

THE WHITE HOUSE
WASHINGTON

November 11, 1998

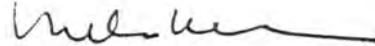
Larry Youngberg
Box 69
Parma, Idaho 83660

Dear Mr. Youngberg:

Thank you for your letter to the First Lady about the economic transition in Russia and steps to address the process.

We appreciate your thoughtfulness in writing about this critical issue. I know Mrs. Clinton would want me to convey her best wishes to you.

Sincerely,

A handwritten signature in dark ink, appearing to read 'Melanne Verveer', with a long horizontal stroke extending to the right.

Melanne Verveer
Chief of Staff to
the First Lady

2

First Lady
— Ms. HILLARY Rodham Clinton —
— Russian Crisis —
— Peace Museum —

Oct 26, 1998

First Lady Hillary Rodham Clinton

Rm. 100 O.E.O.B.

Attention: Ms Melanne Verveer

Subject: Russian economic crisis

Dear, Ms Clinton

Russia and its economic crisis is very much in the news. I have listened to many experts and people who have had first hand observations of the situation in Russia and the diagnosis does not look good either in the short term or for a long time to come. The problem is stated that while there are many highly intelligent and capable people in Russia the trouble is that they do not have a history of dealing in the business world and particularly in a market economy. Their history has been one of a command structure first when they were dictated to by the czar and in modern times under the Communist system so they simply do not have the historical background and experience in dealing with the open market place in the same capacity as the western industrialized world. It is said by some that at the present time many Russians in positions of power and authority do not have much of a clue as to how to make the necessary transition to a market oriented system such as has been the practice by the majority of the world's economic super powers. Even those who express the more optimistic view of the situation in Russia say it will take many years for them to make the transition to being a market economy. I believe there is a way in which we can greatly accelerate the process.

We should offer to bring over to this country and if we can get the other western economic powers such as Germany, Britain, France and Italy to agree for us to take on 50% of the burden and for these other countries to take on 50% of the burden to bring over to our respective countries for training and education a large number of promising young Russians say in the 18 to 22 year old group to be trained in business schools and universities specializing in business practices in a market oriented system. In exchange they would agree to eliminate all or at least a substantial portion of their nuclear, chemical and biological weapons. I believe this would be very much to the advantage of all countries for this to happen. I would very much appreciate a reply after you have given this idea your careful consideration.

It is being said by a number of people that a system of law and property rights such as we have in America and in Western European countries is not present in Russia. People who are business oriented are usually of the right frame of mind and have the proper perspective as to the need for these essential things that they would readily lend themselves to adapting necessary changes. While it may be beneficial to have young Russians educated in some of these areas the main emphasis should be on business. It is business which makes the world go round. It would probably be best to have an educating process brought about both in Western Europe as well as America since America is

more of a pure capitalistic system than is Western Europe. The more controlled and restricted capitalism of most of the Western European countries would be more palatable and compatible with the Russian way of thinking. It is a kinder more gentle capitalism than the harsher less restricted capitalism of America. I believe in capitalism as most all of the people I have talked to who have lived in Europe who have had first hand experience with socialism have said that it does not work. Yet an uncontrolled unbridled capitalism is not compatible with a compassionate caring and just society. It goes back to the more basic laws of nature to where it is competition and survival of the fittest. At least some of the trouble in Russia is because people in Russia may not understand how capitalism really works and that it must be modified to meets the needs of society.

Education in free market business practices and in the establishment and maintenance of property rights and proper business taxation and regulation as well as banking and finance practices is an essential part of free market economics. We need to stress education in our help to the Russian economy. In fact we need to stress education in all of our efforts to help any other country. To simply lend money or offer assistance with money either through the International Monetary Fund or through any other means may only be money thrown down the drain. Education and a right frame of mind is essential to most all problems whether here in America or in other countries.

Sincerely,

Larry L. Youngberg

Box 69

Parma Idaho 83660

208-722-7030

Oct 26, 1998.
Mr. J.R. Simplot
4000 N Simplot Ln
Boise Idaho 83702
Subject: Museum Peace Display

Dear Mr. Simplot

I took interest in an interview that you had with the Idaho Press Tribune a couple of weeks ago where you expressed the view that war was something that mankind should do without. This is also a view which I strongly believe in. It is a great position to be in where you have the money and influence to truly make a difference in such matters. I would like to be of assistance in helping to change the world and mans views on such matters. Following is an idea that I have that I truly believe would help in the matter of changing the view that many people have regarding warfare.

It is my strong belief that a museum which had a large section or area dedicated to telling about and describing the history of human warfare from earliest mankind's history until the present could be done in such a manner as to capture peoples attention and interest. The story could lead up to the present nuclear and biological age and could describe in ways which would hopefully make an unforgettable impression on peoples minds as to the destructive capacity of modern weapons of war that science is capable of creating. The story would have an evolutionary theme leading people to the inescapable conclusion of the reasons why war was no longer an option which we could except in the modern advanced civilized stage that man in his evolutionary cycle is now in and especially for the future. If this was done in the best manner that could be reasonably accomplished I believe that it would have an effect of influencing peoples thinking and attitudes about warfare in the modern age.

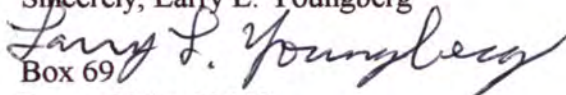
Other concepts regarding human behavior could be displayed and explained in subsequent areas. Recently I listened to a Ph.D. in brain development talk about how the front reasoning part of the brain was much more highly developed among humans than in any other animal species. The doctor went on to explain that in order to take full advantage of the frontal reasoning part of the brain that people had to use it. That is that the development and use of the reasoning part of the brain was not automatic but could in effect lie dormant unless it was used and developed. Unless people used the frontal reasoning part of the brain then the more primitive instinctual parts of the brain would dominate and have greater control over the behavior of people. The key here is that it takes effort to develop and use the reasoning part of the brain whereas the more primitive instinctual part of the brain was more automatic and much easier and in a sense more natural for people to use. Whenever people are under sever stress they are more apt to revert back to using more of the instinctual parts of the brain. Also more passive pursuits such as casually viewing easy to digest television shows or other easy entertainment or

media inputs are not helpful to the reasoning thought process which requires a more deliberate interactive effort in concentration.

There are many useful things which can be talked about and explained that would be of benefit in helping to establish worthwhile cultural values in peoples minds. For I am convinced that as in education and in all things as well peoples attitudes toward war are very much a part of the cultural values that they have. The hope for civilization and for the future of mankind is in establishing the proper cultural values and in getting people to become more logical reasoning as well as caring human beings.

I have a lot of other ideas and suggestions which could be used to great benefit in helping to enlighten peoples minds and to give them hope and a vision for the future that could be used in a museum setting. Please let me know if you are interested. Also I am including a copy of a letter which I am sending to the white house. I respectfully await your reply.

Sincerely, Larry L. Youngberg

A handwritten signature in cursive script that reads "Larry L. Youngberg". The signature is written in dark ink and is positioned over the printed name and address.

Box 69
Parma Idaho 83660
Phone 208 722 7030

THE WHITE HOUSE
WASHINGTON

May 8, 1998

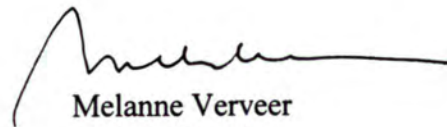
Mr. Mark Youngblood
Associate Director
Institutional Sales
Shenyin Wanguo Securities (H.K.) Ltd
28/F, Citibank Tower
Citibank Plaza, 3 Garden Road
Hong Kong

Dear Mr. Youngblood:

Thank you very much for your letter and information on the Ford Motor Company's project. I have forwarded your letter to the relevant officials at the Department of Commerce and our embassy in Beijing.

Best wishes.

Sincerely,



Melanne Verveer
Chief of Staff to
the First Lady



Mark Youngblood
Associate Director
Institutional Sales

Shenyin Wanguo Securities (H.K.) Ltd.
(Member of the Stock Exchange of Hong Kong Limited)

• 28/F., Citibank Tower, Citibank Plaza, 3 Garden Road, Hong Kong.
• 2509 8333 (General) 2509 1019 (Direct) 9424 1607 (Mobile)
• 2509 0305 (Fax) 83017 SWHK HX (Tlx)

Melanne Verveer

Please advise on response



Shenyin Wanguo (H.K.) Holdings Limited

Monday,
April 20, 1998
6:15 p.m.

Melanne Verveer
Assistant To The President And Chief Of Staff
To The First Lady
Old Executive Office Building
Room 100
Washington, DC 20500
Fax: (202) 456-6244

Dear Melanne:

I called last week and spoke with Kim about asking for yours and the First Lady's help in supporting an American company attempting to do more business with China.

I'm the first and only American working for Shenyin & Wanguo in the Hong Kong office. I know, the name is a tongue twister. Actually, Shenyin & Wanguo is the "Merrill Lynch" of China. We have over 3,000 people in over 100 offices around China. I'm in charge of covering the China stock markets for institutional investors in the U.S., investing overseas.

(Melanne Verifier, Page 2)

To make a long story short, Ford Motor Company is in a position to do substantial business in China if Beijing approves Ford to be able to provide financing for Ford cars eg. the Ford Transit purchased by people in China.

Ford gets the green light to apply as soon as its stake in JMC (Jiangling Motors Corp.) rises above 25%. Ford currently owns 20%. It will own 30% within several weeks.

With the President's trip close at hand (end of June?), the timing will be quite good if the President can announce that a major American company such as Ford will be able to substantially increase its business in China as a result of being able to provide financing.

To give you an idea of what the impact, of having auto financing for cars in China, will be, I'm told by the Chief Financial Officer of Jiangling Motors Corp. (Mr. Gordon Spaulding [an American]) that sales projections of Ford Transit vehicles [a van product] may double next year if Ford Motor obtains approval to provide financing for sales of Ford products in China.

Ford wins (U.S.) because it gets 30% of the profits from any car JMC sells. Ford wins (U.S.) again because JMC imports Ford components. JMC (China) wins because it would be in a position to provide something the average Chinese consumer desperately needs [consumer credit].

(Melanne Verifier, Page 3)

I'm not sure what good news the President will announce on his trip to China this year. The U.S. trade deficit with China is growing rapidly. As an American, I feel that it's good to see an American company rapidly expand its business opportunities by providing financing (JMC also imports Ford components).

From a historical perspective, I think it's important that the U.S. does all it can to help American companies penetrate the China market early. Otherwise, American companies will get in too late. This will lead to the same situation we have now between the U.S. and Japan. A huge part of the U.S./Japan deficit is in automobiles.

Getting approval for auto financing is quite easy in the U.S. and in other countries. In China, there's interest and the desire. The President's interest will bring closer the day when all of China's consumers will be able to go out and finance the purchase of a car.

I know that's something you and I take for granted. For China's consumers it's a dream that can come true with yours and the First Lady's help.

I look forward to hearing from you. I hope you enjoyed your recent trip to South America.

(Melanie Verifier, Page 4)

When I left the U.S. to work in Hong Kong 6 years ago, Mr. Clinton wasn't President. Although I have never lived in the U.S. while Mr. Clinton was President, I want you to know that even in Hong Kong (half a world away), I feel more proud to be an American than at anytime in my life.

This is because of the exceptionally supportive relationship between the First Lady and the President.

Sincerely,



Mark Youngblood
(Associate Director)

Note: Please direct any fax responses to: (852) 2509-0319. I can be reached by phone at: (852) 2509-8398 during office hours here. Hong Kong is 12 hours ahead of Washington, D.C. time zone. During your daytime hours, I can be reached at: (852) 9424-1607.

c:mve0420

CHINA

CAR INDUSTRY

Chrysler sales dip triggers output cut

BLOOMBERG in Beijing

Chrysler Corp is to cut this year's output target at its Beijing plant after a 65 per cent first-quarter sales slump of its Cherokee vehicles.

The company's woes reflect the sudden slowdown of the mainland car industry.

Mainland car output in the first quarter rose 1.4 per cent compared with a 24 per cent rise in 1997, while sales dropped 1.6 per cent after rising 22.9 per cent last year.

"Government institutions are in transition and they've been cutting back on their orders," said Andy Okab, vice-president of Beijing Jeep Corp, the Chrysler venture.

"It might take six months for officials to know their new assignments and how much they can spend," he said.

Mr Okab refused to say how much output of jeeps and Cherokees would dip below this year's 50,000 target. In the first quarter, Chrysler sold 2,207 Cherokees, giving the model about 2 per cent of the mainland market.

Cherokees account for about a third of Beijing Jeep's production.

The company is a US\$300 million joint venture, owned 42 per cent by Chrysler and 58 per cent by Beijing Automotive Industry Corp.

Beijing Jeep is one of Chrysler's biggest Asian operations.

Last year, the company decided to scale back its Beijing office, saying that no new projects were likely any time soon.

The slowing mainland economy, seen growing less than 8 per cent this year, its worst performance since 1990, has begun to throttle demand.

Beijing Jeep's sales last year were 50,000 vehicles, a 20 per cent drop from 1996. Profits dropped to 20 million yuan (about HK\$18.6 million) from 260 million yuan in 1996.

The company produced just 327 Cherokees, or about 10 a day last month, down 86.9 per cent on the same month last year.

Despite the weak demand, Mr Okab said Beijing Jeep would not emulate other car-makers by cutting prices.



Engine of growth

Reuters

A Chinese-designed jeep, made under a joint venture between Chrysler Corp and Beijing Jeep, grabs the attention of the US Ambassador to China, James Sasser (right), during a visit to the venture's Shanghai plant.

It would step up marketing efforts to win back buyers.

Chrysler is not the only foreign car firm to suffer. Volkswagen's Shanghai joint venture saw first-quarter sales of the Santana fall 13.1 per cent to 48,014 despite steep price cuts, state media reported.

The Wuhan joint venture of France's PSA Peugeot Citroen is also struggling, with first-quarter

sales down 16.4 per cent to 3,041 units, while output rose 33.2 per cent to 4,152.

Tianjin Automotive Industry Corp, which makes cars under licence from Japan's Daihatsu Motor, lifted output about 20 per cent to 27,761 cars in the first quarter, while sales rose just 0.2 per cent to 21,175 units, the *Shanghai Business News* reported.

Joint-venture minibus a winner, say partners

LANA WONG in Nanchang

Jiangling Motors Corp yesterday rolled out its first China Transit, a Ford brand minibus, and expects the Sino-US jointly developed product to be a money spinner.

Analysts forecast that net profits for the B-share company could double or triple next year, mainly driven by what they call a "versatile and competitive" Transit product that cannot be matched by other mainland-produced vehicles.

Ford Motor Co chairman Alex Trotman said he was pleased with the results the partnership had achieved.

"We are looking for a car programme as the next step after the Transit," he said, adding it was difficult to predict when Ford would have a passenger car project in the mainland.

In July, Ford lost out on a US\$1.5 billion car production project to General Motors and missed another chance to produce passenger cars in Guangzhou as mainland ventures sought a foreign partner to replace the French half of the team-up in Guangzhou Peugeot Automobile Co.

Mr Trotman said: "We have been in the auto business for 94 years. We'd like to see ourselves as marathon runners, who can keep running despite uncertainty, despite difficulty and despite a great deal of competition."

The company is in talks with potential partners on a possible passenger-car project.

"We believe very strongly that China at some point will be the largest automobile market in the world," Mr Trotman said.

"[We anticipate having] a number of manufacturing locations in China to serve a very large market."

Ford and Jiangling announced the China Transit project in 1995 – the same year Ford took a 20 per cent



On the road

Reuters

Ford chief executive Alex Trotman and Jiangling Motors chairman Sun Min celebrate the roll out of the first China Transit, whose Chinese name Quan Shun means completely smooth.

stake in the company. A deal to buy a further 10 per cent should receive regulatory approval in about two months.

The US car-maker will commit \$450 million in China, including \$100 million for the 30 per cent stake.

Jiangling chairman Sun Min expected the company to reach annual production ca-

capacity of 60,000 Transit units by 2001.

Ford expects 10,000 China Transits to be sold in its first year in the market.

Mr Sun said the product's target customers were profitable enterprise and high-income earners.

The nine- and 12-seaters will be sold at between 220,000 (about HK\$204,160)

and 250,000 yuan each, which market observers said was a reasonable range given comfort level, new technology and design.

Peregrine Brokerage analyst Victor Sun expected the product to bolster Jiangling's profits by between 130 million and 150 million yuan next year, up from about 50 million this year.

Guangdong base for car project

Japanese car giant Honda and Hubei-based Dongfeng Motor Corp will play key roles in the establishment of an integrated car production base in Guangdong amid the mainland's plan to shake out its car industry.

As a first step, the former Guangzhou Peugeot Automobile Co and Huizhou Honda were expected to clinch a deal to merge this month, according to Zhang Xiaoyu, the car industry director general at the Ministry of Machine-building Industry.

Part of the plan will be a new engine project, with annual production of 70,000 units, for which a feasibility study is under way. An engine project of this size would cost more than US\$100 million.

Honda plans to take a 50 per cent interest in the project and Dongfeng a 40 per cent stake.

The remaining 10 per cent will be held by Guangzhou Automobile Group Corp, controlled by red chip Denway Investment.

The three are partners in reviving a failed car manufacturing joint venture, Guangzhou Peugeot Automobile Co, under a letter of intent signed last month after the retreat of French car-maker Peugeot Citroen.

They are expected to begin the Honda Accord car manufacturing project and the engine production project at the same time, although both are subject to regulatory approval.

Honda and Dongfeng are already partners in car parts and components-maker Huizhou Honda, which will be a supplier to the former Guangzhou Peugeot Automobile Co.

Mr Zhang said the next step over the longer term might see a merger or alliance with Zhanjiang Sanxing.

LANA WONG

②

May 5, 1998

This is an interesting commercial development – possible provision of consumer credit to Chinese purchasers of Ford autos. It is not something the President should get involved with during his trip. Should Ford succeed in acquiring the right to provide consumer credit, it is possible the President might want to note this as an example of the changes in China in one of his speeches or public remarks. Therefore, suggest forwarding to NSC/Strategic Planning (Blinken).

Reply to Youngblood should thank him for calling the project to our attention, wish him and Ford luck, say we're passing his letter on to the Department of Commerce and our Embassy in Beijing for their possible assistance to his efforts. Shouldn't be any commitment or suggestion the President might announce. There are dozens of other commercial proposals with some merit, and it's too early to say which might merit noting.

Jeffrey Bader
Asia Directorate

original forwarded
to Ellen Lovell

THE WHITE HOUSE
WASHINGTON

May 18, 1998

Ms. Phyllis Yamplosky
888 Manhattan Ave.
Brookland NY 11222

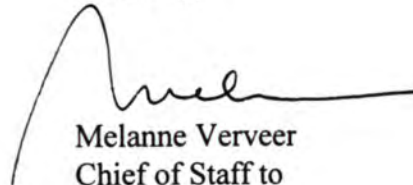
Dear Ms. Yamplosky:

Thank you for your proposal for a national millennium celebration. It is filled with sound observations and ideas.

I have passed your information packet along to Ellen Lovell, Director of the White House Millennium Working Group.

We appreciate your efforts. Best wishes in all you do.

Sincerely,



Melanne Verveer
Chief of Staff to
the First Lady

cc: Ellen Lovell

THE WHITE HOUSE
WASHINGTON

September 23, 1998

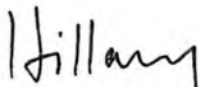
Dear Sid,

I am honored to serve as the honorary patron of this celebration and to join so many of your friends and admirers in saluting your extraordinary contributions to the arts and humanities. My only regret is that I cannot be there in person. But, I want you to know that I am certainly there in spirit.

I will always remember that day in 1993, when my husband bestowed the Presidential Citizens Medal on you for your tireless leadership. Whether you were speaking out on the House floor or speaking directly to the American people, no one has done more to teach us about the central role the arts must play in our own lives and the very life of our nation. Through good times and tough times, no one has fought harder to protect and promote the National Endowments for the Arts and the Humanities. And no one has done it with greater commitment, vision, and, yes, stamina. Few will ever match your record of 50 years of honorable service in Congress -- not just in terms of longevity, not just in terms of accomplishments, but in terms of what you have given to the American people.

Our nation owes you a great debt of gratitude, Sid. May the years ahead for you and Adeline be blessed with good health and all good things. And may they always be filled with the time to enjoy the arts and humanities that you have safeguarded for us all.

Sincerely,


Hillary Rodham Clinton