in the 1996 elections.

The Paula Jones Decision

The dismissal of the Paula Jones suit took place during this survey and, fortunately from the point of view of this analysis, half the interviews were conducted before



and half after. Whatever the long-term consequences for the President, the decision hurt the President in the short term: his positive job approval among women was 69 percent before the decision and 64 points afterward. But more importantly, the decision contributed to the Democrats' values problems in this survey.

The decision had no immediate impact on non-values related issues. For example, the Democratic advantage on being on your side, individual freedom, and economic security was virtually unchanged by the decision. The Democrats' position weakened significantly on personal responsibility (-6), discipline (-8), and commitment to family (-8).

It is possible that the decision in the Paula Jones suit may have exaggerated the values problems facing the Democrats in this survey. Or alternatively, it may represent simply another event contributing to the Democratic erosion on values that has continued to worsen since 1996. Given the overall trends, we are inclined to believe that Democrats should take the issue of value erosion very seriously.

Maintaining Perspective

While it is important to pay attention to the erosion on values, it is important to recognize that voters continue to bring a complex set of criteria to their vote. Just as President Clinton's approval ratings did not fall sharply in response to these events, voters are not willing to turn their congressional vote into a simple affirmation of morality.



In the regression model below, we have presented the rank order of values, based on their impact on the congressional vote.¹ The two most important values, economic security and shares your values are closely contested between the parties. The next three are values that Democrats score highly on, including support for community and individual freedom and being on your side.

Values and Voting
All Voters
Regression model; all voters
(Impact on vote for Congress)

Party associated with value	T-score	Democratic Advantage
Economic security	4.1	- 7
Shares your values	3.9	- 5
Community	2.9	+19
On your side	2.8	+12
Individual freedom	2.5	+ 5
Ethics and honesty	2.4	- 16
Personal responsibility	2.1	- 20

When we construct a similar regression model on the issues, three emerge at the top – the economy (4.8), education (4.4), and the best agenda for the future (2.8). The Democrats are now ahead on all of those. The challenge in the months ahead is to forge a middle class family agenda that uses those issues and shows that the Democrats share people's values.

¹ Regression models explain the statistical relationship between independent and dependent variables. In this case, the regression tells us the significance of the relationship between a respondent's answers on associations/issues and their intended vote for Congress; i.e., what issues or principles are driving their vote choice.



THE DEMOCRATIC ADVANTAGE ON ISSUES

If values are the Democrats' weakness, issues provide them with their opportunity
– particularly education, health care, retirement, and the economy.

The Issues
(Net Democratic Advantage)

Concern	Total	Women	Men
Health Care	+23	+24	+20
Medicare	+17	+23	+10
Retirement and Social Security	+16	+18	+13
Education	+16	+19	+14
Economy	+ 4	+12	- 4
Setting the country's agenda	+ 4	+11	- 5
Reforming campaign finance	- 2	- 3	- 2
Dealing with the global economy	- 7	+ 2	-15
Taxes	-12	- 1	-14
Crime and drugs	-12	- 1	-24
Keeping govt spend under control	-20	- 8	-33

Both women and men give Democrats double digit advantages on health care, Medicare, education and retirement. The challenge for the Democrats is to make sure that the current dialogue on values and the news focus on scandal does not drown out Democratic action on the issues that work to their advantage. For example, 45 percent of voters say they have not heard anyone talking about education proposals and only 4 percent of voters say they have heard anything from Democrats in Congress (though 16 percent mention President Clinton).



Republicans enjoy advantages on taxes and government spending as well as a dramatic advantage on crime among men. Noticeably, neither party has any credibility on campaign finance reform. Almost twice as many voters do not pick a party (48 percent) as choose either Democrats (26 percent) or Republicans (28 percent). Still, the overall Democratic advantage on issues has been clear and constant since the last Women's Monitor. Unfortunately, it has yet to be fully translated into electoral advantage.

Education – A Democratic Win

Democrats win on the issue of education. Education continues to be one of Democrats' best issues, with women giving Democrats a 19-point advantage on education (47 percent to 28 percent for Republicans) and men giving Democrats a 14-point advantage (46 percent to 32 percent). In addition, Democrats also have a message advantage on education, with voters (especially women) prioritizing education over tax reform, and a national reform and investment education agenda over a decentralized voucher agenda. Importantly, even Republican women prefer the Democratic agenda of standards, smaller class sizes, and computer technology over the Republican agenda of parental choice and local control (51 to 43 percent) and split on the choice of education over taxes (44 to 47 percent).

The overall Democratic advantage on education extends to nearly every subgroup of the women's electorate, as well as to a substantial proportion of men. Not surprisingly, the Democrats' biggest advantage is among core Democratic constituencies such as minority women (+56) and women in union households (+37), but the party's advantage



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also extends to swing women such as independents (+18), suburban women (+15), and small town white women (+14). When the discussion turns to the specific issue agenda, the advantage among swing women increases. For example, among suburban women, the Democratic investment agenda beats the Republican voucher agenda 66 to 31 percent. The Democratic perspective on education wins with a respectable margin holds, even when party labels are added: education beats taxes 48 to 39 percent.

Among women voters, a Democratic agenda on education beats both a Republican agenda on education and a Republican agenda on taxes. Among men, while a Democratic agenda on education beats a Republican agenda on education, the Democratic agenda on education loses to a Republican agenda on taxes. We saw the same pattern in the October *Monitor*.

Comparative Education and Tax Messages (Net Democratic advantage)

		Women	Men
Without mentioning party labels ²	Democratic agenda on education vs. Republican agenda on education	+33	+ 4
	Democratic agenda on education vs. Republican agenda on taxes	+19	- 8

² Text of the question is as follows:

Now I am going to read you two statements about education. Please tell me which statement comes closer to your own view.

Some people say our top priority as a nation needs to be investing in a quality public education for every child in America. That means implementing tougher national standards, modernizing our school buildings, reducing class size to improve learning, and using more computers so kids learn key skills.

Other people say education is a top priority for our nation, but education is a local issue best determined by parents and communities. The most important thing we can do is increase parental choice by creating vouchers which enable parents to send their child to any school – public, private or religious.



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		Women	Men
Mentioning party Labels ³	Democratic agenda on education vs. Republican agenda on education	+26	+11
	Democratic agenda on education vs. Republican agenda on taxes	+12	-12

Importantly, when the two education agendas are set face to face, the Democratic education agenda beats the Republican agenda not only among Democratic women (+56 points) and independent women (+31 points), but also among Republican women (+8 points). However, this is a smaller margin than in the fall, when Republican women favored education over taxes by +15 points (50 to 35 percent).⁴

The strength of the Democratic agenda on education rests on the party's credibility and the priority that voters assign this issue. Contrary to Republican rhetoric, voters

³ Text of the question is as follows:

Now I am going to read you two statements about education. Please tell me which statement comes closer to your own view.

Democrats say our top priority as a nation needs to be investing in a quality public education for every child in America. That means implementing tougher national standards, modernizing our school buildings, reducing class size to improve learning, and using more computers so kids learn key skills.

Republicans say education is a top priority for our nation, but education is a local issue best determined by parents and communities. The most important thing we can do is increase parental choice by creating vouchers which enable parents to send their child to any school – public, private or religious.

⁴ Text of question is as follows:

I'm going to read you different views of what should happen now. Please tell me which of these you personally agree with more.

Our first priority should be improving education by instituting national testing of students and raising school standards.

Our first priority should be radically simplifying the federal income tax and putting an end to the IRS as we know it.



favor federal involvement in education even though the issue is local. Two in three women voters (68 percent), as well as a slim majority of men (52 percent) believe that the federal government ought to have at least some role "in changing and improving our public schools." Support for at least some federal role includes 65 percent of Independent women and 51 percent of Republican women. Democrats can be aggressive in discussing the need for national standards and national investment, without substantial vulnerability on "big government" grounds:

**Government and Education
(Percentages)**

Do you think the federal government should play a major role, some role, a minor role, or no role in changing and improving our public schools?				
	Major	Some	Minor	None
Women	38	30	16	14
Men	33	19	24	24
Drop-off	46	29	13	10

While the Democratic agenda on education has power, it is missing important language on safety, which is voters' highest priority. In ranking seven possible priorities for education, "expanding efforts to make schools safe and drug free" ranks first: 45 percent of women and 38 percent of men say this is one of their top two priorities. For women, "adding teachers and reducing class size" ranks a close second (44 percent),



while for men, block grants rank second (35 percent) and class size and standards (33 percent each) rank a close third:

Women	Men
Safe & drug free schools (45%)	Safe & drug free schools (38%)
Teachers & class size (44%)	Block grants (35%)
National standards (28%)	Teachers & class size (33%)
Block grants (24%)	National standards (33%)
Technology & computers (21%)	Vouchers & school choice (26%)
Vouchers & school choice (19%)	Technology & computers (19%)
Pre-school & Head Start (16%)	Pre-school & Head Start (9%)

Education priorities differ for different parts of the women's electorate, however. For younger women (20-somethings and Reagan generation), as well as for mothers generally, adding teachers and reducing class sizes ranks ahead of safe-and-drug-free schools. For some key swing Republican leaning women, including small-town and southern white women, as well as professional women, block grants rank third, ahead of national standards. For core Democratic constituencies, including urban, minority, and union women, computers and technology rank ahead of national standards. This suggests that the most effective Democratic message on education will be slightly different in different parts of the country. Emphasis should be placed on teachers and class sizes central for swing suburban districts, local and values language will be of particular importance in rural and southern America, and educational infrastructure will be a higher priority in the cities.



Health Care, Medicare, Retirement and Social Security

For Democrats to win the margins they need in an off-year election, where seniors and older women will be a proportionately larger share of the electorate, a strong message and contrast on retirement issues will be absolutely critical to regaining lost ground.

These issues can play an important role in gaining votes among older, non-college women who are some of the least satisfied with Congress.

Other than on education, Democrats have the biggest advantages on health care (+26 among women, +20 among men), Medicare (+23 and +10), and retirement and Social Security (+18 and +13). At the same time, Democrats have been losing ground and struggling to hold on to senior women, who have gone from 6 points ahead for Democrats in the Congressional vote in November 1996, to tied in October 1997, to 4 points behind now. The current generic vote among white senior women is 44 percent Republican to 40 percent Democratic.

These women care most about retirement: 21 percent say retirement and Social Security are their major concerns. If the bad news for Democrats is their substantial slippage among senior women over the past year, the good news is that seniors do continue to trust Democrats more than Republicans on the retirement and Social Security issue (48 to 27 percent). This, of course, is still well below the margin they enjoyed in 1996 (56 to 22 percent). To stop this slide and regain ground among senior women, Democrats need a fight on this issue, and one that puts them squarely on the side of older women voters and protecting Social Security.



Crime and Drugs

Given the hit that the Democrats have taken on values, it is not surprising to see that women are very concerned about the closely related issue of crime and drugs: 20 percent of women are most concerned about this issue—only moral decline ranks higher at 21 percent. Indeed, over the past two years, concern with crime and drugs has slowly but steadily increased (up 3 points since October and up 6 points since November 1996). The bad news for the Democrats is that the Republicans are seen as the party able to do a better job on crime (-1 among women, -24 among men). Among key groups, Democrats have been losing ground, with senior women (-1), and drop-off voters (-9) giving the Republicans the advantage on this issue.

The Economy

With the U.S. enjoying a record economic recovery, Democrats are still getting less credit than they should on the economy, and this hampers their ability to translate good times into electoral gains. In view of the regression models we saw earlier, where the economy and economic security play such an important part in determining the vote, perceptions of who is better able to handle the economy is a major challenge for the Democrats. Clearly, the economic recovery on its own will not give Democrats a decisive advantage on the economy.

Democrats have a sizable advantage with women on the issue of the economy overall, but men think that Republicans do a better job of handling this issue (-4). Of particular concern is that the Democrats still have not convinced some key women's audiences (20-somethings, -15; soccer moms, -8; and professionals, -7) of their ability to



handle the economy. Also, there has been slippage among rural whites (-3, down 14 points) and devout evangelicals (-28, down 22 points). Similarly, both non-college women and professional women rank Republicans ahead of Democrats on providing economic security (-3 and -21, respectively). Because the economy and economic security have a significant influence on the vote, we should not lose sight of the importance of economic issues in all this talk about values.

As we move from the general issue assessment to specifics, the Democratic showing is even more anemic. Democrats rank behind Republicans in dealing with the global economy (-7 overall; +2 among women and -15 among men) and on economic security (-7 overall; +1 among women and -16 among men). The Republican Party's advantage on taxes among men and Republican swing women, and its ability to claim partial credit due to control of Congress during the recovery, has helped Republicans hold an edge on the economy. Democrats are making some progress, however. Democrats have improved on the economy by 3 points among women and 12 points among men.



THE 1998 CONGRESSIONAL VOTE

The 1998 election is likely to be closely contested, depending on how the current trends unfold and whether Democratic candidates take advantage of their opportunities. Overall, the congressional contest is a dead heat, with 44 percent saying they plan to vote for a Democrat and 44 percent saying they intend to vote for a Republican. Overall voting intentions are consistent with our findings since our post-election research for EMILY's List in November 1996—in no survey since has either party received more than a one point margin.

Democrats are winning among voting women (48 to 40 percent) but are losing among men (39 to 48). Among drop off women voters – those who voted in 1996 but not 1994 – the Democrats are currently behind (42 to 45 percent). This survey represents a small decline in the Democratic margin among women (from +13 to +8), but the gender gap remains a real and significant factor in voting behavior that continues to benefit Democrats. This is somewhat offset by a slight improvement among men, something that hasn't happened since the Fall of 1996. More importantly, however, is the disturbing movement of drop off voters away from Democrats: this is the first time in the Women's Monitor series that Republicans have won among drop-off voters. If Democrats continue lose these voters, we could be in deep trouble as we were in 1994.

A strong sense of parity between the parties run through this survey: overall, thermometer scores are virtually even: Democrats 53 degrees (with 44 percent warm responses and 33 percent cool on a 100-degree scale, with 50 being the mid-point); Repub-



licans 53 degrees (with 44 percent warm and just 30 percent cool). Results are similar for the two parties in Congress (51 and 52 degrees, respectively).

As in the October *Monitor*, this survey suggests that the 1998 Congressional elections will reinforce the status quo, with incumbents likely to be re-elected and no dramatic shift in the composition of Congress. Currently, women as well as men overwhelmingly approve of the way their own representative is handling his or her job (73 percent among women, 71 percent among men), and women in swing congressional districts are just as likely to approve of their own representative (74 percent). Approval is up overall by 7 points since October, both with women (+3) and men (+8).

The presumption of a status quo election could change, however, if the perception grows that this is a "do-nothing Congress." Fully 56 percent of voters in this survey said that the Republican Congress is too partisan. Moreover, voters are more likely to blame partisanship in Congress (49 percent) than the President's troubles (41 percent) for the lack of major achievements in Congress this year. Still, there is no strong anger against Congress: a 52 percent majority believe that Congress is "addressing important problems." And an even bigger majority of drop-off women (58 percent), who have traditionally been among the most cynical about Congress and about politics, believe that Congress is addressing important problems.

Not surprisingly, the women voters who are least happy with this Congress are more likely to be Democrats (48 percent of the Democrats say Congress is not addressing important problems) compared to 66 percent of Republicans who say that Congress is addressing important problems). Beyond partisanship, however, the women who are least satisfied with Congress are concentrated among seniors, older non-college women,



unmarried women, and the women who are most concerned with health care and retirement issues. All of these groups split evenly on whether or not the Congress is addressing important problems.

President Clinton continues to enjoy high approval ratings among likely voters. 62 percent of voters approve of the job he's doing as president. The academic literature suggests that the President's party fares better when approval ratings are higher. Indeed, in our survey overall, Democrats get 64 percent of the vote among those who approve of the President's handling of his job.

It is not clear whether the President will remain as strong through to the election. The current environment surrounding the President underscores economic issues and his larger agenda that favors the Democrats. On the other hand, the ongoing controversy has created other kinds of problems for the Democrats, as described earlier.

What will be the impact of the Clinton scandals on the congressional elections? Although most voters continue to blame the Congress more than the President for not getting things done, GOP women are most likely to blame the President. Perhaps most damaging for Democrats in terms of long-term implications is the fact that 20-somethings blame the president by a wide margin, 56 percent to 38 percent.

The Tough Swing Battleground

The undecided vote, at the moment, seems to lean slightly against the Democrats. Among women, where Democratic leanings should be stronger, the undecided are no more favorable to the Democrats than the Republicans (51.5 to 50.2 on thermometer ratings). However, Democrats could reach the women on a range of issues. A quarter of



undecided voters rate *crime and drugs* as their number one priority, and they give Democrats a slight 2 point edge on the issue. And although 18 percent are most concerned about moral decline, large numbers of undecided voters say they are most concerned about retirement and Social Security (11%), education (11%) health care (10%), and the economy and jobs (9%) — all areas where Democrats enjoy double-digit advantages.

The Democrats have a “male problem” in the swing congressional districts where control of the House will be decided. Democrats are building up strong majorities in the safe Democratic districts, particularly with the women (+ 31 point margin on average). Republicans are not running as well in their safe districts, but that puts them at an advantage in the swing districts. There, the Democrats are winning the women by a 12-point margin but losing the men by 26 points.

The Gender Gap

The gender gap in 1996 reached historic proportions and we remain in that part of history. At this point, women give the Democrats an 8-point margin and men give the Republicans a 9-point margin — producing a gap of 17 points. Our current results are similar to the 14-point net Democratic lead in November 1996 and the 16-point difference observed in the fall of 1996.

The gap between the sexes in voting is replicated on the swing issues in the country. Women are somewhat more likely to trust the Democrats on the economy, economic security, and the global economy, as well as on sharing values and helping families. Men strongly favor the Republicans on all those issues.



The Issue Gender Gap
(Net Democratic on handling issue)

Issue	Women	Men
The Economy	+ 4	- 4
Setting the Agenda	+ 9	- 5
Dealing w/ global economy	+ 2	-15
Commitment to family	+ 2	-15
Economic Security	+ 1	-16
Shares your values	+ 2	-12
Individual Freedom	+14	- 3

Polarization of the Key Women's Audiences

The vote for Congress has remained fairly stable overall for women, but that has produced by a sharp polarization of responses to the most immediate environment. The most Democratic-oriented audiences – minority, urban and or union women– have moved sharply more Democratic or consolidated over the last six months. The most Republican-oriented audiences – particularly devout Evangelicals and rural white voters – have also moved toward the Republicans.

The problem facing Democrats is the weakening of their position among the more traditional segments of the women's electorate who have gravitated toward the Democrats, particularly in 1966. Reflecting the results for the values issues, Democrats have lost major ground with married moms: the Democratic margin has slipped from –7 points last fall to –16 points today. They have lost ground with non-college educated women (+13 to –7) and those in low-wage occupations (+10 to +1). They have lost ground in small town America (+2 to –4) and badly in the South (-2 to –18). Baby-



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boomers have pulled back (+9 to -10) as have older voters (even to -4 points). This is the first time in our polling for EMILY's that seniors have given Republicans the lead.

Republican Shifts (Democratic margin)

Key Audience	October 1997	April 1998	Net
Devout Evangelical	- 13	- 57	-44
Non college non retired	+13	- 7	-20
Rural white	+ 5	- 15	-20
Baby Boomer	+ 9	- 10	-19
Pre-retirement	+16	0	-16
Married moms	- 7	- 16	- 9
Single, non retired	+18	+12	- 6
Small town white	+ 2	- 4	- 6

Electing female candidates

Voters are split on whether they want to elect women or men to Congress, but that is produced by polarized responses among female and male voters: Women favor a woman candidate by 9 points (29 to 20 percent); men favor a male candidate by 11 points (20 to 9 percent). Drop-off women voters were most likely to say they favored women candidates: 31 percent said they preferred to vote for a woman and just 18 percent preferred to vote for a man.

Women who prefer to elect women are very Democratic (56 to 23 percent) and are more likely from the Eastern seaboard or Pacific regions. They are more likely to be college educated, secular, younger, urban, and single. Several groups of our key audiences prefer women candidates to men by nearly a 2 to 1 ratio: Reagan generation (19 to



10 percent), single non-retired (25-12), urban (18-10), Catholic (24-12), secular (27-15), minority (24-12). Over 70 percent approve of the President's performance in office.

Women voters who want to vote for a woman candidate are less concerned about moral decline (just 13 percent compared to 25 for those who prefer a male candidate); they care more about education (17 to 9 percent) and jobs (9 to 4 percent). These women voters give Democrats net advantages of 30 points or more on health care, Medicare, education, retirement and social security, and on setting the agenda.

By contrast, women who prefer to elect men to Congress are heavily Republican (45 to 31 percent) and are more likely to be from the South or Midwest. They are also more likely to be married, rural, and less well educated. Key audiences that clearly prefer male candidates are seniors (29 to 13 percent), rural whites (24-17), small town whites (24-10), southern whites (34-19), and devout evangelicals (25-5).

Drop-off Among Drop-off Voters

This survey, for the first time in the Monitor's history, shows Republicans winning among drop-off voters – women who gave Democrats a 26-point margin in October 1997. In this survey – which could be a one time exception – the drop-off voters appear to be far more Republican than in the October survey, including a remarkable shift from +26 points Democratic to +5 points Republican on party identification. Compared to October, the thermometer rating for the Republican Party is up 5 degrees to 52; the Democratic Party thermometer fell 5 degrees to 52. Newt Gingrich's thermometer rose 10 points to 39 degrees.



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The drop-off voters have been historically and continue to be more concerned about the values issues than other voters: 20 percent say moral decline is their most important concern; crime and drugs follows closely at 19 percent, with families at a considerable 16 percent – 55 percent overall focus on the values issues. The shifting agenda of the drop-off voters seems to be reflected in their declining support for Democrats on family values, sharing your values, discipline and personal responsibility.

Drop-off Voters and Values (Net Democratic advantage)

Issue/Phrase	Oct 1997	April 1998	Net
Shares your values	+19	- 3	-22
Commitment to Family	+ 5	- 6	-21
Personal responsibility	+ 2	-18	-20
Family values	+ 5	-10	-15
Crime	+ 3	- 9	-12
Discipline	-14	-25	-11
Economic security	- 3	- 7	- 4
Campaign finance	- 5	- 8	- 3
Ethics	- 5	- 8	- 3

On a range of issues, the drop-off women voters say Democrats do a better job than the Republicans – including taxes, education, Medicare, Social Security, and retirement – but even here, the Democrat advantage has dropped sharply. The rising concern with values-issues and declining Democratic advantages on key social programs – might help account for Democratic slippage among these drop-off voters. We will clearly want to monitor these developments in the future, since the drop-off women are frequently the key to Democratic success or failure.



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Drop-off Voters and the Issues
(Net Democratic Party advantage)

Issue/Phrase	April 1998	October 1997	Net
Medicare	+17	+33	+16
Education	+14	+27	+13
Taxes	+ 6	+18	+12
Children getting right start	+17	+24	+ 7
Retirement/Social Security	+13	+18	+ 5
Economy	+ 9	+13	+ 4
Individual freedom	+13	+14	+ 1
Health	+19	+20	+ 1

countries, compared to \$5B each in Mexico and China, \$2.6B in the Philippines, and over \$2.5B in Russia; Harmon says, clearly the Bank can, and intends to, do more

→
B. Minner
C. B. Paul
Ann (Lark)

Letter and Note/Booklet from Harris Wofford -- Letter following up on your conversation at Steve and Emily's good-bye party in the East Room. Harris writes that hearing your account of Nelson Mandela was a special privilege he will not forget, hopes you go to Cleveland to get a "roaring welcome" and see the energy and idealism you and City Year have released; forwards for your information a copy of Jonathan Alter's *Newsweek* article on the service Summit's aftermath, in which Alter writes that the service movement is "struggling to be born, with more progress than the public knows," says Alter misunderstands the nature of the Work Study program when he describes it as "federally-insured work-study loans;" Harris says they're making progress toward your goal of a 100,000 work study positions committed to literacy tutoring, 1000 college and university presidents have pledged support; *Note Booklet*, also forwards a Corporation booklet on the MLK Day of Service with a note thanking you for your help in moving the Day to a new level of recognition and success.

DAN BURKHARDT

please coordinate the reply

→
To Minner
to Brian

Brian Mulroney Speech forwarded by Mack -- Mack thought you would find interesting portions of a recent speech by the former Canadian PM at Columbia University in which he discusses the responsibilities of a free press; Mulroney says, "in the 1992 primaries, Gov. Clinton took more hits than the Bismarck, some accurate and important, many false and contrived;" he denounces the "indiscriminate houndings of public servants given legal respectability;" *please see speech, pages 5-6 for details*

DAN BURKHARDT

please coordinate the reply

Tab A: page 1 of cover & Tab A - VP/ROS

Tab C: page 1 of cover & Tab C - Burkhardt/COS

Tab D: page 2 " " + Tab D - Burkhardt/Read/

Tab E: " " " " + Tab E - Lewis/COS
Burkhardt/COS

OK

THE WHITE HOUSE
WASHINGTON

198 MAY 8 10:25

May 6, 1998

DAN BURKHARDT:

please coordinate the
reply.

cc COS

The Right Honorable Brian Mulroney, C.P., LLD
Ogilvy Renault
1981 Avenue McGill College
Suite 1100
Montreal
Quebec, Canada, H3A 3C1

Dear Prime Minister Mulroney:

Your letter following up on our recent conversation is received, noted, and appreciated. I very much enjoyed our telephone visit and, of course, I am particularly gratified by your very kind words about me given my genuine respect for you over the years.

I will make certain your very thoughtful and timely commentary is conveyed to the President. I know he will appreciate your insights and support, as I do.

I look forward to our hopefully having the occasion to cross paths in the near future. In the meantime, all good wishes, and I remain keenly mindful of your unfailing hand of friendship.

Personally,

Bill Clinton

bcc: Phil Caplan
Note: Mack asks
that you ensure
that the President
sees the attached.
Thanks. P.

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NO

Le 4 mai 1998

EXPÉDITEUR/FROM:

Francine Collins, adjointe au/assistant to
Le très honorable Brian Mulroney, C.P., LLD
The Right Honorable Brian Mulroney, P.C., LLD

DESTINATAIRE(S) / TO: ↓

MR. MAC MCLARTY	WHITE HOUSE	WASHINGTON	(202) 456-2215
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MESSAGE: ↓

PLEASE SEE THE ATTACHED DOCUMENTS.

Brian Mulroney

Montreal, May 4, 1998

BY FAX: (202) 456-2215

Mr. Mac McLarty
Special Envoy to the Americas
White House
Washington, DC

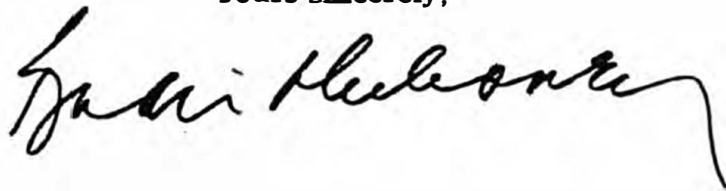
Dear Mac:

Further to our conversation, I enclose a speech I made over three years ago at Columbia University.

You will find pages 5 and 6 particularly interesting, given the current climate. I would be obliged if you could ensure the full text is given to President Clinton. It might be of some consolation for him to know that, for other world leaders, all of this is both deeply deplorable but utterly predictable.

Once again, my warmest congratulations on the tremendous leadership you have demonstrated in bringing about greater hemispheric trade and unity.

Yours sincerely,

A handwritten signature in black ink, appearing to read "Brian Mulroney", with a long, sweeping horizontal stroke at the end.

NOTES FOR AN ADDRESS
BY
THE RIGHT HONOURABLE
BRIAN MULRONEY

COLUMBIA UNIVERSITY
FREEDOM FORUM MEDIA
STUDIES CENTRE

NEW YORK, N.Y.
MARCH 20, 1995

- 1 -

The fundamental goal of government is to make a better world – a world that is safe from war and safe for democracy, a world that is free from deprivation and free from degradation.

For 40 years, the United States and the Soviet Union were the world's two superpowers, the leaders of the West and East, of NATO and the Warsaw Pact, the keepers, in President Kennedy's words, of "a hard and bitter peace".

And then in 1985, there came to power in the Kremlin a man named Mikhail Gorbachev, who questioned the assumptions of the Soviet system, ended the arms race and ultimately the cold war, disbanded the East bloc, the Warsaw Pact, and, finally, the tyranny of the Soviet federation itself. Sitting across a conference table from him in a private meeting in the Kremlin, just hours after he assumed office in March 1985, I would never have thought it possible. Flanked by Andrei Gromyko, this new leader of the Soviet Union spoke to me with confidence of the future, but gave precious few indications of the convulsive changes he was about to unleash – so profound, as it turned out, that he and his administration and his federation would be consumed by them.

For Canada and the United States, the post-cold war world offers unique opportunities and daunting challenges. We begin from a common heritage of democratic traditions and a common defence of liberty. There are reminders of that from the trenches of one war to the beaches of the next, places inscribed in the history of valour, where Canadians and Americans have stood together, where Canadians and Americans have died together, in the defence of freedom.

And because we have remained true to those values and had the courage and the strength to defend them in NATO, Korea, the Gulf and elsewhere, within the last few years, the Berlin Wall fell and Germany was re-united; a trade unionist from Gdansk became President of Poland; a dissident poet sat in the castle in Prague, as communist regimes tumbled like dominoes across Central and Eastern Europe; and, in the second Russian revolution, the people of Moscow made a human wall around their parliament, and tanks that had crushed each stirring of liberty for seven decades in the past, now dared not cross.

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Canada and the U.S. are in the vanguard of industrialized nations building a foundation of economic growth and prosperity in which justice and freedom can flourish both at home and around the world. For generations, the United States and Canada have made common cause for both. Indeed, no less a democrat than Winston Churchill described our relationship: "Example for all mankind and a model for future of the world."

Canada and the United States are also by far one another's largest trading partners. Last year, we conducted over \$350 billion in two-way trade between our two countries— over \$1 billion per day – the largest such commerce between two nations in history. And that trade has been growing steadily, from both countries, to both countries, since we implemented the Canada-U.S. Free Trade Agreement that I negotiated with President Reagan in 1987.

Thomas Macauley wrote in another century: "Free trade, one of the greatest blessings a government can confer on a people, is in almost every country unpopular." I know all about that!

Mexico then sought entry and NAFTA resulted in 1993.

In Mexican terms, the concept was revolutionary and marked a dramatic break with many past policies. In global terms, the concept was unusual in that it marked the first attempt to link, within a free trade zone, the economies of two mature, wealthy trading countries (both G-7 nations) with that of the equivalent of a developing nation – though one with a strong educational and scientific tradition and influence throughout the hemisphere.

Based on the Canada-U.S. experience, NAFTA has opened up the Mexican market of 95 million people, creating the largest, richest single market in the world – 370 million people accounting for one-third of the world's output, approximately \$7 trillion per year.

In fact, figures reveal that the first full year of NAFTA was a significant success for all parties – it increased trade and investment by record amounts.

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So what does this have to do with freedom of the press? Well, around the world, the enemies of democracy know that political instability will damage the cause of social justice. Last year, they struck with a vengeance in Mexico – and inflicted great damage upon the people and the nation. I was in Mexico City a year ago the day Luis Donald Collasio was assassinated. This was an enormous tragedy for Mexico. But the calm and sensible manner in which Mexicans responded to this act of violence was compelling evidence of just how mature that democracy was becoming.

And then the killers struck again.

And today Mexicans are going through a period of great anguish, resulting from the peso collapse to allegations of corruption and cover-up at high political levels.

But because of the strength of the Mexican people and the resolve of the Zedillo government, they will survive this and other challenges and Mexico will continue to pursue a course towards greater democracy, justice and prosperity. But they are not there yet and they know it.

Mexican democracy is, in some ways, in its infancy when compared with great and genuine western democracies like the U.S.A. and Canada – a state of mind and a commitment to values that we built over two centuries of common purpose.

The reality is that most western industrialized nations are genuinely transparent democracies while Mexico and many other countries have, until recently, enjoyed only a veneer of democracy. A dynamic and aggressive free press, for instance, that delights and dismays us all has not been a hallmark of Mexican life, where the same political party has governed without interruption for sixty years.

Freedom is indivisible. You can't have prosperity without a free market or free speech – and you can't have either without a free press.

I touched on Mexico but consider the situation in the former Yugoslavia and I refer you to an analysis in *Foreign Affairs* by Former U.S. Ambassador, Warren Zimmerman:

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The breakup of Yugoslavia is a classic example of nationalism from the top down – a manipulated nationalism in a region where peace has historically prevailed more than war and in which a quarter of the population were in mixed marriages. The manipulators condoned and even provoked local ethnic violence in order to engender animosities that could then be magnified by the press, leading to further violence. Milosëvic gave prime television time to fanatic nationalists like Vojislav Seselj, who once said that the way to deal with the Kosovo Albanians was to kill them all. Tudjman also used his control of the media to sow hate.

...

Worst of all, the media, under the thumb of most republican regimes, spewed an endless daily torrent of violence and enmity. As a reporter for *Vreme*, one of the few independent magazines left in the former Yugoslavia, said, "You Americans would become nationalists and racists too if your media were totally in the hands of the Ku Klux Klan."

This destruction of human life and decency and dignity did not occur 200 years ago or 75 years ago or in the last world war. It is happening today – as we meet here in New York – right in the heart of a civilized and modern Europe.

17th century cruelty in a 20th century setting – the common denominators? Nationalism, tyranny and the absence of a free press.

And so, political assassinations and economic calamities and dramatic developments abroad have surprisingly little destabilizing effect on life in a great democracy. Whereas other more fragile nations are thrown into complete tailspins by such tragic developments, in many countries of the world our democratic

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traditions are so strong and important public policy institutions so transparent that life goes on with hardly a change.

In our nations, much of this powerful democratic underpinning reposes on the remarkable achievements of a free and unfettered press.

Our countries have made great and impressive strides but perfection in this area has eluded our grasp – even after over 300 years of trying!

And so, we must protect our freedoms with our lives because our democracies will wither without a free press.

The media has important rights and privileges in our societies. But they also have assumed vital obligations and responsibilities.

The media must focus daily on the need to maintain balance, fairness and perspective. Like most others of us, they do not always succeed.

There are some great and impressive media outlets in all our democracies. But no one in the U.S. who has endured the malice of an incorrigibly hostile media will doubt the proposition that public service entails great personal costs for participants and their families.

No leader who has seen responsible public policy initiatives subverted or smothered by mountains of trivia, drivel and trash will disagree with the notion that perseverance in the face of indignity is one of the fundamental requirements of modern leadership.

All that said, if it is true that it is better for a guilty man to go free than an innocent one be convicted – and it is – it is also true that such personal abuse by the media has, to some significant degree, become an unfortunately high – but necessary – price for leaders to pay for the privilege of service in truly democratic societies.

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For example, in the 1992 primaries, Gov. Clinton took more hits than the Bismark, some accurate and important, many false and contrived. When he persevered and won, the media announced he had "character". Had he faltered and lost because of the same charges, he would have been castigated in life and pilloried in death as a "loser" – the most humiliating epithet a North American public figure can endure.

But the accusations against him would not have become more accurate or relevant with the passage of time. A falsehood about a public figure loses none of its venom and gains no credence simply because it appears in print less frequently or prominently than it once did.

As you watch the daily kaleidoscope of gossip, rumour, innuendo, anonymous sources and unnamed tipsters that invade some of our media;

And as you in America observe the sometimes indiscriminate houndings of public servants given legal respectability by the words "independent counsel", a prosecutor with unlimited access to public funds; and then, as you consider the explosive nature of these elements combining as they sometimes do to erode professional achievement, diminish personal honour and destroy a family's financial security, reflect for a moment on the words of former Labour Secretary Raymond Donovan who, when he was fully exonerated of all charges brought against him, looked at the media and asked; "What door should I knock on now to get my reputation back?"

Remember those words because politicians are not the only ones tracked these days by a certain media – or individuals masquerading as journalists – they are only the most numerous, the most visible and, strange to say, often the most defenceless.

The words from French history ring true today: "Qui s'excuse, s'accuse"

The fact is that political leaders who protest serious inaccuracy or bias are often dismissed as "thin skinned" or someone with "a hair trigger temper" – both grave impediments to the pursuit of higher office.

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And political leaders who sue for libel and defamation frequently wind up ridiculed or broke – or both – unless you're from Singapore! As they say in polite society: "It just isn't done!"

I preach for no parish any longer – I did that for a decade. I was prime minister of a great country for nine years and I was privileged to win two back-to-back majority governments. And while I was there, I executed as best I could, the responsibilities of my office. And I have no complaints about the manner in which I was treated – today! But my only message today is the need for responsibility and accountability by the media, as they fulfil their indispensable roles as vigorous critics and faithful chroniclers of our lives and times, our great failings and our high achievements.

And what inspiration would the media have for this? The American media? Well, I think that you could do no better than apply to your profession the words of Judge Learned Hand, the greatest American jurist who was never appointed to your Supreme Court, who, over 50 years ago, was down here welcoming immigrants to the United States of America – Jews and Irish and Catholics and Protestants and Muslims from all over the world.

And he was explaining to them what he thought was important about your society. And he talked about the spirit of liberty. And he said to immigrants that:

"The spirit of liberty is the spirit that is not too sure it is right. The spirit of liberty seeks to understand the minds of other men and other women. The spirit of liberty weighs their interests alongside its own without bias. The spirit of liberty knows that not even a sparrow falls to earth unheeded. The spirit of liberty is the spirit of Him who, near 2000 years ago, taught mankind a lesson that it has never quite learned and never quite forgotten – that there may be a kingdom where the least shall be heard and considered side-by-side with the greatest."

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That, to me, is a magnificent definition of the splendor of the American republic. That is the reason for your success: the respect for the spirit of liberty. And I believe that of American media and Canadian media which, by and large, have followed in a manner respectful of that great tradition.

If they continue to do what Judge Learned Hand advised, I believe that the North American media, in spite of difficulties, will emerge and continue to grow as a positive and dynamic force for good in our societies.