

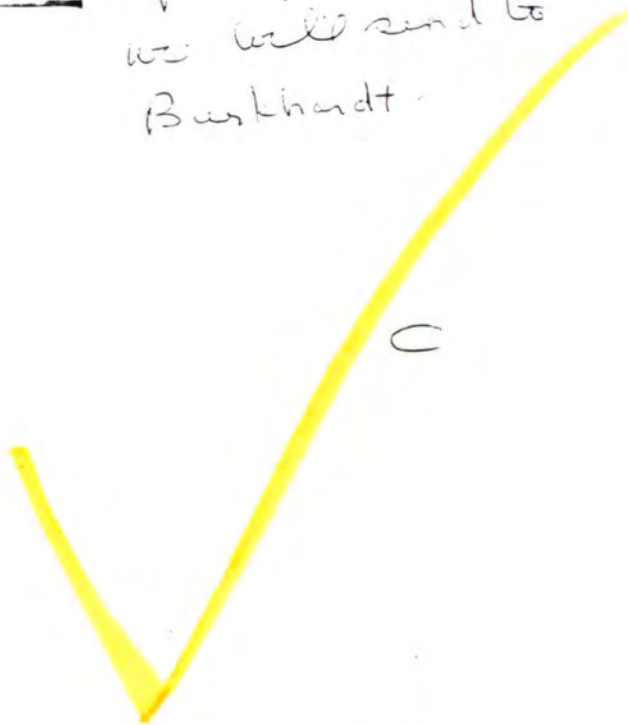
Wednesday, January 6, 1999

10

PHOTOCOPY
PRESERVATION

1-6-99

After you have seen,
we will send to
Burkhardt.



C



12/31



1-6-99

THE HARLEM GATEWAY COMMITTEE

45 Central Park North, Apt. 6F • New York, New York 10026 (212) 289-1648

December 30, 1998

Hon. Congressman Charles Rangel
10 West 135th Street Apt. #16P
New York, NY 10037

Dear Charlie,

You must know that my thoughts and prayers have been ever with you during these difficult times of media impeachment, rumor and confusion! I admire your stamina, your profound reasoning and expression, which has certainly inspired many to respond to your leadership and command.

Enclosed, please find my last Saturday's experience, which to me seemed indeed, very apropos, and targeted my feelings for Clinton, a President from Arkansas, a fellow human being, and so I'd like to share my experience with you and with others.

Again, reminiscent of my concern for our friend Tom, his last trip to Puerto Rico, when after an alarming dream I had in the middle of the night, which was somewhat prophetic, I found the 139th Psalm.

How uncanny that Dean Jones would read the same Psalm at Grace Church the morning of Tom's funeral!

I admire Bill Clinton as President. Wisdom teaches us to find the good, to touch the hem of His garment, as we communicate with others, and to grow in Spirit and in Truth may you continue as He directs our paths.

Sincerely & with Love to you & Alma,

Bettjean Miller

/kdw

Enclosure

*I thought I'd like to share this message with you
Happy New Year to you and Hillary.
Yours truly,
Bettie Jean Miller
(from Little Rock)
(212) 289-1648*

45 Central Park North, Suite 6F

New York 10026

December, 1998

My Dear Friend,

Yesterday morning as I clocked in the day, and asked God to 'renew a right spirit in me', I also asked Him to help me find the biblical passage which would help me to overcome my feelings of despair and anguish. What with the impending impeachment of our President, I was led straight to the writings of Paul in the book of Acts--Acts 28, verses 23 through 31.

Yes! I found relief! And, so I share this revelation and comfort with you:

"And when they had appointed him a day, there came many to him into his lodging; to whom he expounded and testified the kingdom of God, persuading them concerning Jesus, both out of the law of Moses, and out of the prophets, from morning till evening. And some believed the things which were spoken, and some believed not.

"And when they agreed not among themselves, they departed, after that Paul had spoken one word; Well spake the Holy Ghost by Esaias the prophet unto our fathers, saying, "Go unto this people and say, Hearing ye shall hear, and shall not understand; and seeing, ye shall see, and not perceive:" For the heart of this people is waxed gross, and their ears are dull of hearing, and their eyes have they closed; lest they should see with their eyes and hear with their ears, and understand with their heart, and should be converted, and I should heal them.

"Be it known therefore unto you, that the salvation of God is sent unto the Gentiles and that they will hear it.

"And when he had said these words, the Jews departed, and had great reasoning among themselves. And Paul dwelt two whole years in his own hired house, and received all that came in unto him, preaching the kingdom of God, and teaching those things which concern the Lord Jesus Christ, with all confidence, no man forbidding him."

In quest of surcease and truth,

Bettie Jean Miller
Bettie Jean

bjm

though I did nothing against our people or the customs that we received from our ancestors, I was made a prisoner in Jerusalem and handed over to the Romans.¹⁸ After questioning me, the Romans wanted to release me, because they found that I had done nothing for which I deserved to die.¹⁹ But when the Jews opposed this, I was forced to appeal to the Emperor, even though I had no accusation to make against my own people.²⁰ That is why I asked to see you and talk with you. As a matter of fact, I am bound in chains like this for the sake of him for whom the people of Israel hope."

²¹ They said to him, "We have not received any letters from Judea about you, nor have any of our people come from there with any news or anything bad to say about you.²² But we would like to hear your ideas, because we know that everywhere people speak against this party to which you belong."

²³ So they set a date with Paul, and a large number of them came that day to the place where Paul was staying. From morning till night he explained to them his message about the Kingdom of God, and he tried to convince them about Jesus by quoting from the Law of Moses and the writings of the prophets.²⁴ Some of them were convinced by

his words, but others would not believe.²⁵ So they left, disagreeing among themselves, after Paul had said this one thing: "How well the Holy Spirit spoke through the prophet Isaiah to your ancestors!"

²⁶ For he said,

'Go and say to this people:
You will listen and listen, but
not understand;
you will look and look, but
not see,

²⁷ because this people's minds
are dull,
and they have stopped up
their ears
and closed their eyes.

Otherwise, their eyes would
see,

their ears would hear,
their minds would
understand,

and they would turn to me,
says God,

and I would heal them.' "

²⁸ And Paul concluded: "You are to know, then, that God's message of salvation has been sent to the Gentiles. They will listen!"

²⁹ For two years Paul lived in a place he rented for himself, and there he welcomed all who came to see him.³¹ He preached about the Kingdom of God and taught about the Lord Jesus Christ, speaking with all boldness and freedom.

^a Some manuscripts add verse 29: After Paul said this, the Jews left, arguing violently among themselves.

28.19 Ac 25.11; 28.26-27 Is 6.9-10 (LXX).

From the "Good News
Bible"

Sister gave me the Good
News!

1-6-99

98 DEC 30 PM 3:49

THE WHITE HOUSE
WASHINGTON

December 30, 1998

MEMORANDUM TO THE PRESIDENT

CC John D. Podesta
FROM Karen A. Tramontano

approved
Tramontano
Podesta
Street
Verveer

Outlined below is the strategic plan we developed at your request to provide greater visibility for AmeriCorps. The plan is based on three communications principles: 1. Regional coverage will better enable AmeriCorps to achieve its legislative goals; 2. AmeriCorps' stories about volunteers and communities are best told by alumni--AmeriCorps' untapped resource; and 3. A communications plan that builds up to AmeriCorps' 5th Anniversary in September 1999.

To implement these principles we recommend beginning with low-key service events (e.g. your DC Kitchen service event), expanding to monthly themes utilizing alumni and culminating in a 5th year anniversary celebration. In this way, the public will witness your days of service, learn about AmeriCorps through a public relations campaign around its monthly themes and celebrate AmeriCorps' 5th year anniversary. We hope this plan will reinforce three key messages: AmeriCorps is about service by young people to communities; AmeriCorps strengthens communities; and AmeriCorps expands educational opportunities for young people.

January: A Day of Service

Subject to your approval, we will recommend some low-key service activities for you to consider performing during the Martin Luther King holiday. We will ask members of your Cabinet to perform service during the holiday, too. These service events will be similar to your day at D.C. Kitchen in December. We want these events to provide a transition to your State of the Union.

For the State of the Union we are reviewing several stories of young AmeriCorps volunteers and the service they are performing for a possible mention in your address. If you chose to mention one of the stories, the First Lady may wish to include the featured AmeriCorps volunteer in her box. We hope the above-mentioned references will result in both national and regional coverage for AmeriCorps.

February: A Call to Service

AmeriCorps will launch its public service announcement campaign which has been produced by MTV. For February we will recommend that you swear-in the 1999 AmeriCorps volunteers. These members will mark the 100,000 volunteers who have served in AmeriCorps. At the event, we plan to screen the new AmeriCorps PSA and release an independent study of AmeriCorps' accomplishments.

March: Spring Break with AmeriCorps

During March many AmeriCorps members participate in a number of high-profile alternative spring break projects with Habitat for Humanity, Boys and Girls Clubs and other organizations. We will work with AmeriCorps to bring additional visibility to these events by asking Cabinet members and other surrogates to join AmeriCorps volunteers on these projects. AmeriCorps will also be launching its college recruitment campaign in March. For Cabinet members who are not engaged in service events, we will be asking them to participate in AmeriCorps college recruitment days at their alma maters.

April: National Youth Service Day

To highlight National Volunteers Week (April 18 -24) AmeriCorps will bring together alumni and current members on the same day in a wide-range of service projects on various college campuses. We will work with AmeriCorps on these college campus events by using Cabinet members and other surrogates to increase visibility and improve the regional coverage of these events.

May: City Year Conference

The annual City Year-AmeriCorps conference will be held in Washington, DC. There will be more than 1,000 AmeriCorps volunteers available. We are planning a service event with members of your administration and AmeriCorps volunteers to highlight a major community service project for DC. This may also present another opportunity for you to perform service in DC.

June: Commencement Season

We have several recommendations for the commencement season. First, if you approve, we will recommend at least one college for you to address that has focused on service in general and on AmeriCorps in particular. Second, we will recommend that Cabinet members who give commencement addresses include references to AmeriCorps volunteers and service to communities in their addresses. Finally, we have suggested that AmeriCorps ask their alumni to present the President's Student Service Award at their high school and/or college alma maters.

July: AmeriCorps graduation

Several states and cities host AmeriCorps closing ceremonies to mark the end of the year of service. Many of these ceremonies feature Governors and Mayors as keynote speakers. We will work with AmeriCorps through Intergovernmental Affairs and our Regional press operation to increase the profile of these events.

August: Back to School

More than 20,000 AmeriCorps members are participating in America Reads. We are planning an America Reads event possibility with Secretary Riley to show AmeriCorps' education focus. AmeriCorps is also planning to release an independent study of AmeriCorps' success in increasing childhood literacy.

September: Anniversary Celebration

We are in the early planning stages for this event but we would like to focus the event around a "blitz-build" service project. We would include partners from the corporate and non-profit worlds as well as celebrities. AmeriCorps anticipates that MTV and VH-1 will be the media partners for the event. We have asked AmeriCorps to begin discussions with their state chapters to create simultaneous state anniversary events for possible satellite downlinks.

Between now and the anniversary I will facilitate bi-weekly conference calls to ensure that we are staying on track with both message events and the overall plan.

1-6-99

THE WHITE HOUSE

WASHINGTON

99 JAN 5 PM 12:34

January 5, 1999

MEMORANDUM TO THE PRESIDENT

FROM: STEPHANIE STREETT

SUBJECT: SCHEDULING DECISIONS

CC: JOHN PODESTA
MARIA ECHAVESTE
STEVE RICCHETTI
DOUG SOSNIK

Copied
Streett
Podesta
Echaveste
Ricchetti
Sosaik

ACCEPT:

Date of Event:

Description of Event:

1/6/99

Meeting with Labor Leaders
The White House
Staff Contact: Karen Tramontano

1/7/99

Education (Social Promotion/After-School Care) Event
The White House
Staff Contact: Bruce Reed

1/8/99

Address to the Detroit Economic Club and Visit to North
American International Auto Show
Detroit, MI
Staff Contact: Gene Sperling

1/11/99

State Visit for President Menem of Argentina
The White House
Staff Contact: Samuel Berger

1/14/99 Rainbow/PUSH Coalition's Wall Street Project Gala Reception
New York Stock Exchange, New York, NY
Staff Contact: Minyon Moore

1/15/99 Address 2nd Annual Conference of the Rainbow/PUSH Coalition's
Wall Street Project
New York, NY
Staff Contact: Minyon Moore

1/21/99 Departure Photo for Lieutenant Colonel Pittard, Army Aide
The White House
Staff Contact: Virginia Apuzzo

1/22/99 Ambassador Credentials Ceremony
The White House
Staff Contact: Samuel Berger

1/25/99 Welfare to Work Event
The White House
Staff Contact: Bruce Reed

This event would involve the announcement of a package of Welfare to Work initiatives, including housing vouchers, transportation vouchers, etc.

1/25/99 Millennium Lecture Series Evening
The White House
Staff Contact: Ellen Lovell

This event will feature a presentation about the meaning of the millennium.

1/26/99 Greet the Pope on His Arrival to the United States
St. Louis, MO
Staff Contact: Samuel Berger

1/27/99 Dinner in Honor of Commanders in Chief and Service Chiefs
The White House
Staff Contact: Samuel Berger

Please note that this dinner will take place at the White House, not at Camp David as previously proposed.

1-4-99

1/28/99 Event for 1998 NHL Stanley Cup Winners, the Detroit Red Wings
The White House
Staff Contact: Minyon Moore

1/29/99 Breakfast for the U.S. Conference of Mayors
The White House
Staff Contact: Mickey Ibarra

2/8/99 Event for Toms River East American Little League Team, World
Series Champions
The White House
Staff Contact: Minyon Moore

2/9/99 Address the 1999 House Democratic Caucus Issues Conference
Wintergreen, VA
Staff Contact: Larry Stein

 2/18/99 New Hampshire Democratic Party's Annual 100 Club Dinner
Location TBD, New Hampshire
Staff Contact: Minyon Moore

**You will participate in this and other events during your day of
travel to New Hampshire on February 18.**

2/21/99 White House Dinner for the National Governor's Association
Staff Contact: Mickey Ibarra

2/22/99 Roundtable Discussion with National Governor's Association
The White House
Staff Contact: Mickey Ibarra

2/22/99 Democratic Governor's Association's Annual Dinner
National Building Museum, Washington, D.C.
Staff Contact: Craig Smith, Mickey Ibarra

March TBD Official Working Visit for Italian Prime Minister D'Alema
The White House
Staff Contact: Samuel Berger

PENDING:Date of Event:Description of Event:

1/5/99 - 1/17/99

Brief Drop-by Farewell Meeting with Russian Ambassador to U.S.
Vorontsov
The White House
Staff Contact: Samuel Berger

1/7/99

Drop-by Tour and/ or Photo-op with the President and the Major
League Baseball 1999 Rookie Career Development Program
The White House
Staff Contact: Ben Johnson

The Rookie Career Development Program has eased promising players' transitions into the big leagues by providing training in off-the-field issues to equip the players for a productive and enjoyable career. The players who attend this program are on the threshold of making the Major League roster. Major League Baseball has requested that you have a photo-op with this group of 125 top rookie players representing each of the Major League teams, former Major League players, and staff. *Would you like us to put a drop-by their tour of the White House as an option on your schedule or to set up a photo-op?*

Optional Tour Drop-by
Photo-op
None

☒ _____

1/7/99 or 1/8/99

Election Celebration Events for Sen. Barbara Boxer

- A. Cocktail Reception at the Home of Ambassador Elizabeth and Smith Bagley
Thursday, January 7th
7:00pm
- B. Black Tie Party at Union Station
Columbus Club
Friday, January 8th
8:00pm

Sen. Boxer has invited you to attend these election celebration events. Both events will be on the First Lady's schedule as options. *Would you like us to put these events on your schedule as options?*

Reception A
Reception B

Option ☒ _____ **No** _____
Option ☒ _____ **No** _____

1/8/99

Photo-op with Senator Glenn and Crew of Space Shuttle Discovery
The White House
Staff Contact: Neal Lane

The crew of the Space Shuttle will be in town on Friday.
Would you like us to schedule a photo-op with them around
9:30am on Friday morning before you depart for Detroit, MI?

Yes ☒No ☐

1/29/99 or 2/1/99

Address the National School Boards Association
Location TBD, Washington, D.C.
Staff Contact: Ben Johnson

2/3/99

Drop-by Ribbon Cutting Ceremony to Official Mark Opening of
the Exhibit: *Marching Toward Justice: The History of the 14th*
Amendment of the United States Constitution
Thurgood Marshall Federal Judiciary Building, Washington, D.C.
Staff Contact: Ben Johnson

Feb./March TBD

Event with Recipients of the Presidential Early Career Award for
Scientists and Engineers (PECASE)
The White House
Staff Contact: Neal Lane

**This program provides awards to 60 highly promising young
Americans expected to be leaders in U.S. science and
engineering in the twenty-first century.**

3/6/99 - 3/10/99

Official Working Visit with President Mubarak of Egypt
The White House
Staff Contact: Samuel Berger

1-6-99

TBD

Private Meeting with Claire Gallagher from Omagh, Northern Ireland
The White House
Staff Contact: Samuel Berger, Melanne Vermeer

HTC group
Su.
I can display

You and the First Lady met Ms. Gallagher, who became blind during an explosion, during your visit to Omagh. She has requested the opportunity to meet with you and the First Lady at the White House. We would work with the First Lady's office in coordinating this meeting if this is something you would like to do. *Would you like us to schedule a time for you to meet with Ms. Gallagher?*

Yes _____

No _____

Discuss _____

REGRET:

Date of Event:

1/8/99 or 1/9/99

OK -
HTC group
Su. 1/8/99
I can display

Description of Event:

Participate in Title Transfer Ceremony for Land Exchange Between Department of Interior and the State of Utah
Location TBD, Utah
Staff Contact: Thurgood Marshall, Jr.

You are scheduled to be in Detroit, MI on January 8 and in Washington, D.C. on January 9. Secretary Babbitt will attend this event in Utah.

3/3/99

OK -
HTC group
Su. 3/3/99
I can display

Celebration Event for the 150th Anniversary of the Department of the Interior
Department of the Interior, Washington, D.C.
Staff Contact: Thurgood Marshall, Jr.

You are currently scheduled to travel to New York and New Jersey on this day.

1-6-99

TBD

Private Meeting with Claire Gallagher from Omagh, Northern Ireland
The White House
Staff Contact: Samuel Berger, Melanne Verveer

HTC group
Su.
I can display

You and the First Lady met Ms. Gallagher, who became blind during an explosion, during your visit to Omagh. She has requested the opportunity to meet with you and the First Lady at the White House. We would work with the First Lady's office in coordinating this meeting if this is something you would like to do. *Would you like us to schedule a time for you to meet with Ms. Gallagher?*

Yes _____ No _____

Discuss _____

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Gandy

REGRET:

Date of Event:

Description of Event:

1/8/99 or 1/9/99

OK -
HTC group
Su. 1/8/99
I can display

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3/3/99

OK -
HTC group
Su. 3/3/99
I can display

Celebration Event for the 150th Anniversary of the Department of the Interior
Department of the Interior, Washington, D.C.
Staff Contact: Thurgood Marshall, Jr.

You are currently scheduled to travel to New York and New Jersey on this day.

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REHNQUIST'S CHOICE

How will the Chief Justice preside over the trial of the President?

BY JEFFREY ROSEN

WHEN the impeachment trial of Bill Clinton begins in the Senate, the Constitution requires the Chief Justice, William Rehnquist, to preside. If Rehnquist is dressed as usual, he will be wearing a black robe with three gold stripes on each sleeve—an odd bit of comic-opera frippery which he designed in 1995, inspired by the Lord Chancellor's costume in a local production of "Iolanthe." (The Chief Justice might want to choose something less frisky, under the circumstances, since Gilbert and Sullivan's "highly susceptible Chancellor" is a lecherous character who has a weakness for his nineteen-year-old wards.) As Rehnquist swears to do "impartial justice" in a trial that will focus on the question of Presidential perjury, and then administers the same oath to all one hundred United States senators, empanelling them as jurors in this extraordinary proceeding, he will certainly be mindful of historical precedent. He has, after all, published a fine book on the nineteenth-century impeachment trials of Justice Samuel Chase and President Andrew Johnson. But the Chief Justice may also be reminded of a more recent drama in the Senate: his confirmation hearings in 1986, when he, too, was suspected of lying under oath.

Rehnquist was nominated to the Supreme Court in 1971. After he testified in his first confirmation hearings, a memo surfaced that Rehnquist had written as a law clerk to Justice Robert Jackson in 1952, the year when the Supreme Court began considering arguments in *Brown v. Board of Education*. In the memo, which he called "A Random Thought on the Segregation Cases," Rehnquist wrote that the Court should not be moved by moral or social concerns. "In the long run it is the majority who will determine what the constitutional rights of the minority are," he declared. "I realize that it is an unpopular and unhumanitarian position,

for which I have been excoriated by 'liberal' colleagues, but I think *Plessy v. Ferguson*—the case upholding mandatory racial segregation—"was right and should be re-affirmed." To reassure concerned senators, Rehnquist wrote a letter explaining that, to the best of his recollection, the memo had been written at Jackson's request, and that it represented Jackson's views, not his own. Rehnquist's fellow-clerk, Donald Cronson, agreed that Jackson had asked for a memo opposing *Brown*, but he failed to corroborate Rehnquist's claim that it represented Jackson's views. Jackson himself had died in the fall of 1954, but his longtime secretary and confidante, Elsie Douglas, complained to reporters that Rehnquist had "smeared the reputation of a great Justice," and that Rehnquist's story was "incredible on its face."

Four years later, Richard Klugar published "Simple Justice," the definitive book on the *Brown* decision, and it reviewed the accumulated documentation concerning Rehnquist's early views on the constitutionality of racial segregation. "One finds a preponderance of evidence to suggest that the memorandum in question—the one that threatened to deprive William Rehnquist of his place on the Supreme Court—was an accurate statement of his own views on segregation, not those of Robert Jackson," Klugar wrote. Then another memo that Rehnquist had written to Jackson about race relations emerged. "It is about time the Court faced the fact that the white people in the South don't like the colored people," Rehnquist wrote in connection with *Terry v. Adams*, a 1953 case in which the Justices ruled that a Democratic Party organization in Texas could not exclude blacks from voting in its primaries. "The Constitution restrains them from effecting this dislike through state action, but it most assuredly did not appoint the Court as a sociological watchdog to rear up every time private discrim-

Greg Stul
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how I could help him," he told me. "I made a hundred million dollars for Evander Holyfield. I said, 'Imagine what you and I could do.'"

Tyson, however, returned to King, lost twice to Holyfield, and by mid-1998 found himself thirteen million dollars in debt to the Internal Revenue Service. With his license revoked, Tyson had no income, except what he earned from a demeaning turn as a referee in a professional wrestling match last March.

Finkel called again, and this time Tyson called back. Finkel assumed stewardship of a man so universally regarded as damaged goods that he had become the butt of rabies jokes. He assured Tyson that the boxer's struggle for redemption had not gone unnoticed.

"You really think I'm strong?" Finkel recalled Tyson's asking him.

"I think you're strong," Finkel reassured him.

Where Finkel found chaos, he imposed order. "Mike needs structure in his life," he said. "He was told he could do whatever he wanted because he was Mike Tyson. I try to narrow down the choices for him, and then it's his decision." When it came time to hire a new trainer, for instance, Finkel presented Tyson with three names. Tyson chose Tommy Brooks, who had assisted in training Holyfield.

Still, things are not always so smooth. In September, the Nevada State Athletic Commission demanded that Tyson undergo a psychiatric evaluation before it would consider restoring his license. Tyson, Finkel said, felt "humiliated" by the testing, which took place at Massachusetts General Hospital, and at one point walked out.

"I can't let you go," Finkel told him in the hospital corridor.

"I'm going to Brooklyn," Tyson said.

"You've got to go back in there," Finkel said.

The fighter relented. The psychiatrists found him depressed but unlikely to go berserk again in the ring.

Later, Finkel said, a calmer Tyson told him, "I know I wanted you to tell me to go back in." —MICHAEL SHAPIRO

O PIONEERS! DEPT.

Floating limousine liberals play shuffleboard.



WHEN Victor Navasky and a group of partners first took over *The Nation* and its accompanying debts twenty years ago, the bearded scholar of McCarthyism says, two prospects would have been "utterly unthinkable": "The first was that the Soviet Union would become 'the former Soviet Union' in my lifetime, and the second was that *The Nation* would ever sponsor a Caribbean cruise." That was then. Nowadays, of course, a magazine without a cruise is like a Muscovite without a stockbroker.

"Welcome to the first-ever luxury cruise of the vanguard of the proletariat," Molly Ivins, the Texas columnist, announced to the three hundred and seventy-five passengers aboard Holland America's M. S. Veendam as *The Nation's* maiden Caribbean cruise steered toward St. Thomas last month. The trip had sold out almost immediately, at prices ranging from \$1,824 to \$2,936 per person. The most successful commercial venture in the magazine's hundred and thirty-three years of existence, the cruise also provided a lesson in the pleasures of cognitive dissonance.

Uniquely, perhaps, in the history of Holland America Lines, passengers started the trip by complaining about the champagne, fresh flowers, and fruit baskets provided in every stateroom. "Is that really necessary?" an elderly California woman asked. One Charlottesville man buttonholed Navasky to carp that no time was being set aside to raise money for the magazine itself, which runs at a deficit. "There are a lot of pockets to pick here," he advised.

The sun shone brilliantly, and the azure waves shimmered on cue, but many of *The Nation's* passengers hardly seemed to notice that they were on a boat, much less in a region renowned for its relaxation-inducing powers. When

one scheduled speaker missed her plane and was unable to rendezvous with the ship at St. Thomas for a planned seminar on labor and the environment, fifty-six passengers decided to address the problem. Instead of going to the beach, they stayed on board and organized themselves into five working groups, appointing one passenger, a public-health physician from California, to bring the issue of the cancelled seminar to the *Nation* authorities. The result was an emergency session on labor and the environment, nicknamed the "mutiny seminar." Following this assembly, passengers put together other ad-hoc seminars, including one that convened at seven on Saturday morning to discuss how to create a "culture of peace" for the next century.

The prearranged panel discussions were surprisingly tame, given that the panels were largely made up of *Nation* writers, many of whom were suffering from what the guest moderator Calvin Trillin termed the "pinko flu." The audience, however, showed a bit more feistiness. Against the background of the House Judiciary Committee's impeachment hearings, which were piped in on CNN, one speaker found himself being chastised by a female audience member for using the word "emasculated" to refer to President Clinton's 1998 political agenda. "I am concerned not only about the gender makeup of the panels but also by the use of language by this panel which reflects its gender bias," she explained. Another audience member prefaced his comments by announcing that his first vote had been cast for Earl Browder, the Communist candidate who opposed Franklin D. Roosevelt in 1936. Yet another audience member complained that too many of the speakers were demonstrating a dangerous "softness toward Al Gore."

A cruise consultant who had helped set up the trip was taken aback by the ambience. "I've never seen a cruise audience be so ornery to its guest speakers," he confided to me by the Stairmasters, adding, "and it's not only the New Yorkers, either." He was grateful, though, that no one tried to unionize the crew's largely Indonesian wait staff. In any case, this voyage had proved to be such a success that he was already assisting Navasky in planning the magazine's next cruise: an Alaskan trip featuring a bonus excursion to the site of the Exxon Valdez spill. —ERIC ALTERMAN



Mike Tyson & Shelly Finkel

ination raises its admittedly ugly head."

In 1986, when the Senate held hearings on Rehnquist's nomination to be Chief Justice, Senator Edward Kennedy, among others, questioned him closely about this evidence. Under oath, Rehnquist maintained that the original memo represented Jackson's views.

"Do the 'I's' refer to you, Mr. Rehnquist?" Kennedy asked.

"No, I do not think they do," Rehnquist replied.

Kennedy gave him another chance: "You maintain the 'I's' refer, then, to Justice Jackson?"

Rehnquist dug in his heels, and answered, "Yes. Obviously something for him to say."

Despite his Clintonian defense—it all depends on what I mean by "I"—Rehnquist was confirmed as Chief Justice by a vote of 65 to 33. Three years later, however, Bernard Schwartz, a leading historian of the Supreme Court, provided still more evidence that called into question Rehnquist's story: a 1954 draft concurring opinion in the Brown case that Justice Jackson himself wrote, but never issued, in which he declared, "I am convinced that present-day conditions require us to strike from our books the doctrine of separate-but-equal facilities."

Is it fair to conclude that Rehnquist lied under oath? "Memories evolve over time, and the word 'lie' suggests a knowing statement made with an intention to mislead," I was told by Mark Tushnet, a liberal constitutional historian at Georgetown, who wrote an article about Rehnquist's Brown memo in 1991. "It's accurate to say that the memo reflected one portion of Jackson's views. I think it's probably not accurate to say that it

didn't reflect Rehnquist's views." Both Jackson and Rehnquist were struggling with the fact that they saw little constitutional justification for striking down segregated schools, however morally repugnant segregation might be. This placed them in a long and respectable tradition among legal scholars who were

of judicial restraint has been a recurring theme in his career. His jurisprudence has coincided so often with conservative ideals that it's sometimes hard to discern whether he is acting on principle or pursuing a political agenda. The *Times Magazine* called its 1985 profile of Rehnquist "The Partisan," and there

is no question that his personal convictions and social ties fall in the conservative camp. It is also true that decisions made by the Rehnquist Court over the past decade, however inadvertently, precipitated President Clinton's impeachment. These include the rulings expanding sexual-harassment law, upholding the Independent Counsel law, and holding that a sitting President can be sued. But Rehnquist's opinions also reflect a relatively consistent application of the legal principle he invoked in his memo on Brown: that political majorities should be free to act upon their impulses, however brutal they may be, with little interference from the courts. In this view, a Justice's own politics are basically irrelevant: he or she should

let the political branches, rather than the courts, make the laws. And the same philosophy of restraint seems likely to guide Rehnquist as he presides over the President's trial in the Senate.

REHNQUIST'S belief that the President and Congress shouldn't expect the courts to save them in times of crisis was apparent in 1988, when the Justices were asked to strike down the Independent Counsel law. In the heat of the Iran-Contra scandal, President Reagan decided that it was politically expedient to sign a reauthorization of



Debate about whether Rehnquist is a conservative ideologue or a principled advocate of judicial restraint has been a recurring theme in his career.

deeply skeptical about the power of the courts to effect social justice. This attitude was summed up by Justice Oliver Wendell Holmes in 1920, when he wrote to his friend Harold Laski, the political theorist, "If my fellow citizens want to go to Hell I will help them. It's my job." By the nineteen-seventies, however, resistance to Brown was interpreted, retrospectively, as unvarnished racism—an interpretation that could have given Rehnquist a powerful incentive to deny his youthful views.

Debate about whether Rehnquist is a conservative ideologue or an advocate



the law, but he then dispatched his Solicitor General to argue that the Supreme Court should overturn it. "You can't expect the Supreme Court to take the political hit if the White House won't put its money where its mouth is," I was told by C. Boyden Gray, who was a White House counsel at the time. In a 7-to-1 opinion, which has been increasingly criticized by liberal and conservative legal scholars as simplistic and naïve, Rehnquist, writing for the Court, refused to overturn the law, predicting that it would not "impermissibly undermine" the powers of the executive branch, in part because the "tenure, duration . . . and duties" of an Independent Counsel would be limited by the United States Attorney General. In a solitary dissent, Justice Antonin Scalia predicted the profound ways that the Independent Counsel law would disrupt the balance of power among the three branches of government. "How much easier it is for Congress, instead of accepting the political damage attendant to the commencement of impeachment proceed-

ings against the President on trivial grounds . . . simply to trigger a debilitating criminal investigation of the Chief Executive under this law," Scalia wrote. "But even if it were entirely evident that unfairness was in fact the result—the judges"—who appoint the independent counsel—"hostile to the Administration, the independent counsel an old foe of the President . . . there would be no one accountable to the public to whom the blame could be assigned."

Now Scalia has been vindicated. Rehnquist is in the awkward position of having appointed the three-judge panel that named Clinton's prosecutor, Kenneth Starr, as well as the head of that panel, Judge David Sentelle, of the United States Court of Appeals for the District of Columbia Circuit. Sentelle is an enthusiastic Republican, who named his daughter Reagan in honor of his political hero, and who had lunch in the Senate dining room with two fierce Clinton critics, Senators Jesse Helms and Lauch Faircloth, days before he chose Starr as Independent Counsel to

replace the more moderate special prosecutor, Robert Fiske.

"The Chief Justice is kind of a loner, and I don't know if he has a lot of close friends, but Sentelle is part of whatever that circle is," Abner Mikva, a former White House counsel and a former colleague of Sentelle's on the United States Court of Appeals, told me. The day before Clinton's impeachment, I had lunch with Leonard Garment, the ebullient former counsel to Richard Nixon, and he mentioned that for more than a decade he, Rehnquist, Scalia, and Sentelle have been part of a penny-ante poker game that meets at a different member's house once a month on a Wednesday evening. Other players include William Bennett, Irving Kristol, and the Georgetown law professor Walter Berns—three conservative political theorists who have publicly criticized President Clinton. Judge Robert Bork used to be part of the game, but he was eased out after the defeat of his Supreme Court nomination, in 1987. According to Garment, "His mind was somewhere

else," and he kept forgetting the rules. (The President's lawyer Bob Bennett used to play, but stopped when he found himself arguing before the Supreme Court on the President's behalf.)

"Bill Rehnquist is in a sense the presiding officer, and he runs the game as if he were running the conference at the Court," Garment told me. "He moves the thing along, no fiddling around with the rules, and you don't have a lot of chitchat." By contrast, Sentelle, who once chaired the Mecklenburg County Republican Committee, in North Carolina, is, according to Garment, "a very jolly guy . . . big cigars, boots. . . . He conveys a sense that there's a ten-gallon hat on his head even if he's not wearing a hat." I asked Garment whether this merry band might be perceived as a conservative cabal, plotting over cigars to bring down the President. "Everybody's sort of constrained by a sense of propriety if we do talk about politics," Garment said. "There aren't any wild men."

Certainly Rehnquist's tenure as Chief Justice has been sober and evenhanded.

By avoiding personal rancor and overheated rhetoric, he has, over time, muted the perception of partisanship. This reassuring steadiness may have something to do with his upbringing. Raised in a middle-class Milwaukee suburb by Swedish parents (his father was a wholesale paper salesman), Rehnquist joined the U.S. Army Air Force and served as a weather observer in North Africa, received master's degrees in political science from Stanford and Harvard, and, in 1952, graduated first in his class from Stanford Law School, where he is said to have dated his future colleague Sandra Day O'Connor. After his clerkship with Justice Jackson, Rehnquist spent sixteen years as a trial lawyer in Phoenix, Arizona. He got to know Barry Goldwater and earned a reputation as a conservative activist, opposing the public-accommodations section of the Civil Rights Act of 1964, and a proposal to integrate Phoenix public schools, in 1967. He also caught the attention of a lawyer named Richard Kleindienst, who was subsequently tapped to be President Nixon's Deputy Attorney General, and in 1969 Kleindienst hired Rehnquist as head of the Justice Department's Office of Legal Counsel. Rehnquist helped to vet Nixon's Supreme Court nominees before being nominated himself, in 1971. Nixon knew so little about Rehnquist that, a few weeks before the nomination, on Watergate-era tapes, he referred to a "group of clowns" in the Justice Department, including "Renchburg." According to Leonard Garment, Rehnquist was Nixon's second choice. "Howard Baker would have been named," Garment told me. "He got the call from John Mitchell, but said, 'I want overnight to think about it.' Famous mistake. John Mitchell liked Rehnquist very much . . . and decided to push that way. When Howard Baker tried to accept, it was too late."

Nixon wanted to reverse the direction of the Court, which during the nineteen-sixties had increasingly cast itself as an agent of social change and, in his view, usurped the powers of the political branches. But Rehnquist was the only first-rate conservative mind among Nixon's appointees. The insecure Harry Blackmun, the moderate Lewis Powell, and the grandiose Warren Burger were

less nimble and less inclined to cast themselves as what Nixon called "strict constructionists" of the Constitution. So it often fell to Rehnquist, in a series of energetic dissents, to plant the seeds for a judicial counter-revolution—one that wouldn't fully flower until the nineteen-nineties. In *Roe v. Wade* and in a range of other cases, Rehnquist maintained persistently that, within narrow constitutional limits, political majorities could make decisions about individual rights.

But Rehnquist's commitment to a kind of judicial abstinence has not been unwavering. He is less inclined to defer to the political branches in cases involving states' rights, property rights, and race. During the past two decades, maintaining that the Constitution is color-blind, he has lent his support to a series of important decisions striking down affirmative-action programs and voting districts constructed for the benefit of racial minorities. These departures have fed the suspicion that Rehnquist is sometimes swayed by his political sympathies. Nevertheless, he has voted with the liberals on occasion as well—he joined Justice Ruth Bader Ginsburg, for example, to strike down the Virginia Military Institute's policy of excluding women—largely because he respects judicial precedents more than do some of the fire-breathing Reagan and Bush appointees who followed him.

When Rehnquist became Chief Justice, in 1986, his behavior on the Court began to change. He seemed to lose interest in writing zealous dissents, and reinvented himself as a consensus builder, who was willing to moderate his positions in order to win the votes of less conservative colleagues. Scalia inherited the role of lone dissenter, while Rehnquist modelled himself more on Charles Evans Hughes, the New Deal Chief Justice who believed, as Rehnquist wrote in an admiring tribute in 1976, "that unanimity of decision contributed to public confidence in the Court." Rehnquist's dissents as an Associate Justice had crackled with energy; his laconic opinions for the Court as Chief Justice sometimes read like hasty summaries of the government's brief.

Five years after he became Chief Justice, Rehnquist was deeply affected

by the death of his wife of thirty-eight years, Natalie, to whom he was devoted. Her long struggle with ovarian cancer devastated him. "Nan Rehnquist was feisty and funny, and he was tremendously dependent on her in every way," I was told by Michael Young, a former Rehnquist clerk, who is now dean of the George Washington University Law School. "Once, she went to take care of her father in Minneapolis. She had been gone a day and a half, and he came into the office and asked if any of us had an extra belt. . . . Then he asked if anyone had a razor." Rehnquist is close to his children—a son and two daughters—and his personal life has always been above reproach. Even his hobbies have a comfortingly nostalgic, nineteen-fifties quality: he is a fiercely competitive bridge and croquet player, and he is fond of singing carols around the piano during the Supreme Court's annual holiday party, where he insists on a fully trimmed Christmas tree, despite regular protests from civil-libertarian clerks.

Rehnquist is a quick worker, who demands that his clerks produce drafts within ten days after a case is argued, and who tries to be out of the court by 3 P.M., when he often takes a swim. He also runs the Justices' weekly conferences with brisk efficiency. Unlike Chief Justice Burger, who let discussion wander, Rehnquist discourages

debate and assigns the most coveted opinions to colleagues who circulate their drafts on time. Even the Justices who disagree with him concede that Rehnquist has been a highly effective Chief Justice. He is respected by liberal and conservative colleagues for fair-mindedness in assigning opinions and for imposing discipline in the courtroom, where he often cuts lawyers off in midsentence once their time has expired. Ruth Bader Ginsburg, who shares his passion for Gilbert and Sullivan and for keeping lawyers on schedule, affectionately refers to him as "my Chief." During the past decade, Rehnquist has found time to write three books of narrative history. The most recent, "All the Laws but One," about Lincoln's suspension of certain civil liberties during the Civil War, was



published this fall to favorable reviews.

Aware of Rehnquist's reputation for strict management in the courtroom, some Senate Republicans have said that they hope to conclude the trial of Bill Clinton in a matter of weeks, and an even tighter schedule is under consideration. But this timetable seems optimistic. The trial of Andrew Johnson involved no serious factual disputes: everyone agreed that Johnson had fired his Secretary of War without the permission of Congress, and the only question was whether the firing violated the constitutionally questionable Tenure of Office Act. But, as Rehnquist notes in his book on the Johnson impeachment, the Senate trial dragged on for almost two months, in part because the senators indulged in their prerogative to argue about the admissibility of every contested piece of evidence.

The allegations against Clinton are infinitely more complicated to prosecute and to defend than those against Johnson were, requiring a tangle of highly subjective judgments about the credibility of conflicting witnesses, the motivations, feelings, and actions of two parties to an adulterous affair, and the possibility of prosecutorial misconduct. Anyone looking for clues about how Rehnquist is likely to run the trial of Bill Clinton might examine a trial that he presided over in 1984: a little-noticed case, it suggests that, far from allowing either side to cut corners, Rehnquist's instinct is to let the jury hear as much evidence as possible.

IN the nineteenth century, Supreme Court Justices routinely travelled around the country trying cases in district courts. In the twentieth century, the custom fell out of use, until early 1984, when Rehnquist found himself at a Bar Association lunch in Richmond. Sitting at the head table with D. Dortch Warriner, a federal district judge, Rehnquist reportedly mentioned that he had never presided over a real trial and that it might be refreshing to do so. (The Supreme Court can become a "two-dimensional world," Rehnquist later explained to the *Times Magazine*,

and he wanted to reacquaint himself with "the very three-dimensional world in which trial lawyers and trial judges live.") Warriner found a case that he thought would interest Rehnquist, and several months later the Justice returned to Richmond to hear it.

The civil action involved a free-speech claim by two police officers in the Virginia town of Colonial Beach. One of them had seen a fellow-officer beat a teen-age suspect, and both officers decided to file affidavits about

the incident. When they were briefly suspended from their jobs for violating a Police Department regulation by speaking publicly, they sued the town for violating their right of free speech. They further charged that the Police Department had abused its power by

winking at official misconduct and then engineering a coverup.

Rehnquist made a few small gaffes during the two-day trial. After lunch on the first day, for example, he took his seat on the bench and asked for the first witness to be called; it was pointed out to him that the jury had not yet been summoned to the box. Lawyers for both sides later told me, however, that the Chief Justice presided with fairness and skill, resisting all efforts to speed up the trial by excluding evidence. "He has a fairly liberal view as to the kind of evidence that's material," I was told by the whistle-blowers' lawyer, S. Keith Barker. For example, over objections from the lawyer for the town, he admitted evidence about other allegations of police brutality.

While the jury was deliberating, lawyers from both sides joined Rehnquist for pizza in Judge Warriner's chambers. After several hours, the jury sided with the whistle-blowers, and Rehnquist later denied the city's motion to set aside the jury verdict, holding that the exposure of the coverup was constitutionally protected. Interestingly, though, Rehnquist's ruling was later reversed by the United States Court of Appeals for the Fourth Circuit, which held that he had interpreted First Amendment law too expansively. (The Supreme Court, in a decision from which Rehnquist excused himself, refused to hear an appeal.)

"I was concerned that I had someone who was reported to be very conservative and maybe not too friendly to a case against law enforcement, but I found the opposite," Barker told me. "His view is 'These are the basic parameters of the law, and if you have the evidence it's going to be up to the jury to figure out what to do.'" Everything that Rehnquist has written about the impeachment process suggests that he will be inclined to conduct the trial of President Clinton in the same way. Rehnquist has the authority, under Senate rules, to decide all questions of evidence, "including, but not limited to, questions of relevancy, materiality, and redundancy," but is subject to being overruled by a majority of the Senate. It's not hard to imagine Rehnquist's pompous predecessor, Warren Burger, issuing sweeping rulings on contested questions, accompanied by windy memos designed to persuade the senators to defer to his authority. Rehnquist seems more likely to put any controversial question to a Senate vote, without trying to influence or short-circuit the senators' debate. If Republicans or Democrats are counting on Rehnquist to save them from the political consequences of a protracted trial, they have the wrong man.

LET'S assume, for the sake of argument, that the Senate does not abort the trial soon after it begins. The President's lawyers might then ask Rehnquist to dismiss the impeachment articles on the ground that even if the allegations are true they don't rise to the level of impeachable offenses. Rehnquist is likely to refer this question to the Senate rather than to reveal his own views on the matter—views that may be closer to those of the President's lawyers than to those of House Republicans. In his book on the Johnson impeachment, Rehnquist suggests that Presidents shouldn't be impeached for anything short of crimes against the government. He criticizes the bitterly partisan House Judiciary Committee of the Johnson era, whose operation, he says, "was less like that of a grand jury . . . than like that of the manager of a political candidate's campaign looking into what charges might be made against a political opponent." Rehnquist argues that the Senate



was right to acquit Johnson of violating the ambiguously worded Tenure of Office Act. "It would be extraordinary to remove from office a president who violated a law when the meaning of the law is at best ambiguous," he writes. "The importance of these acquittals can hardly be overstated," because it established that "not any technical violation of the law" would qualify as an impeachable offense, but only "the sort of violation of the law that would justify removal from office." Had the Senate convicted Johnson, instead of acquitting him, "a long shadow would have been cast over the independence of the President," Rehnquist emphasized, and "the nation would have moved closer to a regime of the sort of congressional supremacy that was dreaded by men such as James Madison, the Father of the Constitution."

Still, Rehnquist's views on the possible merits of the Clinton impeachment can't be gleaned from his book. When he refers, near the end, to the impeachment articles against President Richard Nixon that were introduced in the House Judiciary Committee in 1974 (Nixon resigned before the full House voted), Rehnquist writes that "the counts relating to the obstruction of justice and to the unlawful use of executive power were of the kind that would surely have justified removal from office." Moreover, Rehnquist's efforts to construct a unanimous decision in *Clinton v. Jones* make it clear that he is deeply committed to the proposition that the President is not above the law.

Yet he is unlikely to impose his legal views on the Senate. In 1989, Judge Walter Nixon, Jr., was impeached by the House and removed from the bench by the Senate after a criminal court convicted him of lying to a federal grand jury in a bribery case. Judge Nixon appealed to the Supreme Court, on the ground that the full Senate had delegated some of its trial duties to a committee. But Rehnquist, writing for the majority, held that since the Senate had the "sole power" to try impeachment cases, the standards and procedures it applied shouldn't be second-guessed by judges. At that time, Kenneth Starr was Solicitor General, and he insisted that Congress could impeach federal officials for the most

trivial of felonies—even, as he noted during the oral argument, if they were to "poison a neighbor's cat."

If the Clinton trial proceeds toward a verdict, Rehnquist will be presented with many complex disputes about law, facts, and evidence. His past behavior suggests that he will be inclined to put important questions to a vote, setting off vicious partisan debates about whether the Senate will hear about Clinton's relationships with other women or about Starr's treatment of witnesses. The House Judiciary Committee made many arbitrary decisions about limiting the scope of its hearings, deciding, for example, not to call Monica Lewinsky, Linda Tripp, or other key witnesses. But Charles Tiefer, who teaches law at the University of Baltimore and is an authority on Senate

procedures, predicts that if Majority Leader Trent Lott, for example, proposes similar shortcuts in the Senate, "it is Chief Justice Rehnquist who will stand in their path and say, 'Not in my courtroom you don't.'"

Thanks largely to the Rehnquist Court, both liberals and conservatives have been learning not to look to judges to fight their political battles for them. The impeachment proceedings that are about to begin may represent the harsh culmination of this trend. In his memo to Justice Jackson nearly fifty years ago, Rehnquist wrote, "The Constitution does not prevent the majority from banding together, nor does it attain success in the effort." In other words, if the President and Congress want to take the country to Hell, Rehnquist may consider it his job to help them. ♦



MARISA
ACOCELLA

"This isn't working. We have nothing in common."

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Civil Division
Assistant Attorney General
Washington, D.C. 20530
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President of the United States
The White House
Washington, D.C. 20500

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U.S. Department of Justice

Civil Division

1-6-79

Office of the Assistant Attorney General

Washington, D.C. 20530

January 5, 1999

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

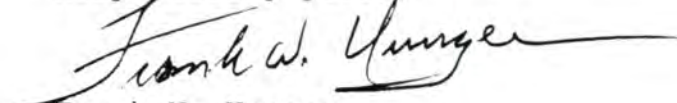
Dear President Clinton:

Please accept my resignation as Assistant Attorney General of the Civil Division of the United States Department of Justice, effective January 31, 1999.

In submitting my resignation, I want to thank you for extending to me the opportunity to be of public service. These past five and a half years have been the most rewarding and satisfying times of my professional career. During your Administration, the Civil Division of the Department of Justice has set all-time records in saving and collecting funds for the taxpayers--in the billions of dollars. We have done this without fanfare while disposing of over 100,000 cases and claims. These accomplishments are a signal tribute to the outstanding people who make up the United States Department of Justice.

I wish you and the First Lady much joy and happiness in the years to come. Thank you again for giving me the opportunity of a lifetime. It has been a high honor and a great privilege to be a part of your Administration. My best wishes to you always.

Respectfully yours,


Frank W. Hunger

cc: The Vice President
The Attorney General

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Health-plan costs to soar this year

By Stephanie Armour
USA TODAY

A1

Large employers' health benefit plans will go up about 7% on average this year, the first major leap in health care costs since the early part of the decade, according to a survey to be released today.

That's almost twice as fast as the 4% average reported last year, based on a survey of 213 companies by management and human resource consulting firm Towers Perrin.

The faster pace of increases is expected to continue into 2000 despite the popularity of cost-cutting health maintenance organizations (HMOs), raising new questions about their money-saving ability.

The jump, which comes after years of relatively mild cost increases, far outpaces the 1.5% inflation rate for the 12 months ending in November. Some benefits experts predict double-digit inflation this year.

"The health care honeymoon is over," says Linda Ruth, a health care consultant with Hewitt Associates in Lincolnshire, Ill. "You'll see increases in your contributions, and you'll pay more."

Mounting costs are being driven in part by consolidation of HMOs, which has dampened price competition. And rates in previous years had been rock-bottom to attract new members. Now they're being raised to recoup past losses.

The increases are bad news for employees, who generally pay more than 20% of the total cost of their coverage.

"The rates are going to continue for the next several years at a much higher rate," says William Falk of Towers Perrin.

In fact, the survey found about 65% of employers are bracing for somewhat or much higher costs beyond 2000, increases that are raising questions about whether HMOs can keep costs in line as graying baby boomers trigger mounting health care costs.

"Are managed care plans that were introduced a couple of years ago a one-time shot in the arm that produced significant savings?" asks Bob Bradick of the human resource consulting firm William M. Mercer in New York. "There is a significant challenge here."

Ford links air bag, seat belt sensors

By James R. Healey
USA TODAY

A1

DETROIT — Ford Motor Co. says it has come up with a way to electronically link air bags and safety belts to eliminate some injuries caused by the safety devices.

The Advanced Restraints System (ARS), which Ford plans to announce at the North American International Auto show here today, will appear first on the redesigned 2000 Taurus this year.

It should be standard equipment on all of Ford's U.S. cars and trucks within three years, says Helen Petrauskas, vice president in charge of environmental and safety engineering.

Passenger bags have killed dozens of people, mostly children and small adults. Even with the sensor, Ford says, parents should restrict their children to the safer back seat until they are about 12 years old.

Eventually, the complete system will integrate:

- Front air bags that inflate at two levels: full-blast in crashes of about 25 mph and faster and more gently in impacts of about 12 to 25 mph. They won't inflate at all in slower bumps.

- A seat-position sensor that inflates the driver's front air bag more gently if the driver is close to the steering wheel.

- A weight sensor that inflates the passenger's front air bag aggressively for heavy riders, less-so for lightweights and not at all for kids under 45 pounds.

- Safety belts that cinch tightly in a crash to keep occupants firmly in their seats but also allow slack if the crash force is so severe that a tight belt would crush the chest.

- A crash-severity sensor that calls the shots, deciding among seat-belt and air-bag options based on how fast the vehicle is slowing.

Ford says it won't increase prices to cover the cost of ARS.

Bergen
Podesta



Lucien E. Conein

Spook

A veteran of the C.I.A. and its precursor the World War II-era O.S.S., Conein was a tough and legendary player in the spy game — during its brightest and dirtiest moments

By Stanley Karnow

A stocky figure with a leathery face, Col. Lucien E. Conein belonged to a vanishing species — the swashbuckling soldier of fortune on whom the Central Intelligence Agency relied to perform America's "dirty tricks" around the world. Nicknamed Lulu or Luigi, he could be rowdy, impudent and obscenely irreverent, particularly toward bureaucrats determined to make him comply with rules and regulations. But despite the legends that portrayed him as a loose cannon, which he delighted in circulating himself, he was a seasoned, thoroughly conscientious clandestine operative who served as an instrument for the policies conceived by his superiors.

He played a pivotal role in 1963 in Vietnam, where President Ngo Dinh Diem's top generals, frustrated by his inability to cope with both the mounting Vietcong insurgency and Buddhist dissidents, were plotting to oust him. The United States Ambassador, Henry Cabot Lodge, who favored the conspiracy, appointed Conein, who knew the plotters intimately, to act as his liaison with them. Lodge instructed him to reassure them that the United States "would not thwart" their plan and, with President Kennedy's nervous approval, they proceeded with their coup.

On Nov. 1, the scheduled day, Conein swaggered into the plotters' headquarters, toting an ivory-handled .375 Magnum revolver and a valise bulging with the equivalent of \$40,000, in case they needed funds. The next morning they captured and summarily murdered Diem and his hated brother, Nhu. Lodge and Conein were clearly complicit in the episode but, contrary to post-mortem allegations, neither of them had anticipated the assassination.

By 1965, Conein became increasingly despondent as President Johnson poured artillery, bomber aircraft and big combat battalions into Vietnam. The war was now escalating into a huge effort that eclipsed his breed of cloak-and-dagger professional. He repeatedly hit the bottle and, following a wild binge, was exiled to a remote post in the mountains of Phu Bon province — a spot he sardonically dubbed "Phu Elba." Three years later he left Vietnam and retired, only to

return briefly on a business venture that fizzled.

Back in Washington he sought an outlet for his talents, which were not exactly fungible. He declined an offer from a former C.I.A. colleague, E. Howard Hunt, to participate in the Watergate burglary. "If I had been involved," Conein subsequently told me, "we'd have done it right." In 1973 the Drug Enforcement Administration hired him as a covert investigator, but dumped him amid his own boasts that he was a member of a Corsican brotherhood engaged in the narcotics traffic.

I first encountered Conein in Saigon in 1962, when I was a correspondent there. Defying orders to avoid the press, he enjoyed the company of reporters. It occurred to me as he chain-smoked and spun out stories of his exploits that he was a natural for a thrilling biography that might be titled "Spook." Before long his contradictory tales bewildered me, and lacking a novelist's gifts, I shelved the potential book. In the process, however, I accumulated an immense archive on his unique career.

Born in Paris in 1919, he was shipped at the age of 5 by his widowed mother to Kansas City to live with her sister, the wife of a World War I doughboy. He retained his French citizenship and in World War II enlisted in the French infantry; not, as he perpetually bragged, the Foreign Legion. After France surrendered to Germany he spent a few months at a youth hostel in the Alps run by the pro-Nazi Vichy regime, then made his way back to America, where he was inducted into the United States Army. His fluent French earned him a transfer to the Office of Strategic Services, the precursor of the C.I.A., which assigned him to the "Jedburghs" — an elite corps that owed its label to the town located near its training camp in Scotland. In 1944 he

parachuted into occupied France to rendezvous with a resistance unit. During one of our conversations he vividly described an audience with Gen. Charles de Gaulle.

His otherwise perfect account, I later learned, omitted one crucial detail: it was his chief, not he, who had been present at the meeting.

He later jumped into South China to join a squad of French and Vietnamese commandos in a raid on a Japanese garrison. In 1945 he was sent to Hanoi, where he persuaded Ho Chi Minh to release several interned French residents — a difficult achievement for which he was awarded the Legion of Honor. In 1947, working for the C.I.A., he organized an infiltration of saboteurs into Eastern Europe, and afterward helped to organize Iran's secret police. Seven years later, when Ho's Vietminh crushed the French forces and took over North Vietnam, he was back in Hanoi, this time to mobilize teams to stage an eventual anti-Communist uprising with weapons buried in graveyards. Hoping to cripple the country's transportation system, he concocted such ploys as concealing explosives in the coal that fueled its railway locomotives. The schemes proved to be futile because, he explained to me, "We did it too



Plot thickener: Conein, left, the C.I.A.'s advance man, in Vietnam in 1962.

quickly." The only scars remaining from his experiences were two fingers conspicuously missing from his right hand — lost in Germany not on some perilous escapade but absurdly lopped off while he was trying to fix the fan belt on a car during a tryst with his best friend's wife.

He died on June 3 and, in keeping with his Gallic heritage, his funeral at Arlington Cemetery was on July 14 — Bastille Day. His old comrades, all of whom were there, turned out to be remarkably subdued, and I speculated as they quietly paid tribute that they perceived his demise to be the end of their era as well. ■

Stanley Karnow is author of "Vietnam: A History."

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Please deliver the following pages to:

Name:	Mr. William Jefferson Clinton President of the United States
Fax Number:	(202) 456-1210
From:	George Soros
Date:	January 4, 1998
Number of pages:	4

Dear President Clinton:

I am sending you the full text of the article published today in the Financial Times in the hope you may find it helpful in preparing your State of the Union message. I am ready to follow up in any way you wish.

Sincerely yours,

George Soros.

→ Copy: Michael Waldman
Director of Speech Writing
The White House
Fax 202-456-2505

AGENDA FOR 1999

A relatively minor dislocation in a far away country - Thailand being forced off its informal dollar peg in July 1997 - unleashed a global financial crisis. Financial markets behaved more in accordance with chaos theory than economic theory. According to chaos theory a bird flapping its wings in China can affect the global weather patterns; according to the economic textbooks, markets tend towards equilibrium; an extraneous shock, like the devaluation of the Thai baht, can cause a temporary dislocation but eventually markets settle down and continue functioning very much as before.

Markets have settled down, and the economies at the center of the global capitalist system have suffered very little damage from the dislocations that occurred at the periphery - indeed in many ways they have benefited from them. People in other countries like Indonesia and Russia are plunged into misery but they are far away. It would be only too easy to go on with business as usual. But we do so at our own peril. Recent events have revealed certain fundamental flaws in the global financial system. Unless we attend to them, the system is liable to disintegrate and we too shall suffer the consequences.

The first lesson we have to learn is rather abstract. Financial markets are inherently unstable. Markets tend towards equilibrium only when they deal with known quantities. But financial markets deal with quantities which are not only unknown but also unknowable; they try to anticipate events in the future which are contingent on how the financial markets anticipate them at present. Financial markets operate with a bias and the bias they bring to bear plays a causal role in shaping the course of events. Sometimes the bias is self-correcting in which case we can speak of a tendency towards equilibrium, but at other times it can be self-reinforcing until it becomes unsustainable, in which case we have a boom followed by a bust. Booms and busts are endemic in financial markets. Instead of moving like a pendulum, markets can move like a wrecking ball, knocking over one economy after another. The swings cannot be avoided altogether but they need to be brought under control if we want to preserve the global economy.

Countries with well-developed financial systems have learnt this lesson from bitter experience. They have established central banks to regulate the money supply and other regulatory authorities to prevent excesses. But all these authorities are national in scope. There are some international financial institutions, notably the IMF and the World Bank, but they were designed for a different world that was devoid of large-scale capital flows. In the recent crisis the IMF proved to be part of the problem rather than the solution.

The primary mission of the IMF is to preserve the international financial system. Its task is to ensure that a debtor country will be able to meet its international obligations, if not right away then within the foreseeable future. The conditions which it imposes on the debtor country are designed with this objective in mind. They include punitively high interest rates, which serve the dual purpose of stabilizing the exchange rates and creating a trade surplus by precipitating a recession. Both these developments indirectly benefit the lenders because they facilitate the repayment of debts.

This method of operation has given rise to what is now recognized as a moral hazard. In case of trouble, lenders could count on the IMF to bail them out; this has supposedly encouraged sloppy lending practices. Actually, the moral hazard is better described as an asymmetry in the treatment of lenders and borrowers.

There is another asymmetry in the way the IMF currently operates. It can intervene only at a time of crisis; it has no authority for preventing a crisis from developing. Yet experience has shown that busts can be prevented only by moderating the boom that preceded it.

These two asymmetries, taken together, explain why the IMF has become part of the problem. This was clearly demonstrated in the recent crisis. The IMF imposed punitive interest rates and the countries concerned were plunged into deep recession. But when the crisis threatened the US, the Federal Reserve lowered interest rates and the US economy escaped unscathed.

The IMF is now under severe attack. There are voices calling for its abolition. Others want to cripple it by imposing all kinds of conditions. I believe these attacks are misconceived and misdirected. If global financial markets are inherently unstable we need a stronger regulatory framework rather than dismantling existing institutions just because they proved unequal to their task. We need to improve them, not abolish them.

It should be recognized that banks and financial markets left to their own devices do a very uneven and unreliable job in allocating capital among different national economies. International capital flows need to be regulated. The choice is between international regulation and letting each country protect its interests the best it can.

Unfortunately, the present arrangements for international regulation are woefully inadequate and very punitive to those countries which have to depend on it. If they tried to protect themselves as Malaysia has done, the system would disintegrate. That is why we need to improve the international regulatory framework even if for the time being, we, at the center of the global capitalist system, feel no pain. To be specific, we need to convert the IMF into something resembling an international central bank.

When I speak of an international central bank I do not have in mind an institution like the Federal Reserve or the European Central Bank. I am talking about empowering the IMF to act as lender of last resort with regard to a select group of countries that are eager to obtain such protection. In order to qualify, these countries would have to meet certain conditions that would make it very unlikely that the IMF would have to intervene as a lender of last resort. The countries concerned would have to follow sound macroeconomic policies; have a sound banking system, with appropriate supervision; provide adequate information both to the IMF and to the markets; maintain flexible exchange rates with appropriate measures for the control of excessive capital flows; have proper corporate governance and bankruptcy laws; respect certain basic human rights and abide by the rule of law. In return, the IMF would stand by as a lender of last resort and provide an adequate supply of capital even if the financial markets are unwilling to do so.

Those countries which cannot or will not meet these conditions would continue to have access to the IMF on terms similar to those which are available currently with one major difference: in a crisis the IMF may impose conditions not only on the country concerned but also on creditors. By putting would-be creditors on notice the IMF would prevent excessive capital inflows from developing. If it still became necessary to impose a moratorium or a compulsory debt to equity conversion scheme the international financial system would not be disrupted, because it would be an isolated case. The threat of contagion, which is inherent in the current arrangements, would be eliminated.

It should be emphasized that, as things stand at present, the IMF does not act as lender of last resort. The amount it can lend to a country is limited and it usually accounts to only a fraction of that country's outstanding obligations. The only way an IMF program can be successful is by reestablishing market confidence. That is why the program has to be skewed in favor of the creditors. That is why the countries concerned are so heavily penalized -- and if the program fails, as it did in Indonesia and Russia, the penalty can be even greater.

Empowering the IMF to act as lender of last resort would radically change the mission of the IMF and the way it operates. It would eliminate the current imbalance in favor of the creditors and to the detriment of the debtor countries. Countries which meet certain performance criteria would have the protection of a lender of last resort; and if other countries got into trouble the burden would be shared between the lenders and the borrowers. The lenders and investors would also be better served; in the first category countries they would enjoy the benefit of a lender of last resort; in the second category countries they would know that they are acting at their own risk.

The new arrangement would also eliminate the current imbalance between prevention and crisis intervention. The emphasis would be on prevention where it properly belongs. International credit and investment could grow without the devastating interruptions which are occurring with increasing frequency. Countries which choose to accept the discipline of having the IMF as lender of last resort, would cease to be second-class members of the global capitalist system; and the others would have something to aspire to.

Booms and busts would not be banished altogether; that is impossibility. But the IMF in its new incarnation would act not only as a lender of last resort but also as a kind of international central bank, regulating the environment for international capital flows in order to obviate the need to intervene as lender of last resort. Central banks always err in one direction or the other but on the whole they do a creditable job because they can correct their mistakes based on the market reaction. There have been no breakdowns at the center of the global capitalist system similar to those which are currently afflicting some of the countries at the periphery, since 1933. If we want to have a well functioning global capitalist system we need to extend similar protection to the periphery.

This is not a utopian ideal but an idea that could and should be implemented right now. It is not my brainchild, although it was the inspiration for the International Credit Guarantee scheme which I proposed a year ago. That idea was ahead of its time. But an international lender of last resort is an idea whose time has come. The idea is implicit in the recent G7

communiqué, which proposed preventive actions and a contingency fund, and in the speeches of President Clinton, Chancellor of the Exchequer Gordon Brown, and other statesmen. It is discussed more explicitly in some of the papers circulating in official circles.

The financial resources which would enable the IMF to act as lender of last resort would come from incremental Special Drawing Rights (SDRs) which the member countries would assign to the IMF for that purpose. The SDRs would not be issued until they are authorized by the governing body of the reconstituted IMF.

I would not like to pretend that it would be easy to establish the rules by which a reconstituted IMF would operate. An international regulator of credit and money supply would have to consider not only the countries at the periphery but also the countries at the center of the global capitalist system. It would be improper for either the Federal Reserve or the European Central Bank to allow its autonomy to be infringed by an international body; but both institutions and their respective Treasuries would be represented on the governing body of the reconstituted IMF and in that context, they would be better able to coordinate their global responsibilities.

Most global financial crises have been precipitated by a rise in interest rates at the center. That was true in 1929, in 1982, and again in 1992 when the reunification of Germany destroyed the European Exchange Rate Mechanism. It was not the case in 1997-8, although it could be argued that the Thai baht became unhinged because of the rise in the value of the dollar, but it may well be the case in the next crisis. The ability to inject or restrict liquidity not only at the center but at the periphery would open up policy options which are not currently available. The idea of something resembling an international central bank could provide the cornerstone of the new financial architecture around which a new Bretton Woods Conference could be organized.

The conference could take place next October but a lot of preparatory work needs to be done in the meantime. In the United States, a task force of the Council on Foreign Relations and others are studying the subject; there ought to be similar initiatives in Europe. But it is even more important that the countries that could benefit from a lender of last resort - countries in Southeast Asia, Latin America and the rest of the world - should address the issue. After all the new architecture seeks to correct the asymmetry between center and periphery - the countries at the periphery must have an important say in its design.

George Soros



Views to a kill: Gellhorn and Hemingway in Idaho, 1940.

Martha Gellhorn

War: From Both Sides

b. 1908 Gellhorn covered many of the century's towering conflicts — the Spanish Civil War, World War II, Vietnam — and she found little peace in private life. Her first husband was Ernest Hemingway.

By Ward Just

By the general agreement of her peers, Martha Gellhorn was the premier war correspondent of the 20th century, a century that is for war correspondence what the 17th was for sacred music. She was fearless, she operated from a sound ethical center (broadly, her ideology amounted to a hatred of bullies), she had a connoisseur's eye for the flaw in the pretty picture and she wrote with eloquence and wit. (In the 1980's she discovered "Reagan's chocolate voice.")

Ward Just is the author most recently of *'A Dangerous Friend,'* which will be published in May.

She began during the civil war in Spain in 1937 and ended several wars and more than 50 years later in Panama. Born in St. Louis, educated at Bryn Mawr, she was an expatriate virtually her entire adult life, and like many expatriates she held her native land to lofty ethical standards; and so she was frequently appalled. She had a mind as crisp and flavorful as Scotch neat, informed by a lifetime of witness and a natural indignation that was with her to the last day of her life. In a letter written years ago to her friend the writer Mary Blume, she explained: "Mrs. (Nadezhda) Mandelstam in that superb book 'Hope Against Hope' said: If there is nothing else to do, one must scream. I long to scream. I am screaming all the time inside me and it will end by giving me severe stomach pains as it already gives me insomnia; useless screaming."

The war correspondent wanted to be known as a novelist ("Liana," "The Lowest Trees Have Tops," among others), but that was not to be. Martha Gellhorn wanted to be forgotten as the third wife of Ernest Hemingway, but that was not to be, either. As she grew older she became famous, but she had no great regard for fame, preferring, it seemed, honor. Two weeks before her death in February, she invited friends for drinks at her flat in Cadogan Square, London. She was 89, still marvelous-looking but aching, nearly blind and no longer writing, a circumstance that gave the 1950's-vintage Underwood portable on the desk in the corner a special poignance. She had only recently given up her snorkeling and intended to visit Egypt soon, her eyes still up to seeing the pyramids. She spoke of old friends and long-ago events with high good humor, her vocabulary laced with antique slang: "grub," "chums." Her voice somewhere between snarl and purr, she recalled a season in Sun Valley with her husband. She said: "We were shooting birds. The news came over the radio that the Soviets were about to invade Finland, and I made plans to leave at once. But Ernest declined. He wanted to shoot more birds. So I went alone. Ernest didn't find the war until 1944. Can you imagine?"

She called herself a special kind

of war profiteer. "I was physically lucky and was paid to spend my time with magnificent people." Loathing war, she loved soldiers and believed the best of them radiated a kind of sublime nonchalance and good cheer. So when she showed up in South Vietnam in 1966, having bought her own airplane ticket in exchange for press credentials from The Guardian (Manchester), she went at once to the field to report the casualties among civilians. She wrote a series of savage dispatches, then decided to visit American troops. She asked a journalist friend to help her out. She named a division and the division's commander and said she wanted to see him, as they had known each other in Europe in 1944 when they were young. *No need to tell him I'm coming with you. Let's make it a surprise, shall we? Maybe he'll give us some grub.*

She arrived in khaki trousers and a light shirt with a little pink ascot at her throat. Her hair was freshly done. The general was waiting in his mess tent with his suite, 15 or so young captains and majors. The expression on his face? Surprised isn't the word. During dinner she interrogated him remorselessly and was dissatisfied with his answers. And when, at dessert, enemy mortars commenced desultory fire and the general and his men sensibly put on their helmets, Gellhorn refused. She looked at them as an aerialist might look upon the clowns. *You didn't behave that way in France and Belgium.*

Our men don't have the right spirit, she told a friend later. They're frightened. They have reason to be. She meant, They could feel the noose tightening. They were doing the nation's bidding but were not proud of it. No wonder she called Vietnam the only war she reported from the wrong side.

Martha Gellhorn married twice, the second time to T. S. Matthews, the Time editor. The marriage did not endure. Of her intimate life generally, the word "private" comes to mind. But like many lucky men and women of great age, she had a devoted friend, a contemporary. When her family slipped her ashes into the Thames a fortnight after her death, a dozen roses went with them; they were from him. ■

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Jock Gill <jgill@penfield-gill.com>
01/06/99 10:30:46 AM

Record Type: Record

To: "Nancy V. Hernreich" <HERNREICH_N@a1.eop.gov>, Betty W. Currie/WHO/EOP
cc: See the distribution list at the bottom of this message
Subject: Storm Power Outage Heats Up Interest in Propane Fuel Cell Research

VIA EMAIL

January 06, 1999

Dear Mr. President,

You will remember that I sent you a message about Fuel Cells after last winter's major ice storm. Here is some follow up information that you may find of interest.

Best regards,

Jock

Storm Power Outage Heats Up Interest in Propane Fuel Cell Research
(U.S. Newswire; 01/05/99)

WASHINGTON, Jan. 5 /U.S. Newswire/ -- With tens of thousands of homes without electric power because of winter storm damage to power lines, propane marketers are busy installing temporary heating, but an industry leader hopes that propane-powered fuel cells will soon give homeowners an alternative to utility provided electricity.

"Consumers hit by the yearly power outages are looking for more reliable electricity, and fuel cells could well be the alternative that meets their demand and helps the propane marketers grow their business," said Milford Therrell, chairman of the Propane Education & Research Council.

Unlike an electrical power plant, which creates electricity by burning fuel, a fuel cell converts the energy of a fuel, such as propane, into useable electricity by an electrochemical process that relies on an ion conducting membrane.

Coming to a home near you. Several research laboratories report that affordable, reliable fuel cell technology will soon be available. Fuel cells are being tested on hydrogen and a variety of hydrocarbon fuels, but Therrell believes that propane has several

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advantages over other fuels, especially for fast-growing rural areas with their high electricity costs and no natural gas service.

"The fuel cell, an appliance about the size of a heat pump, when combined with clean-burning propane can give homeowners both electricity and gas service," says Therrell, president of Dallas-based Squibb-Taylor, Inc. "What makes fuel cells attractive is that every homeowner can become their own utility, eliminating those power lines altogether." Fuel cells also offer environmental benefits. Since a fuel cell generates electricity through an electrochemical process, it does not produce carbon monoxide, or nitrogen or sulfur oxides.

Fuel cells are not new; they were actually discovered about 160 years ago. NASA has used fuel cells to generate electricity in spacecraft since the 1960's. However, only with the recent decline in raw materials costs has fuel cell production become commercially possible.

Therrell said he is urging the propane industry to invest in research to help position the industry to make the most of fuel cell technology.

For more information or interview availabilities, contact Kate Hutcheons-Caskin at 202-261-2201 or via e-mail at kate.caskin@propanecouncil.org.

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INDUSTRIES PRESS PLAN FOR CREDITS IN EMISSIONS PACT

WARY OF GLOBAL CONTROL

New Legislation Would Offer Companies Incentives for Early Cuts in Pollution

By JOHN H. CUSHMAN Jr.

WASHINGTON, Jan. 2 — Even as a proposed treaty on global warming faces an uncertain future in the Senate, big companies are maneuvering to push through legislation giving them valuable credits for early actions to control the waste gases that the binding treaty would strictly limit.

The proposed treaty, negotiated in Kyoto, Japan, and signed by the Clinton Administration last year, requires steep reductions in the industrial nations' emissions of heat-trapping greenhouse gases. If the Senate eventually approves it despite widespread opposition from major industries, companies want to be sure they get credit for any reductions they achieve before the treaty takes force in 2008.

The legislation would mark a significant shift in the debate in the Senate over climate change, potentially moderating the opposition to the treaty among big industry groups and linking their financial interests to the goals of treaty supporters. And if it succeeded, it could revive the longstanding efforts of the Administration to persuade industries to cut their emissions voluntarily, which have met with mixed success.

"This is a potential winner," said Eileen Claussen, executive director of the Pew Center on Global Climate Change and a former treaty negotiator for the Administration. "It helps get the United States moving. It is voluntary. It is supported by industry. It seems to me there should be a way to get legislation like that through Congress."

For some companies, credits earned now could be applied against strict limits they would face later. Companies able to make even deeper cuts in emissions now could sell their surplus credits for billions of dollars under an emissions trading system that the Administration wants to set up.

With so much at stake, big companies, joined by influential environmental groups and policy analysts, are already lobbying hard for Congress to guarantee credits for early action.

Three Senators, led by John H. Chafee of Rhode Island, the leading Republican environmentalist in the Senate, introduced legislation late in the last session that would assure the

companies that their early reductions would earn credit under any mechanism the Government eventually establishes to limit emissions of greenhouse gases. The bill is also supported by Senator Joseph I. Lieberman of Connecticut, a Democrat, and by Senator Connie Mack of Florida, a Republican.

In a speech last month to the National Association of Manufacturers, Senator Chafee, who is chairman of the Senate Environment Committee, said he will make the bill a priority as soon as Congress reconvenes next week.

"While the climate debate will indeed continue over the next few years, we strongly believe that there is a voluntary, incentive-based approach which can be implemented now," he told the group, which has opposed the Kyoto treaty.

"The good guys who take action now will be rewarded by having these actions count," Mr. Chafee said. "This credit program may also make early greenhouse gas reductions financially valuable to the companies who make them."

That could mean a windfall for companies that have recorded reductions in greenhouse gas emissions since 1991, a period when the nation's overall annual emissions ballooned by more than 10 percent despite the Administration's voluntary plan to curtail them.

As drafted, the bill gives ton-for-ton credits to any of the more than 150 companies that can document reductions in their greenhouse gas emissions under various voluntary Federal programs.

The DuPont company is one example. The biggest chemical producer in the United States, DuPont has

Making deep cuts in emissions now could mean billions of dollars later.

taken steps that will cut its own emissions of greenhouse gases far more and much faster than the treaty would require.

Company officials said that DuPont will cut its annual greenhouse gas emissions to much less than half of 1991's levels by the year 2000. Under the treaty, the United States as a whole would have to cut emissions 7 percent below 1990's level between 2008 and 2012.

"If you did not recognize our voluntary work, you would punish us for stepping out in front," said Darwin G. Wika, director of safety, health and the environment for DuPont. "And the laggards who did not step up to the plate would be rewarded."

By DuPont's calculations, by the end of this year it will have reduced its annual emissions by the equivalent of 90 million tons of carbon dioxide. Economists' estimates of the value of carbon credits in an emissions trading scheme vary widely, but depending on the crediting rules, DuPont's savings alone could someday be worth billions of dollars.

Some big environmental groups, like the Environmental Defense Fund, which favors emissions trading and other market-based pollution controls, have published detailed proposals for granting credits to companies that move early, and have advised lawmakers on drafting legislation. There are at least five such proposals spelled out by various advocates, including one by Niagara Mohawk, the New York utility company.

But some environmentalists have criticized the bill offered by the three Senators.

John Stanton, legislative director for the National Environmental Trust, a pro-treaty advocacy group, said the bill "does not provide sufficient guarantees that emission reductions credited under it will actually result from reduced emissions, as opposed to phantom paper reductions."

With Senator Chafee planning hearings soon, the lobbying is sure to intensify.

"You are creating a new currency called carbon-dioxide tons," said Alden Meyer of the Union of Concerned Scientists, another treaty advocacy group. "There is a lot of money involved, and there is going to be a lot of ferocious jockeying to control who gets the money. It is going to be pretty intense."

For now, the most active proponents of credit for early action are a closely knit coterie of former Government officials, policy analysts, environmental advocates, lobbyists, lawyers and corporate officials who have been working for months to build support for the credit idea.

Along with the Environmental Defense Fund and the Pew Center for Global Climate Change, they include law firms and lobbyists like Van Ness Feldman and Alcalde & Fay, both of which represent several electric utilities, and a number of individual companies, several of them aligned with the Pew Center.

Hundreds of companies, big and small, could benefit from the proposal.

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The New York Times

January 3, 1999

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that save and prolong healthy lives and prevent disease are at the top, and cosmetic surgery, weight-loss programs, most infertility treatment and conditions that cure themselves, like colds, are at the bottom.

The Legislature then drew a line across the list, with free care allowed for conditions above the line and denied for those below. It drew the line low, at No. 606 but has since raised it to No. 574, still low enough to have stirred few complaints. But the line becomes fuzzy in the physician's office. The plan requires that family doctors admit all patients for diagnoses, and doctors say they do what they feel they must to treat a patient during the visit. And when a patient is referred to a specialist, doctors can skirt the rules by changing a

A promising concept of 'rationing care, not people,' proves hard to implement.

diagnosis and moving a patient's condition from below the line to above it. Carole Romm, health services director for Care-Oregon, a non-profit H.M.O. specializing in Medicaid patients, takes the example of fibromyalgia, a chronic condition with bodily aches and pains. The cause is unknown, there is no cure and it is below the rationing line.

In addition to recommending exercise, which can help, doctors find ways to prescribe physical therapy, which can also help.

Mr. Sacco of Regence said, "If someone comes into the office with a below-the-line issue, it's going to get treated."

Much of the unauthorized care, however comforting, is ineffective or marginal and contributes to the rising costs, Mr. Kitzhaber said.

The Governor also wants to raise the rationing line 10 more notches, to No. 564. Among services he would

deny are some repairs of ligament damage to knees, treatment for contact dermatitis — rashes from poison ivy or spills of household chemicals — that cures itself, and treatment for genital warts.

But in raising the line, Mr. Kitzhaber faces intense Federal scrutiny because some procedures typically paid for by Medicaid would not be covered. The Health Care Financing Administration, he complains, "would rather have us keep the line and serve fewer people" and in that way preserve the practice of rationing people, not care.

Mr. Crawford, the medical assistance director, said negotiations over changing an item go on for months. "There's a lot of suspicion of states like Oregon that want to deviate from traditional Medicaid," he said, adding that "we spent hours arguing with H.C.F.A. about diaper rash" before its coverage was excluded.

Nancy-Ann Min DeParle, administrator of the Health Care Financing Administration, called the plan "a very interesting experiment."

Ms. DeParle said there was no policy favoring conventional Medicaid coverage over Oregon's approach. "I think what the state would like to do is to make these decisions and do it unilaterally," she said.

But the agency is bound by Congress to provide a defined set of benefits to people who receive Medicaid. "We have to make sure that the procedures that are being covered are appropriate and that they are not leaving out things that should be covered," Ms. DeParle said.

The agency also has a responsibility for public health, so discussions over genital warts, a sexually transmitted virus that can be treated but not cured, will not be easy.

Such disputes aside, said W. David Helms, president of the Alpha Center, a health care research organization in Washington, Oregon has done something unique in tackling the taboo against rationing.

"As a society, we still face that issue, and we've ignored it," Mr. Helms said. The Oregon program, he said, "is how government at its best ought to work."

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Sunday, January 3, 1999

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"All the News
That's Fit to Print"

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SUNDAY, JANUARY 3, 1999



In 1994, a Coast Guard photograph, right, detected a possible oil discharge from Royal Caribbean's Sovereign of the Seas cruise ship, above, which led to a four-year inquiry into a fleet-wide conspiracy.

Gaps in Sea Laws Shield Pollution by Cruise Lines

By DOUGLAS FRANTZ

MIAMI — Shortly after 10 A.M. on Oct. 25, 1994, radar and infrared sensors aboard a Coast Guard jet over the Atlantic off Puerto Rico detected a possible oil discharge. As the aircraft swept low, its crew saw a long oil slick trailing a ship entering the San Juan harbor.

The vessel was then the largest cruise ship in the world, Royal Caribbean's Sovereign of the Seas, a floating resort the length of three football fields. When Coast Guard inspectors boarded the ship in port, its officers denied discharging any oil.

Suspicious, the Coast Guard and Justice Department opened what would grow into a four-year inquiry leading to the discovery of a fleet-wide conspiracy within Royal Caribbean Cruises Ltd. to save millions of dollars by dumping oily waste into the ocean. Last June the cruise line pleaded guilty to conspiracy and obstruction of justice.

SOVEREIGN ISLANDS

A special report.

admitted that its ships had rigged pipes to bypass anti-pollution equipment, agreed to pay a record \$9 million in fines and promised the dumping would never happen again.

Astonishingly, the next month it did. The Nordic Empress, another Royal Caribbean ship, was discovered discharging oily waste and creating false records to cover it up. Moreover, the new dumping incident occurred even though the company knew it remained under Federal investigation for other discharge incidents.

An examination of the criminal investigation, plus new details about the latest incident, shows how difficult it is for authorities to police the booming cruise industry as it launches ever larger ships, and how determined the industry is



to make itself exempt from American regulation.

The review offers strong evidence that the dumping of oil and other wastes by cruise ships, which can create lasting pollution problems in oceans and coastal areas, is more common than previously known. And it reveals an influential industry that has assembled an international lobbying force to plead its case. Royal Caribbean's included two former United States Attorneys General, Elliot L. Richardson

and Benjamin R. Civiletti.

In defending itself, Royal Caribbean, a Liberian corporation with its headquarters in Miami, made what the Justice Department described as an unprecedented claim: that a private company doing business in the United States was immune from criminal prosecution because its ships fly foreign flags.

All major cruise ship owners —

Continued on Page 20

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Do we need to do
anything about this?

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Royal Caribbean argued that the discharge was an isolated oversight. But Richard A. Udell, a career prosecutor in the Justice Department's environmental section, found indications to the contrary in Coast Guard data bases.

The records showed that more than a year before, on Feb. 1, 1993, a Coast Guard jet had spotted an oil slick behind the Nordic Empress, off the Bahamas en route to Miami. A videotape taken from the jet showed a slick that appeared to be a perfect match to the videotaped discharge from the Sovereign of the Seas. The Nordic Empress's officers had also denied discharging anything.

On Oct. 25, 1994, inspectors had videotaped the engine room of the Sovereign of the Seas in San Juan; four days later, when the ship arrived in Miami, a second videotape was taken. Comparing them, Mr. Udell noticed that a set of pipes present on Oct. 25 was gone on Oct. 29. Government experts determined that the pipes had bypassed a critical anti-pollution device known as an oil-water separator.

On any ship, oil drips from machinery and collects along with sea water in the bilges. The separator filters out oil so the water can be discharged and the oil stored for disposal in port. Each time the separator is operated, the event must be noted in the ship's oil record book. The Coast Guard relies on the books to monitor compliance with pollution laws.

The oil record book of the Sovereign of the Seas contained no record of a discharge. Later, a ship's engineer testified before a Federal grand jury that there had been none. The officers of the Nordic Empress had made the same claim in 1993, supported by their oil record book.

It took several months, but Coast Guard investigators eventually discovered similar bypass systems on the Nordic Empress and other Royal Caribbean ships. They began to doubt the authenticity of the oil logs.

Confronted by the evidence, witnesses changed their stories. They testified that Royal Caribbean ships regularly bypassed pollution devices and dumped oily waste overboard, usually at night to avoid detection. An engineer from one ship, the Song of America, testified that the oil-water separator was operated so infrequently that it did not work when he did try to use it. They also admitted that the oil record books were falsified so routinely that they were known among many engineers as *Eventyrbok*, which means fairy tale book in Norwegian.

As for the disappearing pipes on the Sovereign of the Seas, engineers said they had been ordered to cut them up on the voyage from San Juan to Miami and drop them in a trash bin, according to court records.

Oil-water separators are notoriously troublesome to operate. But company engineers testified that the bypass systems, which had been in operation on some ships since 1990, were partly the result of the company's bonus incentives. Membranes for the separator cost as much as \$80,000 a year per ship and disposing of waste oil in port can cost \$300,000 a year. By saving this money, a ship's officers could receive bigger year-end bonuses for staying under budget.

The savings was the Government's strongest evidence that senior management may have known of the conspiracy, said Government officials involved in the case.

But investigators were stymied in following the trail because crucial witnesses, all foreign employees of Royal Caribbean, had left the company and either returned home or taken jobs with other cruise lines outside the United States, the officials said. No senior company officials were charged.

The Defense

Cruise Line Throws Big Guns Into Battle

As evidence mounted, Royal Caribbean's lawyers tried to reach a deal. People involved in the negotiations said that in the fall of 1996 the company offered to plead guilty to some charges and pay a substantial fine. But the department rejected the offer and within weeks prosecutors told company lawyers to expect a 35-count indictment.

Mr. Civiletti, who was Attorney General under President Jimmy Carter, and two of his law partners, Judson W. Starr and Joseph G. Block, both former Justice Department environmental chiefs, had tried to negotiate the plea bargain. Other former Government officials working for the company had lobbied the State Department and Pentagon in an effort to persuade the Justice Department not to file charges.

The mission of the lobbying and legal arguments was not to refute the accusations, which would prove irrefutable, but to dispute the authority of the United States to bring charges. The former officials argued that asserting American jurisdiction undermined international Law of the Sea and could lead other nations to interfere with American vessels, particularly military ships.

Some senior State and Pentagon officials agreed with the international law argument, but in a later legal brief, the Justice Department accused unnamed former Government officials on Royal Caribbean's payroll of providing incomplete and inaccurate information in those private sessions, something company lawyers deny.

A pre-indictment review is not unusual in a major case, and in this instance the Justice Department approved an indictment reduced to 10 counts. On Dec. 11, 1996, the grand jury in San Juan indicted Royal Caribbean and two engineers from the Sovereign of the Seas. The indictment accused the company of conducting a fleet-wide conspiracy to illegally discharge oily waste, but restricted most of the counts to the Sovereign of the Seas. The inquiry into the 1993 Nordic Empress discharge was shifted to a Federal grand jury in Miami.

Justice Department officials said Royal Caribbean's lobbying played no role in reducing the number of counts. "Like every other case, the appropriate charges were based solely on the facts and the law," said Myron

The New York Times

Sunday, January 3, 1999

512

Marlin, the department's chief spokesman. "In the end, the prosecution produced two criminal convictions, a record fine, and the case has had a ripple effect throughout the industry, not to mention that the investigation is still continuing."

Legal maneuvering intensified after the indictment. The company's team expanded to include four retired admirals, a former acting assistant attorney general, a former Coast Guard commandant and a former deputy assistant secretary for oceans at the State Department.

Many of these former officials filed affidavits saying the United States could not charge the company under international law. Some contacted former colleagues in a continuing effort to settle the case, according to court records and interviews.

Mr. Richardson, who was Attorney General under President Nixon and held other top Government posts, sought meetings with high-level Administration officials and acknowledged raising the issue with Thomas R. Pickering, the Under Secretary of State and an old friend.

"I mentioned it briefly to Tom Pickering," Mr. Richardson said. "The conversation was brief because the matter was in litigation."

The effort was international. An influential Norwegian family owns a large share of Royal Caribbean and its members helped enlist the Norwegian Government, people involved said. On March 12, 1997, a delegation from the Norwegian Embassy delivered a diplomatic note to the State Department seeking jurisdiction because the Sovereign of the Seas flies a Norwegian flag. They met with Mr. Pickering and other officials, people involved in the talks said.

Along with the prosecutors' steadfast contention that the United States had jurisdiction, they believed another reason not to cede authority was the poor record of flag countries on previous pollution referrals.

In 1992, the State Department had reviewed 111 cases in which accusations of cruise ships dumping garbage overboard had been referred to flag countries. The study found that the countries acknowledged receipt of the referral in only 35 cases and that the only penalties were small fines in two cases. As a result, the State Department halted referrals on dumping in United States territorial waters.

The Nordic Empress had been in international waters when it was discovered discharging oil in 1993, so in July of that year the matter was referred to Liberia because the ship flew a Liberian flag. Liberia accepted the company's claims that no dumping occurred and asked the Coast Guard to expunge the incident from its records, according to Liberian records.

Even after Royal Caribbean admitted lying about the Nordic Empress discharge last June, Liberia decided no action was necessary. The investigation was completed and closed in 1994, said David Crede, chief of investigations for Liberian Services Inc., a private company in Reston, Va., that is Liberia's agent for vessels flying its flag. In the case of the Sovereign of the Seas, the Norwegian Embassy said its officials had looked into the case and decided that no action was warranted.

The Outcome

After Legal Setbacks, A Plea of Guilty

The Nordic Empress had discharged its waste in international waters, but the ship had presented the Coast Guard in Miami with an oil record book that omitted the discharge. So, on Feb. 19, 1998, Royal Caribbean was indicted in Miami, not for dumping but on a single count of making a false statement to the Coast Guard.

On April 22 and 23, a pivotal hearing took place in Federal District Court in Miami in which the cruise line asked Judge Donald M. Middlebrooks to dismiss the charges.

The Federal judge in San Juan handling the Sovereign of the Seas case, Juan M. Perez-Gimenez, had already rejected the company's claim that the United States lacked jurisdiction and had ordered the case to trial in June.

At the Miami hearing, Mr. Civiletti argued that the United States had overreached its authority. He said that Liberia had jurisdiction and that that country had determined there was insufficient evidence of a crime. He also produced a surprise diplomatic note from the Liberian Embassy in Washington to the State Department asking that the case be

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dismissed.

Mr. Udell countered that Royal Caribbean's false statement to the Coast Guard, plus its extensive presence here, subjected the company to American law. Although its ships fly various flags of convenience, he said, "Royal Caribbean is as much a part of Miami as the Miami Dolphins."

The company called Mr. Richardson as an expert witness, because he had been the chief American negotiator at the United Nations conference that led to the Law of the Sea treaty. He testified that only Liberia could prosecute the discharge, and warned that the case would undermine the navigational freedom established by the United Nations convention.

But Mr. Richardson seemed less certain when the prosecutor, Thomas Watts-Fitzgerald, asked whether his view would change if the ship had produced a record required by the Coast Guard that contained a misrepresentation. It might well, Mr. Richardson replied.

On May 12, Judge Middlebrooks rejected the motion to dismiss, ruling that the United States had authority to press charges because of the false statement to the Coast Guard.

Losing on the jurisdiction issue and faced with indisputable evidence, Royal Caribbean pleaded guilty on June 3 in both cases and agreed to pay \$9 million in fines. The Government called the violations so pervasive and longstanding that the criminal conduct amounted to a routine business practice.

Unlike most plea bargains, this one did not end Royal Caribbean's criminal liability. The company refused to yield to Government demands that it turn over the results of an internal inquiry, citing fears that employees would refuse to cooperate in future internal investigations. As a result, the company acknowledged, additional grand juries are contemplating similar charges.

The cruise line struggled to put the episode behind it. "We deeply regret our role in polluting the marine environment and we are particularly sorry for the attempts to conceal that pollution," Jack Williams, the company president, said in a statement. "These acts were inexcusable, they were wrong and we accept full responsibility for these violations."

But that effort hit a stunning shoal. On July 15, the company notified the Coast Guard that engineers aboard the Nordic Empress had tampered with pollution devices and discharged oily waste into the ocean. The company said a junior engineer had reported it.

When the Coast Guard questioned engineering personnel the next day, it was like stepping back in time. The chief engineer, Michael Psomadakis, a Greek citizen, denied that there had been a discharge and presented an oil record book that supported him, according to court records and a Coast Guard agent's affidavit. Mr. Psomadakis was served with a grand jury subpoena on the spot.

Two days later, the company held its own hearing and dismissed Mr. Psomadakis and another engineer. On July 19, company personnel escorted him to a Miami hotel to pick up his belongings for the trip home to Greece. He was given his passport and plane ticket and then evaded agents of the Federal Bureau of Investigation who were waiting to talk to him, simply by walking out another exit.

Nancy J. Wheatley, who was hired by Royal Caribbean last June as senior vice president for safety and the environment, and William K. Reilly, the former administrator of the Environmental Protection Agency, who joined the Royal Caribbean board last January, said in interviews that the company had implemented a vigorous new environmental compliance program under Government supervision.

Mr. Reilly said he believed the company's management was committed to cleaning up its past problems.

"Obviously everyone is chagrined about what has happened and somewhat stunned by the seriousness of the allegations," Mr. Reilly said. "The Justice Department set out to get Royal Caribbean's attention, and they got it."

Ms. Wheatley said the latest incident showed that the system was working, because a junior officer came forward and was supported by management.

"We know we don't have a business if the oceans aren't a beautiful place to go," Ms. Wheatley said.

But prosecutors were shocked. At a court hearing in September, they said the conduct, which was under investigation, demonstrated the difficulty in changing a pervasive culture of ingrained criminal conduct.

Oregon Falters On a New Path To Health Care

State Officials Rethink Rationing for the Poor

A

By PETER T. KILBORN

PORTLAND, Ore. — Nearly five years ago, Oregon began putting an idea to work that seemed both harsh and humane: In return for health insurance paid by the government, the poor would be required to join health maintenance organizations and have their care rationed.

Most tonsillectomies, infertility treatment, hernia surgery and removal of bunions would be denied. The program would support preventive and hospice care and, starting this month, doctor-assisted suicide, but rule out heroic intervention to stretch a life for a week or two.

With that, the state calculated, it could afford to provide basic care for all the poor — the goal of universal coverage that eluded President Clinton four years ago. With rationing, Oregon became the sole American outpost of an approach to care that is routine in most developed countries.

But the Oregon Health Plan is hitting roadblocks. The state has abandoned its promise of universal care. Doctors routinely find ways to get around the rationing. And conflicts with Federal Medicaid regulators have impeded efforts to deny more treatments.

A requirement that employers insure all their workers or contribute to a fund to cover them died early on. Spending for the plan climbed to \$2.1 billion in the 1997-to-1999 state budget period from \$1.7 billion in the 1995-to-1997 period. Higher cigarette taxes have not offset the increase, requiring more money from the state's general fund, and additional economic pressures await this year.

The plan offers all necessary care for people based solely upon their income, and not, as in the basic Medicaid system, according to their age or infirmities, as well as income.

The concept of "rationing care, not people," in the sloganeering leading up to the plan's start in 1994, has been ignored by physicians. "The idea of this being a rationing system is really bunk," said Jim Kronenberg, associate executive director of the Oregon Medical Association.

Enrolling participants in H.M.O.'s has failed to deliver expected savings. Moreover, the practice of managed care, with doctors, clinics and hospitals working together with H.M.O.'s to control patient care, is breaking down in the rural areas.

For many of the poor, access to care has become more difficult. For many others, eligibility has become harder to establish and to hold. A program that was once free now charges premiums of \$7.50 to \$28 a month for a family of four, and purges from its rolls those who do

not pay. There are 340,000 Oregonians covered by the plan, and 350,000 still uninsured.

In his next budget, Gov. John Kitzhaber is proposing tougher screening of applicants and stretching the time it takes to approve applications from a day to at least a month. Members of the Legislature, controlled by Republicans, are considering lowering the income levels for eligibility.

"We have to go back and revisit entry-level policy decisions," said Mr. Kitzhaber.

A former emergency room physician, he conceived the program as president of the State Senate and rode it to election as Governor in 1994 after it took effect. He was easily re-elected in November. The program is overseen by the Office of Oregon Health Plan Policy.

"We're taking a pause to say: 'Are the structures right? Are our incentives right? Is it working?'" said Barney Speight, the administrator of that office.

But one thing is already clear: health care for all cannot be attained. "Our goal is to have zero people in Oregon who are uninsured," said Hersh Crawford, the

state's director of medical assistance programs. "I don't think we're going to make that."

Mr. Kitzhaber said that "if you could get to 5 or 6 percent" of the population, "you could declare victory." But that goal, too, looks remote. "Structurally, the plan is the right approach," said Donald Sacco, chief executive of Regence Blue Cross Blue Shield, the state's biggest health insurer and H.M.O. company.

"But it has never provided what's needed to take adequate care of the population," Mr. Sacco said. "To get to the next increment, we're going to have to spend more money, and to do that is a question mark."

In the context of the nation's health care, policy analysts still call Oregon's program innovative and promising. The state says the uninsured population has dropped in five years to 11 percent from 15 percent. The national average has remained about 16 percent. Other states have looked at the program with interest, but want to see more results before experimenting so radically.

In spite of the difficulties, groups with special interests in care support the ideas behind the plan and in most respects the way it works. Physicians, while irked about pressures on their incomes, see no turning back.

"It's certainly better than where we came from," said Dr. Michael F. Bonazzola, chief medical officer of Physician Partners, a management company owned by physicians.

The Clinton Administration set the stage for the program five years ago in waiving regulations restricting Medicaid coverage to specific groups, primarily women and children on welfare.

With Oregon's assurance that it could cover more people without asking the Federal Government to increase its 60 percent subsidy of Medicaid coverage, the Health Care Financing Administration permitted coverage of everyone with income below the Federal poverty line, currently about \$16,400 for a family of four and \$8,000 for a single adult.

Oregon's rationing begins with a "prioritized list," developed over years of deliberations, of 745 pairs of conditions and treatments. Those

C. Jennings
What about
this? —

B3

Copied
Jennings
Podesta

The New York Times

Sunday, January 3, 1999

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that save and prolong healthy lives and prevent disease are at the top, and cosmetic surgery, weight-loss programs, most infertility treatment and conditions that cure themselves, like colds, are at the bottom.

The Legislature then drew a line across the list, with free care allowed for conditions above the line and denied for those below. It drew the line low, at No. 606 but has since raised it to No. 574, still low enough to have stirred few complaints. But the line becomes fuzzy in the physician's office. The plan requires that family doctors admit all patients for diagnoses, and doctors say they do what they feel they must to treat a patient during the visit. And when a patient is referred to a specialist, doctors can skirt the rules by changing a

A promising concept of 'rationing care, not people,' proves hard to implement.

diagnosis and moving a patient's condition from below the line to above it. Carole Romm, health services director for Care-Oregon, a non-profit H.M.O. specializing in Medicaid patients, takes the example of fibromyalgia, a chronic condition with bodily aches and pains. The cause is unknown, there is no cure and it is below the rationing line.

In addition to recommending exercise, which can help, doctors find ways to prescribe physical therapy, which can also help.

Mr. Sacco of Regence said, "If someone comes into the office with a below-the-line issue, it's going to get treated."

Much of the unauthorized care, however comforting, is ineffective or marginal and contributes to the rising costs, Mr. Kitzhaber said.

The Governor also wants to raise the rationing line 10 more notches, to No. 564. Among services he would

deny are some repairs of ligament damage to knees, treatment for contact dermatitis — rashes from poison ivy or spills of household chemicals — that cures itself, and treatment for genital warts.

But in raising the line, Mr. Kitzhaber faces intense Federal scrutiny because some procedures typically paid for by Medicaid would not be covered. The Health Care Financing Administration, he complains, "would rather have us keep the line and serve fewer people" and in that way preserve the practice of rationing people, not care.

Mr. Crawford, the medical assistance director, said negotiations over changing an item go on for months. "There's a lot of suspicion of states like Oregon that want to deviate from traditional Medicaid," he said, adding that "we spent hours arguing with H.C.F.A. about diaper rash" before its coverage was excluded.

Nancy-Ann Min DeParle, administrator of the Health Care Financing Administration, called the plan "a very interesting experiment."

Ms. DeParle said there was no policy favoring conventional Medicaid coverage over Oregon's approach. "I think what the state would like to do is to make these decisions and do it unilaterally," she said.

But the agency is bound by Congress to provide a defined set of benefits to people who receive Medicaid. "We have to make sure that the procedures that are being covered are appropriate and that they are not leaving out things that should be covered," Ms. DeParle said.

The agency also has a responsibility for public health, so discussions over genital warts, a sexually transmitted virus that can be treated but not cured, will not be easy.

Such disputes aside, said W. David Helms, president of the Alpha Center, a health care research organization in Washington, Oregon has done something unique in tackling the taboo against rationing.

"As a society, we still face that issue, and we've ignored it," Mr. Helms said. The Oregon program, he said, "is how government at its best ought to work."

The New York Times

Sunday, January 3, 1999

212

1-6-99
THE WHITE HOUSE
WASHINGTON

January 6, 1999

MR. PRESIDENT:

The attached memo from Mrs. Gore's office asks you to approve a spring 1999 White House Conference on Mental Health. As with past White House conferences, the idea is to raise public awareness and support for needed policies -- in this case to assist the millions of Americans afflicted with mental illness.

While no one objects to the idea, Maria and Bruce Reed asked us to hold the memo, which is dated December 10, for a couple of weeks until we had a better idea of how much mental health funding would be included in your FY 2000 budget. We now understand that OMB has locked in significant increases in mental health funding (e.g., a \$70M/24% increase in the mental health block grant), which will be well received by the mental health community.

If you approve of the proposal, Mrs. Gore will announce your decision next week in New Hampshire.

Approve ☒

Disapprove ☐

Discuss ☐

Phil Caplan *Phil*
Sean Maloney *SM*

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1-6-99

98 DEC 11 4:13 PM

OFFICE OF THE VICE PRESIDENT
WASHINGTON

December 10, 1998

MEMORANDUM FOR THE PRESIDENT

FROM AUDREY TAYSE HAYNES *ATH*
THROUGH BRUCE REED
CHRIS JENNINGS
SUBJECT 1999 WHITE HOUSE CONFERENCE ON MENTAL HEALTH
CC: MRS. GORE
MELANNE VERVEER

ISSUE

This memorandum asks you to approve hosting a White House Conference on Mental Health during the spring of 1999, with a target date of May, Mental Health Month.

BACKGROUND

Each year approximately 51 million Americans experience some form of mental illness. As many as one in five children have a mental illness and at least one in 20 -- or nearly three million children -- have a serious emotional disturbance that disrupts their ability to function emotionally, socially, and academically. With access to appropriate services and care, many of these people can live successfully. However, only 16% of Americans generally and less than one-third of children receive the mental health services they need.

Since 1993, the Administration has expanded access to mental health care. The passage of the 1996 Mental Health Parity Act is helping insure more Americans receive equal employer-provided insurance coverage for mental health care. The FY 1999 budget agreement included the largest-ever dollar increase in funds for the National Institutes of Health. This increase will help expand our ability to understand, treat, and prevent mental illness. In addition, the Children's Health Care Initiative established in the balanced budget agreement includes mental health services in the benefit package. And, in an agreement you reached with the National Governor's Association, the mental health block grant was one of a few areas designated to receive

additional funds from the tobacco settlement.

However, these achievements are tempered by moderate increases in funding for the mental health block grant, one of the principal sources of funding for critical mental health services, and federal mental health programs for the homeless. In addition, the growing dominance of managed care in the provision of mental health services is creating new challenges for mental health care consumers and providers.

Finally, people and families with mental illness face significant stigma and prejudice. The media and entertainment industries overwhelmingly present people with mental illness as dangerous, violent and unpredictable. These inaccurate portrayals shape the public's perception of people with mental illness encouraging discrimination in the workplace, health insurance, and society in general. As a result of the public shame associated with their illness, many people with mental illness, or their families and care givers, fail to seek the treatment they need.

CONFERENCE PROPOSAL

A White House Conference on Mental Health would build off of the success of past White House conferences that have raised public awareness and encouraged practical action on issues such as hate crimes, child care and school safety. The conference would focus public attention and discussion on how people with mental illness and their families can thrive when they have access to appropriate services and care and are able to live in an environment free from stigma and discrimination. Through its plenary and break out sessions, the conference would explore research and promising practices enabling people with mental illness and their families to live successfully through equal access to employment, education, and mental health services. The conference would also highlight the role of government, business and community organizations in creating a positive climate for people and families with mental illness.

CONFERENCE MANAGEMENT & DELIVERABLES

A White House Conference on Mental Health would be developed through Mrs. Gore, Mental Health Policy Advisor to the President, with the Office of the Vice President, White House Domestic Policy Council, White House Office of Public Liaison, and Department of Health and Human Services. The White House Domestic Policy Council, working with the Office of Mrs. Gore, Department of Health and Human Services, and other appropriate federal agencies, would develop appropriate policy deliverables for the conference that highlight the Administration's commitment to this issue.

RECOMMENDATION

We recommend that a White House Conference on Mental Health be held in the spring of 1999.

Approve _____ Disapprove _____ Discuss further _____

From the Ambassador of Sri Lanka

99 JAN 5 PM 10:25

Ref: US/POL/1

December 29, 1998

The President of the United States of America
The White House
Washington DC

Dear Mr. President,

I have the honour to forward a greeting card addressed to you by my President Her Excellency Chandrika Bandaranaike Kumaratunga.

I take this opportunity to extend to you and Mrs. Clinton my best wishes for a happy and prosperous New Year.

Please accept, Mr. President, the assurances of my highest consideration.

Rasaputram

Dr. Warnasena Rasaputram
Ambassador

1-6-99

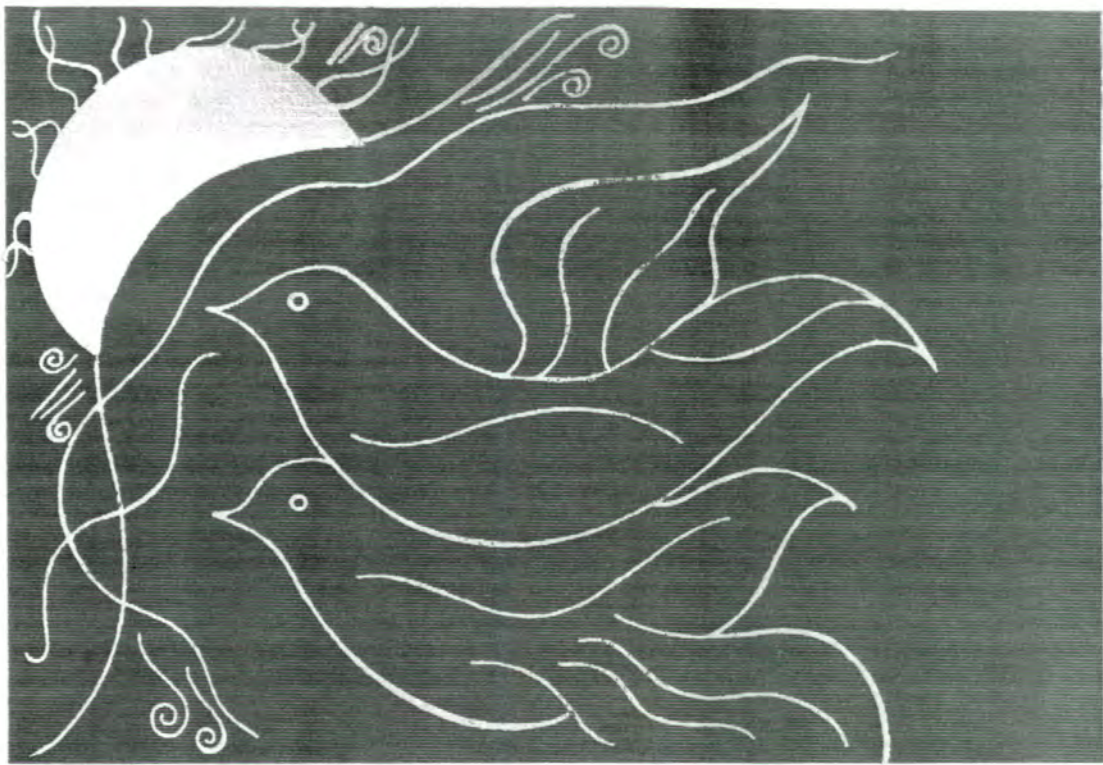
Send to USC?

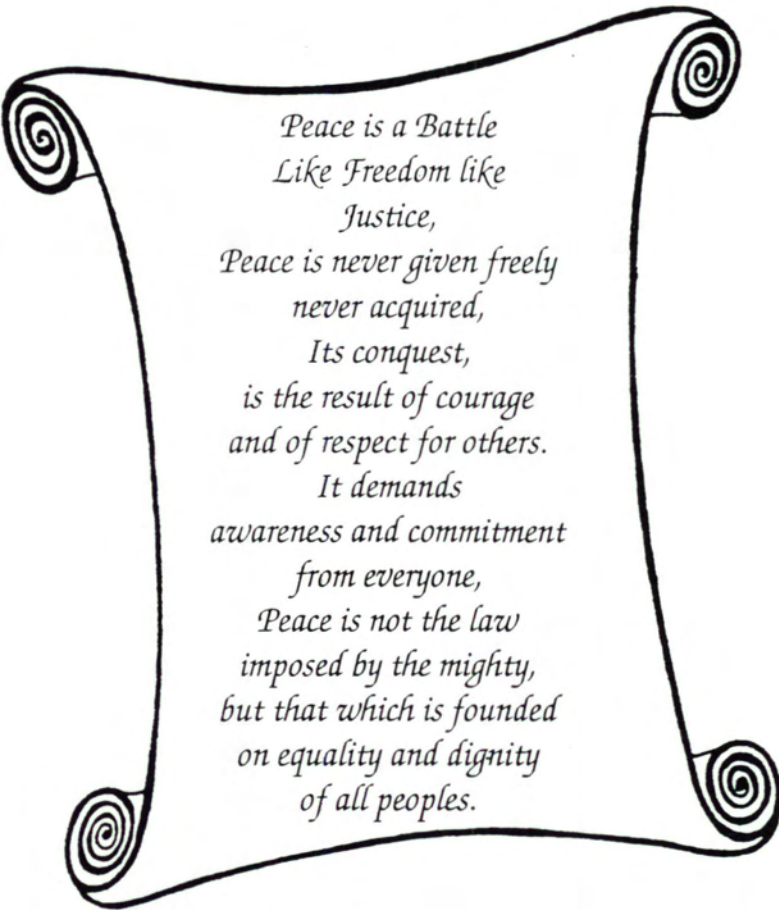
Yes

✓

No

C





*Peace is a Battle
Like Freedom like
Justice,
Peace is never given freely
never acquired,
Its conquest,
is the result of courage
and of respect for others.
It demands
awareness and commitment
from everyone,
Peace is not the law
imposed by the mighty,
but that which is founded
on equality and dignity
of all peoples.*

Season's Greetings

Wishing you Success & Peace in the New Year

20/12/01

Bandrika Bandaranaike Kumaratunga

President

Republic of Sri Lanka



99 JAN 6 AM 10:24

Dr. Armando Calderón Fournier
Presidente de la República

San Salvador, 18 de diciembre de 1998.

EXCELENTISIMO SEÑOR PRESIDENTE:

Tengo el agrado de dirigirme a Su Excelencia, en nombre del pueblo y gobierno de El Salvador, para expresarle nuestro más sincero agradecimiento por su continuo interés y respaldo a favor del bienestar de las naciones centroamericanas que se han visto afectadas por los devastadores efectos del huracán Mitch. La reunión que sostuvimos recientemente fue muy positiva al reafirmar los lazos de amistad y cooperación que nos unen, y sentar las bases que nos permitirán contar con el respaldo de los Estados Unidos en la ardua tarea para lograr la recuperación y reconstrucción de Centroamérica.

Desde nuestra perspectiva, el tema migratorio es el componente humanitario más importante que el programa de ayuda de los Estados Unidos pueda considerar para la región, pues consideramos esencial procurar una solución con enfoque regional e integral que permita la estabilidad migratoria a los centroamericanos que viven actualmente en los Estados Unidos. Las dimensiones de la tragedia que vivimos los centroamericanos, y el tiempo que tomará la recuperación económica de la región, justifican que en el reglamento de la ley NACARA que emitirá próximamente la Fiscal General se incluya la presunción de sufrimiento extremo que padecerían los centroamericanos al ser repatriados en las actuales condiciones. Es necesario también la adopción de un Estatus de Protección Temporal (TPS) para los centroamericanos, sin distinciones, basado en la sección 244 de la Ley de Inmigración de los Estados Unidos, debido a la sustancial ruptura de las condiciones de vida del área centroamericana causada por el huracán Mitch. Esperamos contar además con el decidido respaldo de su administración para que en un futuro cercano el Congreso apruebe un alivio migratorio definitivo para los centroamericanos.

EXCELENTISIMO SEÑOR
DON WILLIAM JEFFERSON CLINTON
PRESIDENTE DE LOS ESTADOS UNIDOS DE AMERICA.

1-6-99

Send to USC?

Yes

No



Dr. Armando Calderón Fournier
Presidente de la República

El otro elemento fundamental para la recuperación económica de Centroamérica radica en nuestra capacidad para aumentar las relaciones comerciales con nuestro principal socio, los Estados Unidos. Este componente estaría basado en dos aspectos fundamentales: la pronta consideración de la ampliación de los beneficios de la Iniciativa de la Cuenca del Caribe (ICC), en los términos más amplios y favorables posibles, y un compromiso político para el establecimiento futuro de una zona de libre comercio Estados Unidos-Centroamérica; mediante la negociación de acuerdos de liberalización comercial basados en concesiones recíprocas.

La ampliación de los beneficios de la ICC conllevaría dos etapas: primeramente la adopción de medidas administrativas que mejoren el acceso comercial de los productos textiles y de confección, elaborados en la región, y posteriormente la modificación legislativa integral de la ICC con el objeto de mejorar su efectividad para atraer nuevas inversiones y mantener las existentes. Para el caso de la modificación legislativa integral de la ICC, debería otorgarse el trato comercial más favorable posible a todos los productos que actualmente no se encuentran cubiertos por la ICC, utilizando las mismas reglas de origen contenidas en el Tratado de Libre Comercio de América del Norte (TLCAN). Particularmente, deberían eliminarse las cuotas y aranceles impuestos a las importaciones de productos agrícolas que son de interés para la región.

La consideración positiva de ambos componentes por parte de los Estados Unidos será vital para garantizar exitosamente que los esfuerzos e intereses compartidos por consolidar una región de paz, libertad, democracia y desarrollo, no se vean frustrados.

Señor Presidente, quisiera también reiterarle con entusiasmo nuestra invitación para que visite El Salvador próximamente. Su presencia nos honrará profundamente y nos permitirá mostrarle el Nuevo El Salvador, fruto de largos años de sacrificio y esfuerzo de todos los salvadoreños, con la cooperación de países amigos como los Estados Unidos.

Al reiterar mi gratitud y especial reconocimiento, acepte Su Excelencia, el testimonio de mi alta y distinguida consideración.

Happy New Year—
for appropriate
hosting.

Thanks.

THE WHITE HOUSE
WASHINGTON

To: Chuck R. N. Date 12/22
From: The Staff Secretary 99 JAN 5 PM 5:59

Any merit to this?

Thanks - we're considering
similar course.

cf

Den
PHI - more favorable
response probably
warranted Phil/16

cc: Den Burkhardt to
coordinate a reply.

Phil

STEPHEN I. ZETTERBERG
ALICE M. KING

ZETTERBERG & KING
ATTORNEYS AT LAW
319 HARVARD AVENUE
CLAREMONT, CALIFORNIA 91711
TELEPHONE (909) 621-2971
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QUINCY, CALIFORNIA OFFICE
(916) 283-0325

December 12, 1998

'98 DEC 22 AM 9:10

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

Re: Possible use of common law motion by the Senate to
test viability of impeachment where charges do not reach
constitutional stature.

Dear President Clinton:

After Yale Law School and WW II, I worked for Senator Scott Lucas, who was then minority whip. In that job I had a lot of contact with the Senate's office of legal counsel. In fact, that office offered me a job, but it was 1946, and I went back to California, and eventually - in 1948 - I was the Democratic candidate for Congress against Richard Nixon. Since then I have practiced law, and have kept active in affairs of public interest.

Like many others, I am very concerned with the dangers to which the Republican majority on the Judiciary committee has been subjecting the country, paying no attention to either the public interest or public opinion.

You carry a heavy load, and so does the U.S. Senate. If the Senate gets articles of impeachment, and faces a "trial" process, the increase in the Senate's work load could be crippling - all because the House Republicans are trying for political benefits without having to assume the resulting governmental burdens.

Might it be suggested that the Senate consider challenging the viability of impeachment articles by demurrer? The House passes off the considerable burden of trial to the Senate. That burden should not need to be assumed without first considering whether the Articles pass Constitutional muster. Such issue is a matter of law, and might be settled using motion techniques without reaching the more onerous "trial" procedures.

Sincerely,


Stephen Zetterberg

Rev. Graham R. Hodges sends copies of two of his letters to editors published in *The Post-Standard* and *Syracuse Herald American* about Vietnam draft evaders who now won't give mercy.

GRAHAM R. HODGES
8008 CHARIOT LANE
LIVERPOOL, NY 13090

It was Rep. Jim Walsh's turn to show some mercy

To the Editor:

Many congressmen are baby boomers who used family influence and other means to evade the Vietnam War draft. We don't fault them for doing so, but for each one who wangled and begged and got off, some guy went over maybe to have his guts blown out. They begged for mercy and got it. The impeachment business in the House was their turn to show mercy.

Check this out in old Syracuse newspapers, but is it not true that our own congressman, Jim Walsh, from an influential family, begged and wangled and got draft exemption? The poor boys had no pull. Some came back in body bags because they didn't have Walsh's family pull. Walsh was shown mercy.

Check your Bible, Matthew 18: 23-32, where Jesus condemns with great scorn the men who begged for mercy, got it and then showed no mercy to others. No mercy from Jim for Bill, not a shred.

We do not fault Walsh for begging for mercy in the draft. But the fact remains though he received mercy he is granting none.

This is a matter that goes deeper than politics. This is the kind of man who represents our district.

Graham R. Hodges
Liverpool

Vietnam draft evaders now won't give mercy

To the Editor:

Congratulations, you Jews and Christians of America on this 1998 holiday season. You received unprecedented articles for celebrating Hanukkah and Christmas, courtesy of the 21 Republican Grinchkins of the House Judiciary Committee, headed by Grinch Master, Henry Hyde. They have stolen our holidays and Holy Days.

They gave us these articles of impeachment just as we were lighting our menorah candles and wrapping our presents for those we love.

This all-male, all-white group has planned and toiled for six years to destroy two people they hate above all hates, Bill and Hillary Clinton. They have robbed us and will rob us all next year.

In the first presidential trial, that of Andrew Johnson in 1868, we had only 54 senators. Now, it's 100 wordy people, each with something very important to say. If the trial is over by Thanksgiving we would be surprised.

All this because the prissy, hypocritical Grinchkins are so upset over Clinton's consensual affair with another adult and fibbing about it. That, when dozens and dozens of congressmen have cheated on their wives and lied about it.

Many congressmen are baby boomers who used family influence and other means to evade the Vietnam War draft. We don't fault them for doing so, but for each one who wangled and begged and got off, some guy went over maybe to have his guts blown out. They begged for mercy and got it. Now they won't give mercy.

God help the whole world, as other nations stand in appalled, helpless horror as the most powerful nation that ever was is doing this suicidal thing to itself.

Graham R. Hodges
Liverpool

1-6-99

Send to Eugenie for
response?

Yes _____
No _____

Should we send
copies to ~~Bobby~~ ^{not} here,
Ricchetti, + Lewis

SYRACUSE HERALD AMERICAN Sunday, December 20, 1998

SYRACUSE, N.Y.

THE POST-STANDARD Saturday, December 19, 1998

To
Pam C

do nice letter

lynn redgrave

December 27th '98

99 JAN 6 AM 10:22

Dear Mr President + Mrs Clinton,
My son Ben Clark and
I had a wonderful time at
the Kennedy Center Honors
Reception on Dec 6th. Thank you
so very much for the
warm welcome you always
give to us "showfolk". We
will treasure the photos
taken with you.

As a new citizen, as
of Jan 1st 1998, may I say
how much my heart goes
out to you as you live
through this difficult time.
I feel sure that you will
come out the other side to
lead the country into the
new millennium —

1-6-99 Warmest wishes

Lynn Redgrave

Send to Eugenie?

Yes ☒

No ☐

Coordinate w/ Pam
Cace Hi

1-6-99

TBD

Private Meeting with Claire Gallagher from Omagh, Northern Ireland
The White House
Staff Contact: Samuel Berger, Melanne Verveer

HTC should
be.
I can supply

You and the First Lady met Ms. Gallagher, who became blind during an explosion, during your visit to Omagh. She has requested the opportunity to meet with you and the First Lady at the White House. We would work with the First Lady's office in coordinating this meeting if this is something you would like to do. *Would you like us to schedule a time for you to meet with Ms. Gallagher?*

Yes _____

No _____

Discuss _____

copy
Den R
to coord
with
Goody

REGRET:

Date of Event:

Description of Event:

1/8/99 or 1/9/99

OK -
HTC should
be. I can supply

Participate in Title Transfer Ceremony for Land Exchange Between Department of Interior and the State of Utah
Location TBD, Utah
Staff Contact: Thurgood Marshall, Jr.

You are scheduled to be in Detroit, MI on January 8 and in Washington, D.C. on January 9. Secretary Babbitt will attend this event in Utah.

3/3/99

OK -
HTC should
be. I can supply

Celebration Event for the 150th Anniversary of the Department of the Interior
Department of the Interior, Washington, D.C.
Staff Contact: Thurgood Marshall, Jr.

You are currently scheduled to travel to New York and New Jersey on this day.

SD 12/27/98



City and County of Denver

OFFICE OF THE MAYOR
DENVER, COLORADO

Wellington E. Webb
MAYOR

500 FAX

December

In -
we need to do a quick turnaround BS

Sign on this.

The Hon.
President
The White
1600 Pen
Washingt

*The BZ pt should be short... "Thanks for
your note on Denver's designation as an
Permanent zone. I know how important this
is to you. As far as decisions on the next
round of designation is being handled by HOD.*

Dear Pres:

I have
discussed
help.

*I've forwarded your letter to Secretary
Crome for his review."*

My own el
Mickey Ib
priority
Empowermer
Denver I
the meat
of putting
understand
be designa
January 7th

*we'll need to run it by Mickey I have
Conrad.*

*The BZ amount is Jan 13 so we
should turn this around by Friday.*

Phil 1/6

I need this

Yours truly

Wellington E. Webb
Wellington E. Webb

CITY AND COUNTY OF DENVER
OFFICE OF THE MAYOR



21 12

City and County of Denver

OFFICE OF THE MAYOR
DENVER, COLORADO

Wellington E. Webb
MAYOR

99 JAN 5 PM 5:40

December 23, 1998

The Honorable William Clinton
President, United States of America
The White House
1600 Pennsylvania Avenue
Washington, D.C. 20590

Dear President Clinton:

I have attached the clipping on the subject we discussed this morning. I will do what I can to help.

My own election date is May 4, 1999. I have told Mickey Ibarra, as I am sharing with you, my top priority is for Denver to be designated as an Empowerment Zone. The other issues surrounding Denver I view as dessert. The Empowerment Zone is the meat and potatoes. The reason for the urgency of putting this on your "radar screen" is because I understand the announcements on which cities will be designated as Empowment Zones will be made on January 7th.

I need this one.

Yours truly,

Wellington E. Webb
Wellington E. Webb

12/27/98



FRONT PAGE
SITE INDEX
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BACK TO NEWS

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Allard, Campbell mum on trial vote

By **Donald Blount**
Denver Post Staff Writer

Dec. 20 - Neither of Colorado's U.S. senators would say Saturday how he might vote in the upcoming impeachment trial, but U.S. Sen. Ben Nighthorse Campbell said President Clinton's resignation might spare the nation that ordeal.

"In my view, he should resign," said Campbell, a Republican. "In reflecting on what this country is being dragged through, I think that is the only way to get out of all this cannibalism and bloodletting. But I don't think he will."

U.S. Sen Wayne Allard, also a Republican, said resignation is a call only the president can make. "I think in retrospect it's been very divisive in the House. A lot of Americans have been saddened. I'm saddened."

Both lawmakers said they were surprised by the House vote to impeach Clinton.

"This thing's turning into a sexual jihad. I've never seen anything like it," Campbell said.

"The Senate is just as surprised as the rest of the country," Allard said.

For only the second time in history, the House voted to impeach a U.S. president. Campbell and Allard will now be among the senators who must decide if Clinton should be removed from office. A trial will be held sometime after the Senate reconvenes early next year.

Allard and Campbell have been warned by Senate Majority Leader Trent Lott not to discuss how they might vote in the upcoming trial.

The fact that the Constitution calls for a trial on the articles of impeachment means there must be a Senate vote on that issue first, Allard said. "That clearly implies there has to be a vote by the jury," Allard said. "If he's guilty, he's removed from office."

If the vote to convict fails, the Senate could consider the lesser alternative of censure, he said.

In the lull between the House drama and the Senate vote, Campbell and Allard are weighing the long-term impact on the government of what has happened.

"It's like we're cannibalizing ourselves," Campbell said. "There are no winners in this matter, as far as I'm concerned. The losers are America. What good does all this do?"

But the burden for creating the problem, he said, lies with Clinton.

"Regardless of how you cut the thing, the president has to accept responsibility for being the catalyst that started all this. And I told him

that personally," Campbell said.

Denver Post staff writer Fred Brown contributed to this story.

[Return to Top](#)

[Return to News](#)

[Return to Post Home](#)