



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

THE PRESIDENT HAS SEEN

July 7, 1995

MEMORANDUM FOR THE PRESIDENT

FROM: KATHLEEN MCGINTY *Kathleen McGinty for*
CC: LEON PANETTA
RE: CEQ WEEKLY REPORT

7/16/95 7/16
95 JUL 7 P7:06
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RESCISSION BILL REACTION

Reaction to the agreement on the rescission bill has been swift and highly charged. Overall, the reaction has been quite negative. Representative Peter DeFazio attacked both the Republicans and the Administration on the floor of the House during consideration of the bill. In a statement released by his office on Thursday, DeFazio said, "President Clinton desperately needs to find a political and moral compass that doesn't change direction from one week to the next. He should return to his earlier principled opposition to this radical timber provision and insist on one that better protects environmental values, while providing the funding and flexibility needed to meet the forest health challenge in the West." Reactions from the environmental community range from Charles Gauvin's (President/CEO Trout Unlimited) "deep disappointment" to the Sierra Club Oregon Chapter press release which reads: "President Clinton has betrayed the public by his decision to allow the salvage logging rider to become law." Attached are several pieces from papers in the West.

RISK/REGULATORY REFORM

Regulatory Reform is once again hitting the editorial pages. The July 6th edition of the Washington Post addresses the difficulty of imposing specific requirements of risk-assessment and cost-benefit analysis on regulations that are usually less than clear-cut -- involving things such as invisible costs that do not show up in the budget and intangible benefits (like clean air) that are hard to quantify. Similarly, the New York Times on July 7 tagged the Dole-Johnston version as an extreme solution that is inconsistent with their promises to protect existing health and safety laws. Instead, these editorials support the Glenn bill as an alternative.

ENDANGERED SPECIES ACT

Editorial reaction to the Supreme Court's decision in Babbitt v. Sweet Home upholding the government's right to protect habitat on private land has been generally favorable. However, many commentators fear that there will be a quick move in Congress to overturn the Court's decision. Senate hearings on the reauthorization of ESA begin this coming Thursday in the

Environment and Public Works Committee and will be chaired by Senator Kempthorne. (see attached for editorial summary)

Senator Kempthorne, along with Fish and Wildlife Service's Mollie Beatie and Dr. Tom Cade of the Peregrine Fund announced the proposed delisting of peregrine falcons last Friday at a press conference in front of the Capitol. The population of peregrine falcons has risen from about 39 pair to about 1,200 pair over the past twenty-five years, thanks to both the banning of DDT and the structure provided under ESA to foster their recovery.

TAKINGS LEGISLATION

At its recent meeting in Miami, the US Conference of Mayors approved a resolution strongly opposing "takings" legislation. The resolution, sponsored on a bipartisan basis, states that such legislation "has the potential to increase litigation among all levels of government and private property owners" ... "could threaten the integrity of zoning and other local land use regulations" and "could have a major budgetary effect on the federal government at the very time when efforts to restore balance in the federal treasury are likely to result in a reduction in resources for needed economic and human development initiatives." This view is completely in concert with your statements on the subject and provides good additional support for our position, particularly because it draws the link between passage of federal legislation and local efforts to eliminate zoning and local land use controls.

INDUSTRY COMMENTS ON PROJECT XL

Project XL is the most innovative of the 25 proposals included in the Administration's "Reinventing Environmental Regulation" initiative announced on March 16. This pilot program will allow companies to develop alternative management strategies for facilities that will replace existing regulatory requirements if such plans produce environmental performance superior to compliance with existing regulation. The Vice President for Regulatory Affairs of the Chemical Manufacturers Association recently made these comments concerning Project XL:

"We also complement (sic) the Agency (EPA) on the breadth of the proposal both in terms of the variety of the applicants eligible for participation in the program...and the degree of detail, or rather lack of detail, in the description of the program and the project criteria. Proposals of this type show that EPA is beginning to appreciate that one size truly does not fit all. Traditionally, the agency has proposed, and to be fair the regulated community has sometimes requested, extremely detailed and prescriptive requirements. This proposal is the opposite of those old-style proposals, in the degree of freedom and flexibility it provides the regulated community to develop creative and tailored project proposals...The Association looks forward to working with the Agency on this exciting project."

This is a great initiative and one that I believe you should more publicly emphasize.

PCSD/CIVILITY

In the event that you continue your speeches on restoring civility, I would urge an environmental focus be included. Thanks solely to your efforts, the CEOs of 10 Fortune 500 companies (Dow, Chevron, Georgia Pacific, etc.) have built a dialogue of trust and respect with the CEOs of the major environmental groups. Previously their parties met only in court. Their work underlies our environmental reinvention efforts.

Second, there are wonderful local efforts that underscore that the environment is a force that can bring warring factions together. For example, Aurora Castillo is an 80+ year old Latina who launched "Mothers for East LA." This group was organized around cleaning up East LA. It was one of the only groups that kept Asians, African Americans, Whites and Hispanics working together during the Rodney King tragedy. Aurora has been internationally recognized for her work. There are many other such stories: caring for the environment does call forth "the better angels of our nature..."

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Clinton reverses decision, OKs timber salvage bill

■ President
says changes
removed
objections

environmental and legal protections.

The Clinton administration acquiesced after a change was made to give the Interior Department greater authority over the sales. If this provision will prevent the harvesting of trees from thriving, undamaged forests without environmental oversight — which was our objection to the original measure — the revised measure is worth supporting.

Many environmental groups still object, calling it the same old measure dressed up to look better.

Timber killed or badly damaged by fire and disease needs to be removed. Some environmentalists offer strong arguments why these trees should not be cut, but most people will disagree, especially Oregonians who have seen mile after mile of dead forests.

However, the scope of the original measure was too broad. It used flimsy excuses and environmental shortcuts to allow cutting in healthy forest tracts and the removal of healthy trees in salvage areas. Clinton said he agreed to the revised provision because he was assured that federal agencies would maintain controls over the salvage and presumably

President Clinton has yielded to strong pressure and agreed to accept a timber salvage plan that opponents believe removes environ-

TIMBER

could limit the harvest to bona fide dead and dying trees.

We support the salvage cut but are skeptical of Clinton's assurances about protecting healthy forests and about the ability of government agencies to withstand industry pressure. The president appears trapped politically.

First, the salvage measure is included in a bill that includes other provisions that the president supports. Second, he is fighting a tough battle with a Congress that is cool to environmental concerns and ready to weaken the Endangered Species Act. He apparently believes that he must show a willingness to cooperate in order to prevent drastic anti-environmental actions.

Clinton may be unpleasantly surprised to learn that one political concession spawns another. Better that he press on quickly with his own Option 9 forest plan. Doing so will demonstrate that his science-based plan will protect the environment — and the habitat that the Supreme Court ruled this week must be guaranteed — and will at the same time produce a dependable supply of timber for our mills.

Then, he would enjoy public support when he approved or vetoed a timber measure. Now, the public is left hoping he did the right thing but very uncertain.

5-8 7/1/95

SPOKANE--July 1, 1995 (*Spokesman-Review*)

Clinton accused of environmental sellout

**Activists call support for bill
allowing salvage logging 'evil betrayal'**

By J. Todd Foster
Staff writer

Stunned environmentalists Friday accused President Clinton of the ultimate sellout by agreeing to a budget-cutting bill that suspends logging laws.

"President Clinton ... is responsible for the most evil betrayal in our country's conservation history," said John Osborn, president of the Spokane-based Inland Empire Public Lands Council.

"We warned him there would be holy hell to pay if he did it and we plan to deliver," Osborn said.

The salvage logging bill is not a done deal. It hit a snag late Friday when Majority Leader Bob Dole pulled the bill off the Senate floor in a dispute with liberal Democrats over GOP-backed spending cuts.

Dole, R-Kan., yanked the bill off the floor and questioned whether it ever again would come up for a vote.

Nevertheless, conservationists continued their assault on Clinton's credibility, saying he had promised to reject any legislation with environmental exemptions. They said they can't trust the administration to remain in compliance with the laws.

The timber provision would give the U.S. Forest Service 18 months to sell enough burned and diseased timber, mostly in the West, to build 300,000 new homes. Citizen challenges of sales would not be allowed.

Sen. Slade Gorton, R-Wash., and Reps. Charles Taylor, R-N.C., and Norm Dicks, D-Wash., pushed the salvage program.

"We think President Clinton has sunk to the level of Slade Gorton," said Julie Reitan of the Sierra Club in Seattle. "This is one of the biggest assaults ever on our forests."

Gorton could not be reached for comment.

Timber lobbyist Doug Crandall in Washington, D.C., said the legislation is the first ever to address the forest health crisis. In addition to aiding forests sickened by disease and insects, the measure also would resume the flow of logs through the federal timber pipeline -- clogged for three years by environmental challenges.

DIALOG(R)File 704:(Portland)The Oregonian
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CLINTON AGREES TO SALVAGE LOGGING

Oregonian (PO) - SATURDAY, July 1, 1995

By: BRENT WALTH - of the Oregonian Staff

Edition: SUNRISE Section: WIRE STORIES Page: A01

Word Count: 876

TEXT:

WASHINGTON - Summary: The president's reversal on a plan to lift environmental laws and block court challenges to cutting angers activists

President Clinton and Republican leaders in Congress have agreed to exempt salvage logging in national forests from environmental laws.

The deal marks a dramatic policy reversal for Clinton and gives new life to a logging proposal the president three weeks ago called a "very bad environmental provision."

The plan could double the timber harvest from national forests over the next two years by blocking all court challenges to timber sales under both the Clinton forest plan and a new timber salvage program in Eastern Oregon and Washington.

The agreement is a big win for the timber industry, but it has angered Clinton's allies in the environmental movement who thought they had won steadfast opposition to it.

The timber proposal was originally part of a budget rescissions bill that Clinton vetoed June 7, in part because the salvage logging plan waived environmental laws.

Since then, Clinton has sought a new spending cuts bill. But congressional leaders, including Senate Appropriations Committee Chairman Mark O. Hatfield, R-Ore., refused to separate the salvage logging proposal from the bill that cuts money already earmarked for spending in 1995.

The president, in a statement released Friday, said that in agreeing to the larger bill, he had won guarantees that gave his administration more control over the timber sales. He also pledged that the sales will comply with environmental laws.

"I still do not believe this bill should contain any of the provisions relating to timber," Clinton said in a statement. "The conferees did accept important changes in the language that preserve our ability to implement the current forest plans and their standards, and to protect other resources such as clean water and fisheries."

But the bill itself shows, and congressional sources from both parties confirm, that Clinton in the end emerged with essentially the same plan to waive environmental laws that he objected to earlier.

"The president put himself in a tough spot," said one Democratic congressional source privy to the negotiations. "This was a red-flag issue for environmentalists who hold sway in the White House. But in the end, the president wanted this bill and decided to compromise on timber."

The House gave fast approval to the plan late Thursday night as part of the larger budget rescissions bill, which would cut \$16 billion from current federal spending. The House voted even as congressional leaders and the White House worked on the deal. Final details of the timber plan were not available until Friday morning.

SPECIES ACT: HOW'S IT PLAYING?; 18 APPROVE COURT RULING

Of 21 editorials and op-eds collected by GREENWIRE on the Babbitt v. Sweet Home decision, 18 support the Supreme Court's finding that the Endangered Species Act does allow the government to protect habitat on private land. [See GREENWIRE 6/30 for more editorials on the Sweet Home ruling.]

Atlanta JOURNAL-CONSTITUTION: "[Conservative congressional Republicans] know that any attempt to gut the [ESA] is going to be politically dangerous. For that reason, they were hoping that the US Supreme Court would do their dirty work for them. The court declined" (7/2).

BOSTON GLOBE: "This broad, logical interpretation of the law was a welcome recognition of the obvious: owls need trees" (6/30).

BUFFALO NEWS: "The Supreme Court made the right call ... [But] a congressional rewrite of the law could very well render [the] court decision pointless. ... Congress is on the path of destruction despite solid reasons to rethink its position" (7/1).

DETROIT FREE PRESS: "The high court has decided that Congress meant what it said in the 1973 Endangered Species Act about protecting rare and dwindling species from harm ... The problem is that Congress no longer means what it said" (7/3).

DETROIT NEWS: "[The Supreme Court] trampled property rights in granting federal regulators broad control of private land to protect endangered species. ... The harm can only be undone by Congress" (6/30).

HARRISBURG PATRIOT: "The ruling, a landmark in environmental law, may not have a long shelf life. Republicans ... are moving to approve a reauthorized Endangered Species Act that substitutes the lumber industry's interpretation of what the law should be for that of the Interior Department" (7/2).

INDIANAPOLIS NEWS: "The high court last week ruled -- quite properly -- that government must protect the habitat of plants and wildlife listed under the [ESA]. ... Endangered species deserve protection. So do property owners. Those are the realities that Congress -- not the courts -- now must balance in its effort to do what's right for the country" (7/3).

L.A. TIMES: The Supreme Court "has given the public a welcome victory. ... [But] in fact, the [ESA] is outdated in many respects and needs revamping. ... It is to be hoped that a sophisticated, workable product comes out of this Congress. If one does not, President Clinton must be prepared to use his veto pen again" (7/5).

Medford [OR] MAIL TRIBUNE: "It may be that the court's tough stance will give the ESA's most vociferous opponents in Congress a better chance to dramatically weaken the act. ... This is where environmentalists who care most about endangered species need to show some political wisdom and flexibility. ... If they refuse, they may find themselves with a hollow [ESA] that can't be enforced even with the help of the Supreme Court" (6/30).

MIAMI HERALD: "[The Endangered Species Act] is up for renewal before a Congress inclined to weaken it or perhaps even kill it outright. [The 6/29] ruling will inflame that sentiment, alas. Opponents of the act should read the details of Justice Stevens's decision citing management plans that have enabled landowners and endangered species to coexist" (6/30).

PHILA. INQUIRER: "The good news last week from the US Supreme Court was that the government has the right to stop private landowners from so messing with Mother Nature ... that

over preservation, and chose land acquisition in lieu of economically crippling restrictions on land use when private property was implicated" (7/5).

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

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July 7, 1995

MEMORANDUM FOR THE PRESIDENT
VICE PRESIDENT

CC: LEON PANETTA
HAROLD ICKES
JACK QUINN
MARCIA HALE

FROM: KATIE MCGINTY

The attached is a strong testament to the success of your forest plan from the state of Washington. In light of our recent discussions on the Rescissions Bill, please note the last paragraph of this story.

"Sudden shifts in federal or state policy will cause the system to collapse just as it's finally gaining stability we've needed. Dropping resource protection without a scientific basis won't produce more timber harvest. It will have the opposite result, throwing us back into the legal gridlock that led to the President's 1993 Forest Conference."

The system works with your help



Jennifer M. Belcher
Commissioner
of Public Lands

We've been through some tough times in Pacific Northwest forest management, but we've tackled some of the really difficult-to-resolve issues and we're now moving in a positive direction and gaining the stability that was badly needed.

We now have a federal strategy that's based on scientific analysis and has been upheld by the federal courts. In Washington, this gives us the certainty we need for managing our public and private forests.

For the first time since the spotted owl was listed for federal protection under the Endangered Species Act, there are comprehensive state and federal strategies for forest management that work together.

This is good news for our forest-dependent communities and families, and for the natural resources that form the basis for our quality of life in Washington.

However, our progress can be jeopardized if our state and federal legal framework is suddenly undermined. Now that we have a comprehensive federal-state strategy for harvesting timber and protecting resources, we can't afford to knock the legs out from under the system.

If we change any significant part of the system, the whole thing topples, and we'll be back in gridlock.

At his 1993 Forest Conference in Portland, President Clinton listened to a wide range of Northwest perspectives on the conflicts that had brought federal timber harvest to a standstill. He promised to break the gridlock and comply with the law.

And to a large extent, he delivered.

Through the Clinton administration's efforts, we've made significant progress in a very short time to make the federal Endangered Species Act work while reducing the burden on landowners.

The Clinton administration has developed a three-pronged approach to protecting species while bringing greater stability to our communities and our forest products industry:

■ **THE FEDERAL FOREST PLAN.** This plan, known as "Option 9," assures a comprehensive approach that addresses economic needs for timber harvests while meeting federal obligations to protect a wide range of animals and plants in federally owned forests.

■ **RELIEF TO MANY NON-FEDERAL LANDOWNERS** in contributing to owl conservation. The proposed "4(d) Rule," developed by the U.S. Fish and Wildlife Service, will provide greater flexibility to non-federal landowners (both private and state) in harvesting their timber and managing their forests while protecting the northern spotted owl, a federally protected species. The proposal identifies special emphasis areas where owls need the current level of protection, but other areas where they will need far less protection than is currently provided.

■ **LANDOWNER-INITIATED OWL CONSERVATION.** The U.S. Fish and Wildlife Service proposed greater regulatory flexibility under the 4(d) Rule because of the large number of voluntary habitat conservation plans that private and public landowners are undertaking in the Northwest. This landscape approach to forest management allows landowners out from under the rigid owl-by-owl regulatory framework currently imposed by the Endangered Species Act — if they gain federal approval of a plan to conserve the habitat that's needed to help ensure species survival.

The private and state habitat conservation plans are the key to the U.S. Fish and Wildlife Service's more flexible regulatory approach. Many large landowners (including the state of Washington) have undertaken conservation planning efforts.

In our state, we've launched our own initiatives to make state environmental regulations work for the people who are regulated and for those who depend on a healthy environment.

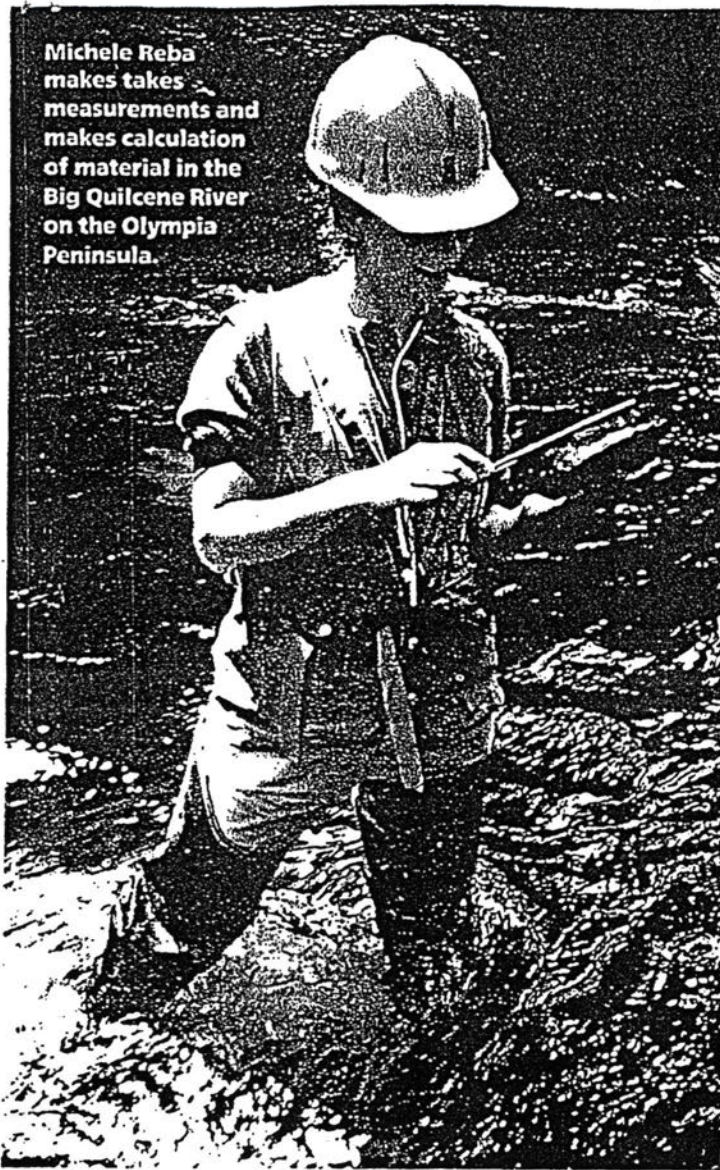
State and federal agencies and landowners are working together in an unprecedented partnership to resolve longstanding issues rather than avoid the contentious issues that had divided agencies and divided our society.

In Washington, we've made an important contribution to making the system work and keeping forest management out of the courtroom. These are the key parts of our successful approach:

■ **HABITAT CONSERVATION PLAN.** The Department of Natural Resources is undertaking a plan for 1.6 million acres of our state's 2.1 million acres of state-owned forests. Our initial economic analysis and harvest projections demonstrate that we really can do a good job of harvesting timber and being environmentally sensitive, and still produce significant amounts of timber revenue



Michele Reba
makes takes
measurements and
makes calculation
of material in the
Big Quilcene River
on the Olympia
Peninsula.



CHARLES CHESNEY/DNR

for the trusts. The purpose of the plan is to give long-term predictability to timber harvests on state trust lands. Any habitat conservation plan for state trust lands needs approval of the Board of Natural Resources as well as the U.S. Fish and Wildlife Service.

■ WATERSHED APPROACH TO REGULATION. We're approaching logging regulation on 12 million acres of private and state-owned forest lands through a watershed-based approach adopted by our state's Forest Practices Board. Through watershed analysis, landowners, fish and wildlife experts, tribal biologists, environmental advocates and resource protection specialists of the Department of Natural Resources agree on steps that can be taken to harvest timber within a watershed while protecting public resources such as fish and water. Agreeing to these "prescriptions" allows landowners relief from further environmental review.

■ PROPOSED EXEMPTIONS FOR SMALL LANDOWNERS. We're working to lift the burden for protecting endangered species from the shoulders of small landowners. The state Forest Practices Board is considering spotted owl rule alternatives, all of which provide some exemptions for small, nonindustrial landowners.

Alternative selected for Habitat Conservation Plan

The Board of Natural Resources recently selected an alternative for DNR to develop into a draft Habitat Conservation Plan. The selection of an alternative for further development and analysis is not a final or binding action by the Board.

A habitat conservation plan (HCP) is a long-term land management plan authorized under the Endangered Species Act to conserve threatened and endangered species. For DNR, it means a comprehensive plan for state trust lands within the range of the northern spotted owl that will allow timber harvesting and other management activities while emphasizing species conservation and ecosystem health as the basis for prudent trust management.

Department staff also are preparing a draft environmental impact statement (EIS) that will analyze the complete range of HCP alternatives. The draft HCP and draft EIS, along with a draft of the proposed implementation agreement, will be presented to the Board of Natural Resources, which will then determine whether to submit an application for incidental take permits to the U.S. Fish and Wildlife Service.

The draft documents will be available for public comment during a 60-day review period, probably next fall. At that time, DNR will seek written comments and hold public meetings. The Board will consider all public comments prior to making any final decision on the HCP. A final decision is not expected before next year.

For more information about the Habitat Conservation Plan contact Jané Lamensdorf-Bucher at (360) 902-1393.

Through these efforts, we're proving that our system of protecting resources will work if involved and interested parties want to make it work. The Department of Natural Resources is committed to making the system work.

The Department emphasizes voluntary compliance and cooperative efforts with technical assistance. Because of this and cooperative forest management and resource protection efforts such as the Timber-Fish-Wildlife Agreement, we're avoiding the lawsuits that previously held up timber harvest in our national forests. We're keeping government out of the confrontational, directive role, and getting into a more helpful role that encourages voluntary efforts to comply with the intent of our environmental protection laws.

We're on a course that's bringing stability for our communities, our economy and our overall strategy for maintaining our quality of life. And we're doing it within the existing framework of laws and regulations.

Sudden shifts in federal or state policy will cause the system to collapse just as it's finally gaining the stability we've needed. Dropping resource protection without a scientific basis won't produce more timber harvest. It will have the opposite result, throwing us back into the legal gridlock that led to President's 1993 Forest Conference.

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^EDWIN YODER COLUMN<

^(Advance for Wednesday, July 12, 1995, and thereafter)<

^(For Yoder Clients Only)<

^By EDWIN M. YODER, JR.=

THE PRESIDENT HAS SEEN
7/10/95
1150 15TH STREET, N. W., WASHINGTON, D. C. 20071-9200
TEL: (202) 334-6375

On Cynicism of Press

Leon / GS / Graham / McLeary
Boer

GS @ Good piece -
is in those mainstream
author columns we don't read
in the Post + they get Gut Religion
+ Gore family talker

BC

WASHINGTON--The depth of cynicism about what elected officeholders say in their speeches may be gauged by a scene I witnessed the night after President Clinton's long speech at Georgetown University.

I was at the Washington end of one of those talking-heads programs from Washington or New York that blare from cable television or radio at all hours of the day and night. Since it was Friday evening and sensible folk were out on the town, my guess is that the audience consisted of the three people who phoned in.

We were reviewing the week's news and my interlocutors in New York devoted a minute--no more--to the consideration of what Bill Clinton had said, about a sixtieth of the time he took to say it. The exchange went something like this:

The host: So Bill Clinton is asking, why can't we all get along?

A New York journalist: Yeah, all of a sudden. You didn't hear him calling for conciliation when the Democrats still controlled Congress.

The host: Mr. Yoder, down in Washington, what do the folks inside the Beltway think? Is Clinton really being conciliatory, or just posturing to get votes?

Yours truly: I can't speak for "inside the Beltway," but I don't think he was posturing. Clinton likes people to get along and be civil to one another. This is an ancient Clinton theme. I've heard him talk about it many times over the years--long before the Republicans took over Congress.

End of discussion.

If the brief exchange sounds like a satire of talking-head sound bites, please be assured that we really said it, in more or less those words. But cynicism isn't limited to the airwaves. In its editorial

(more)

comment on the same presidential speech, The New York Times sneered: "Mr. Clinton never hesitated to slug (Republicans) in the eye back when he had the congressional majority to back him up. But a president without votes on the Hill must placate ..." The paper went on to say, as a sort of afterthought, that in blaming the national malaise on sinking economic fortunes rather than the cultural climate the president may have had a point.

It is a mistake to treat every Clintonian utterance as "political" in the rawest sense. His speeches admittedly often sound more calculated than they are, but his quest for civility and conciliation is quite real and reflects an attractive quality deeply ingrained in Bill Clinton. As the Times seemed to be saying, he adopted a partisan strategy in pursuit of some legislative goals when the Democrats controlled Congress. But when, exactly, did he "slug" Republicans "in the eye"? This is editorialese of the loosest sort.

The supreme irony of the Clinton presidency is that Clinton often sounds most political when he is being most himself, perhaps because he is a political animal--as presidents should be. Whatever its roots in his past, it is Clinton's temperamental disposition to expect the best of others.

X The Clinton presidency has been marked by interesting ideas, interestingly articulated, which the administration often lacks the institutional and administrative skills to deliver on. In some ways, this gap between talk and performance mirrors the sluggish character of the American political system, which was designed for delay and obstruction (otherwise known as checks and balances). Action is slow to come even when there is ample understanding of what needs to be done.

Even when it is working relatively well, the system is slow to process and resolve conflict; and that does make people cynical. Some issues, even when resolved, don't stay that way. We learn, for example, some of us with dismay, that we're about to have another great debate on the federal tax structure--an issue that was

(more)

supposedly resolved for a generation, if not for all time, by the ``tax simplification'' of 1986, less than a decade ago.

The Clinton presidency has been handicapped by the president's belief that people in the mass respond rationally to well-articulated arguments, which he likes to hand out in lengthy doses as he did last week at Georgetown. These wholesome orations come naturally to him. But in this world of quick sound bites and easy cynicism, it is possible for a presidential speech of considerable wisdom with no mischievous subtext to be dismissed as the equivalent of last year's New Year's resolutions. And that is our loss.

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EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF NATIONAL DRUG CONTROL POLICY
Washington, D.C. 20500

July 13, 1995

THE PRESIDENT HAS SEEN
7/16/95

MEMORANDUM FOR THE PRESIDENT

FROM: LEE P. BROWN (LB)

Thank you so much for taking the time to call me last evening. I want to take this opportunity to let you know just how much your personal support, along with the support and council of the other members of your team mean to me, personally, as well as to all those Americans who are working so hard to help to accomplish the goals laid out in our drug strategy.

During our conversation you mentioned how pleased you were with recent good news -- that drug use was down. There has been no new survey showing recent declines in drug use. All recent surveys show that drug use trends are generally flat, except for drug use by adolescents, which is on the rise.

This is not to say that we have not witnessed some success. The long-term trend in drug use shows tremendous progress against casual drug use. Since 1985, the number of Americans who use illicit drugs has declined significantly -- from 22.3 million current users in 1985 to 11.7 million in 1993. This data comes from the National Household Survey. Though current cocaine use declined as well -- from 4.2 million to 1.3 million, most of this success relates to a decline in marijuana use that began in 1979.

Even though there is less casual drug use today than in years past, the increase in use among the nation's youth that began in 1991 presents a challenge that, if unmet, will severely undermine the gains made in recent years.

The progress we have made in reducing casual drug use is worthy of note. But this progress may have given many the Americans the impression that the problem was solved. This is certainly not the case. The specter of drug use is still with us, and we have our work cut out for us. I look forward to continuing to work closely with you on developing the policies and programs needed to continue progress towards achieving the overall aim of reducing drug use and its consequences.

CReto
What about Big Port
Story - addition to explain that showing big numbers
Brown



July 12, 1995

President Clinton
c/o Nancy Hennreich
The White House
1600 Pennsylvania Avenue
Washington DC 20500-2000

Willow Creek Community Church

Boy THE PRESIDENT HAS SEEN
7/12/95
What about
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should be go on with
Premission instead?

BC

President
7/13
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Dear Bill:

Congratulations on making the tough decision to normalize relations with Vietnam. Full recognition of one another is the very foundation for true biblical reconciliation, and your action is an important step towards healing deep national wounds that have festered for far too long.

Out of our common commitment to this national healing, I'm writing to encourage you to include Bob Seiple, President of World Vision, in the mission to Vietnam and Cambodia with Secretary Christopher. You met Bob last year at the Evangelical Roundtable, and he has supported you in several key forums since then. It is to my great benefit and reward to not only serve on World Vision's board of directors, but to have Bob as a friend as well.

I believe Bob's inclusion in the mission would be beneficial for several reasons:

- Bob is a decorated Vietnam veteran with a long history of concern and involvement on behalf of the people against whom he once fought. He is well respected by Vietnamese government leaders and has several key contacts in the national bureaucracy.
- Bob has been an outspoken advocate of reconciliation with Vietnam for several years and is well known in congressional circles for his persuasive, passionate, well-reasoned arguments based on personal experience.
- World Vision is not only the largest Christian relief and development agency in the world, but has the largest Vietnamese program of any private agency and the most US government funded projects in the area.
- Bob's role as an evangelical leader expressing support of your administration's policies could potentially help provide an entrance into a pivotal constituency in the upcoming national elections.

Please let me know if there is anything I can do to help facilitate Bob's inclusion on this critically important envoy team. I believe he would add a great deal by his participation.

In Christ,

Bill

P.S. Good job on the first amendment clarifications. . . you're doing great!

THE PRESIDENT HAS SEEN
7/14/95

FAX COVER SHEET

TO: THE PRESIDENT OF THE UNITED STATES

FAX NO: 202 456 6703

NO OF SHEETS (including cover sheet) three

DATE: 12 July 1995

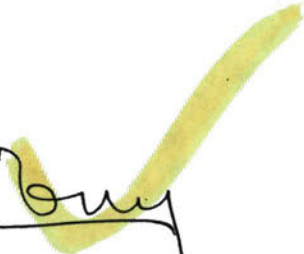
FROM: ARTHUR SCHLESINGER, JR

4 East 62nd Street, New York, NY 10021

Fax: 212.688.8399

Telephone: 212.980.4013

MESSAGE


Doug

See p. 2 -

Should we invite Boutros?

Kona Dinner?

Be

ARTHUR SCHLESINGER, JR.

*cc: Doyle
1/2 Roscoe
2. Pres.*

12 July 1995

Dear Mr President:

I want to thank you for your kindness in having the gang of five in for luncheon last week. We all greatly enjoyed the occasion, and I hope it was not a waste of time for you.

We were much encouraged by your thoughts on the veto question. While I recognize that using the veto is tricky in face of a Congress controlled by the opposition, the veto remains a potent means to define a President's position and his character and is an effective way of dramatizing issues.

All of us support the decision to restore relations with Vietnam. I would hope that this might ease the way toward the restoration of relations with Cuba. After all, nearly 50,000 Americans were killed in Vietnam (and another 35,000 in Korea, where we also seem to be moving toward normalization), while no Americans have been killed in battle in Cuba since the Spanish-American War (and then by Spaniards, not by Cubans). I am sure that the safest way to dispose of Castro is to drown his revolution in a flood of American tourists, American investors and American consumer goods.

Even Cuban Americans are now divided on the question of rapprochement, and the Mas Canosa crowd isn't going to vote Democratic in any case. For a generation, the China Lobby paralyzed US policy toward Red China; but, when Nixon broke the spell, most Americans applauded and the China Lobby collapsed. I believe that normalization

ARTHUR SCHLESINGER, JR.

would be equally popular in the Cuban case.

On another subject: I understand that an invitation to Boutros Boutros Ghali and his wife to attend a White House dinner would be much appreciated.

Thank you again for a most encouraging session. Our hearts are with you in the rugged fights that lie ahead.

Ever faithfully yours,



The President of the United States

THE PRESIDENT HAS BEEN
7/10/95

The Washington Post

AN INDEPENDENT NEWSPAPER

Off Base

*been
in mid-air
out from refraction
want to be draft*

PRESIDENT CLINTON'S outburst against the military base closing commission was unfair and unreasonable. The president's denunciations look very much like an attempt to evade responsibility for the consequences of the push toward a balanced budget—which, in principle, Mr. Clinton himself supports. Having vehemently denounced the commission's recommendations in the morning, in the afternoon he accepted them—reluctantly, according to his spokesman—and sent them off to Congress.

The thrust of Mr. Clinton's objections seems to be that the commission, and its predecessors, are picking unduly on California. In the previous three rounds of base closings, he declared, California suffered slightly more than half of all the job losses nationwide, and now in this fourth round nearly half of the jobs will come once again from California. But the present system of independent commissions is the best mechanism anyone has been able to devise to insulate this difficult process from political pressures. Perhaps one reason for the impact on California now is that the state's electoral importance previously protected a number of marginal installations.

Mr. Clinton furiously charged that the commission paid little attention to economic considerations—i.e., jobs. That's unlikely. Its chairman,

Alan J. Dixon, was a Democratic senator from Illinois for two terms. He's still remembered for the vehement and emotional campaign he waged (unsuccessfully) in 1989 to try to keep Chanut Air Force Base open when it was listed by an earlier commission.

Over the past couple of weeks Mr. Clinton has been engaged in a highly publicized effort to ensure that many of the jobs at McClellan Air Force Base in Sacramento will be privatized. That is rather disingenuous. If the privatization is real, it will merely perpetuate the expensive overcapacity that the base closing is supposed to reduce. If the private-sector jobs rapidly fade away after another election or two, the people who held them will rightly consider the whole effort a sham.

Closing military bases is a terrible responsibility, with a heavy impact on the lives of valued civil servants, other workers and the communities in which they live. People in elected office have reason to try to avoid it. That's why these commissions are used. But that's also why it's wrong for elected officials, and above all the president, to pillory a commission for doing in good faith an unpleasant task that the president and Congress have delegated to it.

Church and School

FACED WITH growing congressional interest in a constitutional amendment on school prayer, President Clinton gave a speech on Wednesday aimed at reassuring religious people and drawing clear lines between what is constitutional in public schools and what is not. The president focused on two recently enacted federal laws curbing the government's power to interfere with religious expression and activities, and provided guidance on a number of specific situations that might come up in school. His statement was based on a paper prepared by religious and civil liberties groups, including the American Civil Liberties Union. It was a useful exercise and should serve to dispel perceptions that public institutions are bound to avoid any religious expression by individuals.

These perceptions do not arise out of thin air. In their zeal to comply with what they believe to be the law, some teachers and school administrators have badly overreacted to Supreme Court decisions involving government-sponsored activities. The Equal Access Act, for example, was passed because some school districts allowed all manner of organizations to meet on school property when classes were not in session but denied similar privileges to religious groups. In some areas of the country, fearful administrators would not allow students to carry Bibles on school property, say a silent grace

before meals in the cafeteria or wear yarmulkes to class. None of these practices is forced upon students by government—as an official school prayer would be—and none is unconstitutional. The president simply stated settled First Amendment law.

There are still gray areas that are in litigation. Does a graduation prayer initiated, led and spoken by a student amount to state action? Should a school chorus be allowed to sing "The Battle Hymn of the Republic"? The president did not address these cases, but he did emphasize that individual religious freedom is protected even in the classroom.

He also emphasized that the government has no place in formulating, requiring or encouraging any religious activity, particularly in the context of the public schools. There can be no official prayers, no encouragement of religious activity and no participation by teachers or other school officials in such activity of any kind at school. All of that is a far cry from allowing a child to say the rosary silently on the school bus or accepting a youngster's right to wear a head scarf or a turban to class. An individual's right to practice his religion is sacrosanct in this country. And so is the principle that the government cannot tell him what prayers to say.

THE PRESIDENT HAS SEEN

7/14/95

Report Urges New Steps to Protect Blood Supply

By LAWRENCE K. ALTMAN

New steps are needed to prevent the disastrous spread of another dangerous infectious agent like H.I.V. because the ability of the nation's blood banking and public health systems to identify and guard against unknown microbes is weak, according to a report prepared for the Federal Government.

During the early years of the AIDS epidemic, the nation's public health system did not perform as well as it could have to prevent spread of the virus through transfusions of blood and blood products, said the report, by the Institute of Medicine of the National Academy of Sciences, issued yesterday.

This was because a failure of Government leadership in the Reagan Administration led to weak regulatory action, deficient communication to patients about the risks of acquiring AIDS through blood transfusions before a test for H.I.V., the virus that causes AIDS, was developed in 1985, and inadequate screening of blood donors, the report said.

The authors of the report reviewed the history of the contamination of the blood supply with H.I.V. in the early 1980's, and did not find that any official was responsible for the failed response.

But the report cited a number of documents illustrating finger-pointing and rivalries among Government agencies and private organizations such as the Food and Drug Administration and American Red Cross that delayed efforts to control the spread of H.I.V. through transfusions.

More than half of the 16,000 hemophiliacs in the United States and more than 12,000 patients who received transfusions of blood and blood products became infected with H.I.V. Some unknowingly transmitted the virus to their spouses, sexual partners and newborn children.

The first of the report's 14 recommendations called on the Secretary of Health and Human Services to designate a blood safety director to lead the Government's efforts and insure cooperation among the department's agencies. The report also recommended creation of a blood safety council to assess current and potential threats, devise strategies, and evaluate new methods to improve the safety of the blood supply. The nation's blood centers collect 20 million units of blood that are transfused into 4 million people each year.

To help the United States respond faster to threats to the blood supply, the report recommended that the

Centers for Disease Control and Prevention establish a surveillance system to "detect, monitor, and warn of adverse effects in the recipients of blood and blood products."

The report called on the Food and Drug Administration to develop a tougher regulatory approach, saying it lacked resources for enforcing blood safety standards and relied too heavily on industry cooperation.

The committee urged the Government to consider establishing a no-fault compensation system for people who suffer adverse consequences from the use of blood or blood products.

The report was commissioned by Donna E. Shalala, the Secretary of Health and Human Services, at the request of Senator Edward M. Kennedy, Democrat of Massachusetts, Senator Bob Graham, Democrat of Florida, and Representative Porter J. Goss, Republican of Florida.

"There is no doubt that during a time of great scientific uncertainty, our country's public health system missed opportunities to intervene" in the H.I.V. epidemic, Dr. Shalala said in a statement.

Many of the recommendations had been carried out and seven senior officials in her department have been asked to review the report and recommend further actions, Dr. Shalala said. "We embrace the goals" reflected in the report's recommendations, she said.

The National Hemophilia Foundation in New York City said the report provided additional reasons for Congress to pass a bill to create a special fund to assist people with bleeding disorders who became H.I.V.-infected in the 1980's.

In citing evidence of finger-pointing during the early days of the AIDS epidemic, the committee published an interoffice memo of the American Red Cross. It described C.D.C.'s urgency in acting against the threat of blood-borne AIDS as a self-serving strategy to justify the agency's budget and insure its survival.

Eushin / Crasto
we need to get on this
HP

THE WHITE HOUSE
WASHINGTON

July 13, 1995

Wes Edwards
1062 Hillcrest Drive
Troy, Ohio 45373

Dear Wes:

Thanks for your letter. It was really good to see you and your family recently, and I'm glad you received the photographs from our visit.

Thanks, too, for what you told me about your early years and your father's nephew Rodney Ryan. I appreciate your letting me know about Rodney's and his family's upcoming trip to Washington. While I never know what the schedule here will hold, I've asked my staff to contact him, and I hope we'll have an opportunity to meet.

I look forward to seeing you again soon.

Sincerely,

Bill Clinton

cc: NH
try to help
him



Crown Equipment Corporation
New Bremen, Ohio 45869 USA

Law Department

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

Dear Mr. President:

Thanks for the wonderful photographs from our visit to the White House. The kids (all of us) had the time of our lives! Your letter to Fred's kindergarten class was such a hit and left a great impression with the children. After the Oklahoma City bombing the local paper interviewed Fred's class and many of the children gave "advice" on how to deal with the tragedy by quoting some of your advice to them about being a good citizen.

I have a favor to ask. You are likely unaware of this, but, like you, I spent the first nine years of my life being raised by a surrogate family in Gordon. My mom was quarantined with TB in an Army hospital in Denver and I did not rejoin her, my dad, Lotie and Connie until she was released in 1954 and everyone moved to Hot Springs. Anyway, there is another "father figure" in my life, my dad's nephew and son of the "mother" that raised me in Gordon. (A little bit of history - my grandfather, grandmother and the 13 children actually got started in Rose Hill, Arkansas, down by Wheeling Springs). The person I'm referring to is Rodney Ryan - just simply one of the warmest, kindest and most admired persons I've ever known. I've enclosed some handwritten notes his daughter sent me, which were prepared by his wife, Mary Ella, concerning his professional career, consisting of over 30 years of service to the University of Arkansas and his students. Rodney, Mary Ella, his daughter Kandice and his grandsons, Ryan and Ky (young teens) are coming to Washington for a one week trip. I would count it as some measure of thanks for all Rodney has meant to me if this request could result in him and his family being able to visit you briefly during their stay in Washington. They are driving from Fayetteville on July 17, arriving July 19 and departing after the weekend. I understand

cc Rebecca to call
at 7:00

(Will try to do
something - can't
guarantee)

Reg. White Ales - well
Tell Mrs. Ross Callery

CROWN

they will be staying at the Downtown Days Inn (202) 842-1020.
Rockney's phone number in Fayetteville is (501) 442-7009.

Thanks also for your response regarding my analysis of S. 565, the product liability reform legislation. I have been keeping up with the progress, actually the lack thereof, of getting the conference committee going. I have also been watching the House Republicans making noise about holding up the legislation in order to persuade the Senate to include the House's version of medical malpractice reform. I have also heard that the House leadership, particularly Gingrich, was "misquoted" over the med-mal issue when sufficient numbers of their constituents jumped all over them for talking about holding the products bill hostage. Actually, I would think that this would be a great opportunity for the Administration to show leadership in urging the med-mal issue to be considered along with the totality of incremental health care reform legislation which is, after all, where the issue belongs. Holding the products bill hostage, as well as the other hostage tactics Gingrich is urging regarding the budget, are politically driven extremist moves which, I believe, most people do not appreciate.

I may drop you another "official" line (you know, typed and all that!) concerning the product liability legislation once the conference committee is formed and there is a clearer idea about where this thing is going.

Thanks again for the photos. We hope to see you soon - maybe here in Ohio at some point!

All Our Best!

Wes



UNIVERSITY OF ARKANSAS • College of Education

INTRAMURAL/RECREATIONAL SPORTS
Area of Health, Physical Education, and Recreation
Room 203 HPER Building
Fayetteville, Arkansas 72701
(501) 575-4646

RODNEY R. RYAN SCHOLARSHIP

In honor of Dr. Rodney R. Ryan, an educational scholarship has been established for a deserving recreation student at the University of Arkansas. Initiated by past and current students, this scholarship will serve as a tribute to a man that has dedicated the past 36 years to the education of the youth of Arkansas.

Dr. Ryan has been employed by the University of Arkansas since 1953, as a Professor of Recreation. During his tenure with the University, he has directed the student teaching program, intramural sports, taught undergraduate and graduate classes, and coordinated the Recreation Program. He has also served with distinction on numerous local, state, and national committees; receiving recognition and honors from many. Dr. Ryan has truly touched the professional and personal lives of thousands of individuals.

You can be a part of this scholarship and show your appreciation to Dr. Ryan by donating. Although you can donate an amount of your choice, a minimum of \$20.00 is requested. This amount will expedite the establishment and awarding of the scholarship. All checks should be made payable to the "University of Arkansas Foundation" and marked for the Rodney R. Ryan Scholarship. All donations are tax deductible. Mail checks to:

Craig Edmonston, Director
Intramural/Recreational Sports
Room 203, HPER Building
University of Arkansas
Fayetteville, Arkansas 72701

On behalf of Dr. Ryan and the University of Arkansas, thank you for your support of the Dr. Rodney R. Ryan Scholarship. For further information, call 575-6381.

January 1989

HPER Graduate Newsletter

friends wish him the best as he pursues his goals in the years to come.

Dr. Rodney Ryan Makes Plans to Retire

Dr. Rodney Ryan, who has headed the Recreation program at the University of Arkansas for about 30 years, is making plans to retire at the end of this school year. After 36 years of service to the University of Arkansas, Dr. Ryan leaves a legacy of having positively influenced nearly every individual in the recreation, tourism and leisure industry in the state. His service to the field, department, and university is well recognized by his colleagues and friends throughout the state. In recognition of his significant contributions to his profession, the Department of Health, Physical Education, and Recreation is planning a recognition/retirement party in his honor this spring. Planned at the Park Inn in Fayetteville on April 29th, (6:00 p.m.) all of Dr. Ryan's colleagues, students, and friends are invited to attend this recognition party. Further information will be forthcoming from the department, however for those who have specific interests in Dr. Ryan's retirement activities, please contact the Department of HPER, HP 306, University of Arkansas, Fayetteville AR, 72701.

Twenty-Five Years of HPER at the University of Arkansas

Through the efforts of Dr. George Moore, the history of graduate programs in

Health, Physical Education, and Recreation is now available in spiral book form. This document provides the history of the development of graduate programs, the students who completed master's and doctoral degrees in HPER, dissertation committee members for doctoral students, and a wealth of other interesting information to those who directly or indirectly took part in this history. Initially made available at Dr. Moore's retirement party in October, 1987, copies are still available through the Department of Health, Physical Education, and Recreation for \$5.00 each. If you have an interest in obtaining a copy of this document, please complete the order form at the end of this newsletter and return it with your check to the departmental office (HP306).

Frances W. Tyler 1938-1988

Professor Frances Tyler, assistant professor of health education, devoted twenty-one years of her life to improving undergraduate programs in health, physical education, and recreation at the University of Arkansas. Most recently, she was instrumental in establishing an emergency medical training (EMT) program in the department. Her high standards led to wide recognition of this program in the state. Her students who completed the state EMT examination had one of the highest pass rates in the country. Although not directly involved in HPER graduate programs, Professor Tyler had a signifi-

Professional Experiences

Board of Directors, Southern District,
American Association of Health, Physical
Education and Recreation

President, Arkansas Association of Health,
Physical Education, Recreation, and Dance

Vice President, Recreation Division, Southern
District, American Association for Health,
Physical Education, Recreation and Dance.

Chairman, ~~of~~ Outdoor Recreation Section, ^{Southern District}
American Association for Health, Physical
Education and Recreation

Chairman, School Community Recreation
Section, Southern District, American
Association for Health, Physical Education
and Recreation.

Board of Directors, Arkansas Association
for Health, Physical Education, Recreation,
and Dance.

Outside Activities:

President, Board of Directors, Fayetteville Youth Center. (Served on Board ^{over} 25 years.)

Chairman, Parks & Recreation Advisory Board, Fayetteville, AR. (Served on Board - 12 yrs)

Council on Aging, 6 or 8 years.

Univ. of Arkansas, Faculty Staff Retirement Association. (President, 1992-93)

Noon Lions Club

Sunday School Teacher - ^{over} 30 years, First Baptist Church, Fayetteville, Arkansas
Boy Scouts of America - volunteer

(See Resume)

White Fright

About the time that Bob Dole was getting knocked around for having the audacity to question the values in contemporary popular culture, two studies worth at least passing notice by the Senator's Hollywood critics were released. One, from the National Center for Health Statistics (NCHS), reported that the rate of illegitimate births in the U.S. grew 54% between 1980 and 1992. The other, in the Journal of the American Medical Association (JAMA), chronicled the damage physical violence and substance abuse are inflicting on the health of U.S. teens. We suspect a connection.

A November 1993 article by Charles Murray on this page argued that "illegitimacy is the single most important social problem of our time—more important than crime, drugs, poverty, illiteracy, welfare or homelessness because it drives everything else." In 1991, the rate of illegitimate births among blacks was 68% and well over 80% in many inner cities. "If the proportion of fatherless boys in a community were to reach such levels," he wrote, "surely the culture must be 'Lord of the Flies' writ large, the values of unsocialized male adolescents made norms—physical violence, immediate gratification and predatory sex. That is the culture now taking over the black inner city." But it's also the culture of "the coming white underclass," Mr. Murray warned.

The new NCHS figures indicate that the white underclass and its shattered social norms are arriving faster than ever. While overall illegitimacy increased by a shocking 54% since 1980, illegitimacy among whites was up an even more appalling 94%, compared with only a 7% increase for blacks. And that's just a continuation of recent trends. The black illegitimacy rate was seven times higher than the white rate in 1970, four times higher in 1980, and only 2.5 times higher in 1992.

The rude truth, Mr. Murray noted at the time, is that America could survive such illegitimacy rates if they were confined to small enclaves. But white America is deluding itself if it somehow thinks it could survive the same epidemic that has devastated America's black communities over the past several decades. Trend lines for

black crime, labor force dropouts, and illegitimacy turned sharply upward as black illegitimacy passed 25%. There is no reason to believe the same won't hold true for whites.

And if the studies cited in the JAMA article are any sort of leading cultural indicators, the damage has already begun. Nationwide, one in four children ages 10-16 reported being assaulted or abused within the past year, according to a 1993 study. Among suburban teens in Ohio and Colorado, 14% of girls and 44% of boys reported being hit or punched at school. Marijuana use among eighth-graders has more than doubled since 1991. And 1.1 million girls ages 15-19 became pregnant that year (one reason, we suspect, why many embattled suburban parents say they're pro-choice).

The answer, say JAMA authors Dr. Michele D. Wilson and Dr. Alain Joffe of Johns Hopkins University School of Medicine in Baltimore, lies with parents, who play a critical role in determining what their children do. One study found, for example, that students who report spending the highest amounts of time with their parents have significantly lower rates of alcohol and tobacco abuse than students who spend the least.

If skyrocketing illegitimacy rates result in reduced parental guidance, as seems to us likely, there is of course a vicious cycle. That's why any attack on the total pathology must start with illegitimacy. Researchers Wilson and Joffe say advocating abstinence in sexual education classes is the minimum that could be done. "The effectiveness of school based behavioral interventions in delaying the onset of sexual activity among young people has been demonstrated," they write.

Discouraging illegitimate births should certainly top the list of objectives as Congress debates welfare reform this summer. But much more than that is needed. Averting the consequences of rampant illegitimacy will require a conscious change in attitude and behavior on the part of millions of individual citizens. That's why a national conversation about cultural values is needed and why the cynicism about Bob Dole's assault on Hollywood mores is so badly misplaced.

Boyle
Ta MWSJ. UK
BR

Time
- Control
- Attention

11

Permissive 'Rules of Engagement' at Issue in Ruby Ridge Shooting

THE WASHINGTON POST
FRIDAY, JULY 14, 1995

THE PRESIDENT HAS SEEN
7/14/95

By George Lardner Jr. and Richard Leiby
Washington Post Staff Writers

"Good morning, Mrs. Weaver," the FBI loudspeaker blared tauntingly at the mountaintop cabin. "We had pancakes this morning. And what did you have for breakfast?"

Vicki Weaver couldn't answer. She was dead, lying on the floor after an FBI sniper's bullet smashed into her head as she stood in a doorway, her 10-month-old baby in her arms.

That shot is echoing more loudly than ever in Washington this week. The Justice Department has opened a new investigation into the possibility of an FBI coverup in connection with the 1992 Idaho shooting and the "rules of engagement" that encouraged it. A ranking FBI official has already been suspended, reportedly for shredding a document that could have shed light on decisions made during the siege, particularly by Larry Potts, now the FBI's deputy director.

The rules were the most permissive ever laid down on the use of deadly force by the FBI. One veteran FBI hostage negotiator, Frederick W. Lancely, told Justice Department investigators in an earlier inquiry that he was surprised and shocked by the wording. Another agent deployed to the siege at Ruby Ridge said he understood the rules to mean "if you see 'em, shoot 'em."

Since that bloody siege, there have been repeated internal investigations of the FBI's conduct, but it is only now that the detailed findings are beginning to emerge. A special Justice Department task force produced a 542-page report last year, but that remained under wraps until it was obtained by the Legal Times and posted on the Internet.

The biggest controversy centers on the rules of engagement, telling FBI sharpshooters what they were to do in the effort to capture Vicki Weaver's white separatist husband, Randy, and a friend, Kevin Harris, following the killing of a federal marshal near the mountaintop retreat a day earlier. Introduced at Weaver's trial in 1993, they said:

"If an adult in the compound is observed with a weapon after the surrender announcement is made, deadly force can and should be employed to neutralize the individual.

"If an adult male is observed with a weapon prior to the announcement, deadly force can and should be employed—if a shot can be taken without endangering the children."

Justice Department officials later deemed the rules not only confusing but unconstitutional. But how they were drawn up and who approved them are still unclear almost two years after the death of Vicki Weaver. According to an internal Justice Department report on the incident, she was shot and killed before FBI agents on the scene asked for surrender.

The FBI did not make a "surrender announcement" to the cabin's occupants until 6:15 p.m., more than a quarter of an hour after the shots were fired. The Justice Department task force called the lapse "inexcusable and unjustifiable."

"The announcement should have been a priority at Ruby Ridge, not a rushed afterthought," the task force said. FBI Director Louis J. Freeh, who was not on the job at the time of the Idaho incident, later censured Potts for his poor oversight at Ruby Ridge "with regard to the rules of engagement" and promoted him to the No. 2 job. Freeh declared Vicki Weaver's killing tragic but accidental.

She was shot on Aug. 22, 1992, after FBI sharpshooters from the bureau's hostage rescue team had taken positions

on a ridge overlooking the compound. At the time, according to government reports, agents thought they were facing a heavily armed, possibly booby-trapped compound occupied by white separatists who had just killed Deputy U.S. Marshal William Degan when he tried to arrest Weaver.

The gunfire that day, Aug. 21, erupted after a team of marshals, clad in jungle camouflage and attempting to serve a warrant, shot and killed the Weaver family dog, Striker, a yellow Lab that had snuffed them out. Weaver's 14-year-old son, Sammy, was also killed.

The FBI took over from there, bringing in its elite hostage rescue team along with armored personnel carriers and helicopters. Potts has said he deemed the standoff "the most dangerous situation into which the FBI had ever gone" although Justice Department officials later said the threat had been exaggerated. There were no booby-traps or mines, Weaver had no arsenal, and the only people in the cabin were Weaver, his wife, their three daughters and Kevin Harris.

Potts said in a September 1992 affidavit that he and Richard Rogers, the head of the rescue team, agreed on rules of engagement by telephone on the evening of Aug. 21 as Rog-

ers was flying to Idaho.

Here is where the accounts begin to conflict. Potts said he and Rogers agreed that any adult with a weapon who was observed in the vicinity of the cabin "could be the subject of deadly force."

That would appear to mean that armed adults could be shot on sight. One FBI agent has said he heard Rogers tell his team that this would be "no long siege."

Shortly before 6 p.m., FBI sniper/observer Lon Horiuchi saw two men and a woman—Weaver, Harris and Weaver's 16-year-old daughter, Sara—come out the front door of the cabin. They later said they were going out to have a last look at Weaver's dead son, whose body was in an outbuilding. Horiuchi said he thought one of the men was armed and seemed at one point to be trying to fire at an FBI helicopter, which was at least 200 yards away.

Horiuchi fired, wounding Weaver without realizing it. As the trio ran back to the cabin, Horiuchi fired again. The bullet hit Harris first, and then Vicki Weaver in the doorway.

"The subjects were never given a chance to drop their arms to show that they did not pose a threat," a 1994 report by a Justice Department task force stated. "The subjects simply did what any person would do under the circumstances: they ran for cover."

The FBI conducted its review last fall and Freeh concluded it last January, announcing he was disciplining 12 FBI employees, including Potts. The penalty for Potts was a letter of censure, the same Freeh had once given himself for losing a cellular telephone. Potts, who also supervised the siege at Waco, retained the director's confidence and was put in charge of the Oklahoma City bombing investigation.

In his January announcement, Freeh agreed the rules of engagement could "be read by agents to act contrary to law and policy," but he maintained that the FBI sniper's decision to shoot was "guided by the FBI's policy permitting the use of deadly force in self-defense or the defense of others."

"[N]obody, thank God, was following the rules of engagement," Freeh said at a news conference.

"Either he's lying or he's ignorant or both," Weaver's defense lawyer, Gerry Spence, said of Freeh. The Wyoming lawyer said Horiuchi himself testified at Weaver's trial that he fired the shots he did "because of the rules of engagement" and his boss, Rogers, "said the same thing."

Freeh defended Horiuchi's second shot as "an attempt to prevent the armed suspect from gaining the tactical advantage of the cover of the fortified cabin from which he could have fired upon law enforcement officers."

Potts told Justice Department investigators in their earlier inquiry that the rules he and Rogers drafted "were not intended to supersede standard deadly force policy." He said the rules he approved over the telephone said only that deadly force "could" be used and not that it "can and should be." Potts went on to say that "should" does not mean "must."

Both Rogers and Eugene F. Glenn, the field agent in charge at Ruby Ridge, said that Potts had approved both the "could" and the "should" language. In a sworn statement to FBI reviewers, Glenn said: "FBI Headquarters approved the operations plan which included . . . Rules of Engagement."

The Justice Department's 1994 report said that there was no "written record" of what version of the rules was approved at FBI headquarters, but added that "it is inconceivable to us that FBI headquarters remained ignorant of the exact wording of the Rules of Engagement."

Glenn was given the severest penalty for failings at Ruby Ridge—a 15-day suspension, a letter of censure and reassignment to Washington—and it was Glenn who triggered the current inquiry in a May letter to the Justice Department's Office of Professional Responsibility.

He complained that the FBI's review had been unfair and distorted to protect Potts and others. Weaver was persuaded to surrender peacefully by former Green Beret Bo Gritz, a hero of militia-survivalist devotees, on Aug. 31, 1992. It was not until then that the FBI says it discovered that Vicki Weaver had been shot and killed. FBI agents had planted surveillance devices to pick up conversations in the cabin, but said later that the audio surveillance was of poor quality and that Sara Weaver's voice may have been mistaken for her mother's.

Weaver and Harris were subsequently acquitted on charges of murdering Deputy Marshal Degan. Weaver was found guilty only of missing a court date.

ATF Agents Participated in 'Roundup'

Director Confirms Reports of Whites-Only Gathering, Announces Inquiry

By Barbara Vobejda
and Kenneth J. Cooper
Washington Post Staff Writers

The director of the Bureau of Alcohol, Tobacco and Firearms (ATF) said yesterday that more than a dozen active and retired agents had attended or helped organize a whites-only gathering, known as the "Good Ol' Boys Roundup," held annually in Tennessee.

"I was appalled this was being held and law enforcement officers ... were attending events like this," ATF Director John W. Magaw told reporters yesterday. He said he had ordered an ATF investigation into the allegations about three weeks ago, and added that "you're going to see this investigation expand a great deal in the next few days."

House Majority Leader Richard K. Arney (R-Tex.) has also called for a congressional investigation.

While reports of the gathering have been circulating for several days, Magaw's comments yesterday were the first to confirm that ATF agents had attended and, to some extent, helped organize the event through agency offices.

But Magaw and other federal officials have underscored that the event, held near Ocoee, Tenn., in May, this year drew about 300 law enforcement officers from around the country, and relatively few were ATF agents.

"We had six active members there this year and somewhere between 10 and 15 retired persons," Magaw said. The question of whether other feder-

al agents had attended would be examined by investigators, he said.

The Washington Times this week quoted unnamed law enforcement officers describing the gathering as one where T-shirts bearing racial slurs were on sale, racially tinged skits were performed and "nigger hunting licenses" were available. A videotape of the event aired on Washington's WJLA-TV (Channel 7) this week also showed racial epithets on display.

The inquiry into ATF agents' participation in the event comes at a turbulent time for the bureau, whose actions at the Branch Davidian compound near Waco, Tex., in 1993 will be scrutinized in congressional hearings scheduled for next week. The agency is also being sued by 15 black agents on charges of discrimination. About 200 of the ATF's 2,000 agents are black.

These black agents, said attorney David J. Shaffer, who is representing the plaintiffs in the lawsuit, "enter at a lower grade, get paid less ... get fewer promotions and more discipline."

The Tennessee gathering, he said, "confirms ... there's an atmosphere of hostility at ATF."

Vanessa McLemore, one of the plaintiffs and head of the African American Agents of ATF, said she had heard about the "Good Ol' Boys Roundup" for many years. "I knew it had some degree of racial overtones," she said. "I did not realize how extreme it was until recently."

The roundup, according to Magaw and others, has been an annual event for at least 15 years. It began as a

family gathering of river rafting and sports, Magaw said yesterday on ABC's "Good Morning America." But over time, he explained, it became more "racist in nature."

For some of those years, Magaw said, the event was organized by a former ATF agent, Gene Rightmyer, out of the agency's field offices. Rightmyer, who retired in 1994, was stationed at offices in Tennessee and Greenville, S.C. At some point, the mail system at the Greenville office was used to organize the event.

Rightmyer could not be reached for comment.

Although agents may have attended the gathering on their own time, Magaw said, it could still jeopardize their standing as credible law enforcement officers.

"If I, a white agent, attended an event like that, and I went the next week exerting and using my ATF authority and had to arrest you as a black man, I would hope that attorney would discredit me pretty quick," he said.

Magaw said he learned of the allegations through the Internet, a computer network, and ordered an internal investigation. WJLA-TV reported that the videotape it aired of the event had been made and supplied to them by a member of an Alabama militia identified as Jeffrey Randall.

Militia organizations around the country have been critical of the ATF since the agency was involved in the fatal shootout with Branch Davidian members.

Most Corporate Leaders Support Disabilities Act

Poll Reveals Little Increase in Actual Hiring

By Jay Mathews
Washington Post Staff Writer

A national poll has found a large majority of business leaders are rejecting the notion that the Americans with Disabilities Act (ADA) has hurt their enterprises and are embracing the 1990 act as sound government policy.

The poll by Louis Harris & Associates Inc. indicates, however, that very little progress has been made in adding more people with disabilities to the workplace. It also found 12 percent of senior executives thought the ADA ought to be weakened or repealed.

Justin Dart Jr., a former chairman of the President's Committee on Employment of People With Disabilities, said the survey results showed that negative publicity about the ADA was coming from only "a few people in Washington, think tanks and ideologues."

ADA critics have said its rules forcing businesses to make themselves accessible to disabled customers and more supportive of disabled employees would cut deeply into profits and adversely affect jobs of both able-bodied and disabled people.

But the poll, commissioned by the National Organization on Disability, found that 48 percent of corporate leaders increased costs "a little" as the result of ADA and 32 percent experienced "no change at all." The poll said 7 percent of executives reported costs going up "a lot."

The survey was based on interviews in April with 200 executives with the title of senior vice president or higher and 204 equal opportunity managers, each representing a different company.

Twenty-seven percent said the average cost of employing a person with a

disability was greater than employing a person without a disability. The median cost of accommodating each disabled employee, according to figures from some of the executives, was \$223.

Despite criticism of the ADA among some business-oriented legislators, there has been no concerted effort to repeal or weaken the act. Alan Reich, president of the National Organization on Disability, an advocate for the nation's 49 million disabled people, said some members of Congress had called the ADA one of the unfunded federal mandates that have burdened local communities. "I found it very gratifying to have this confirmation that the corporate community thinks we are on the right track with ADA," Reich said.

Jerry Jasinowski, president of the National Association of Manufacturers, with 13,500 member companies, said the ADA had "opened many doors for the disabled community and increased understanding among employers and fellow workers." Barbara Bode, vice president of the 250,000-member Council of Better Business Bureaus Inc., said small businesses had learned that complying with the ADA "benefits businesses, consumers and the economy."

The poll seemed to confirm other studies indicating little increase in the hiring of disabled people since ADA was passed. A 1986 Harris poll found 62 percent of companies had hired people with disabilities in the three years previous to the survey. Asked the same question in April, the proportion went up slightly, to 64 percent.

"That shows we are dealing with the residue of thousands of years of discrimination and of making work inaccessible to people with disabilities," Dart said.

Reich and Dart said they were encouraged by company efforts to reach more disabled employees and applicants.

The proportion of executives who said they had made accommodations for the disabled increased from 51 percent in 1986 to 81 percent this year. The proportion of corporate employers with policies and programs for hiring people with disabilities increased from 46 percent to 56 percent.

THE WASHINGTON POST
FRIDAY, JULY 14, 1995

THE PRESIDENT HAS SEEN
7/14/95

7/16

Levon/Essie

Is the meeting

Mail to Ray w/ letter

~~Is the meeting~~

Discuss Larry in the world

Pat

THE PRESIDENT HAS SEEN

7/16/95

DBaer

Something we should
work into our speech -

Away -

Be

In Drunken Hotel 'Rampage'

POLICE, From A1

were involved, but Bratton said the duo took multiple trips.

Hagmaier was also found to have discharged a fire extinguisher, resulting in the triggering of the Hyatt fire alarm system and evacuation of more than 1,000 guests in predawn hours. Three other officers—Michael A. Alberti, Frederick W. Vasselmann and Andrew J. Hepworth—tampered with fire alarm speakers in their rooms, the investigation concluded. All five officers, if found guilty of disciplinary charges against them, will be fired, Bratton said.

Bratton also said that a police captain, not publicly identified, has been recommended for removal from his command for being "less than forthcoming" during the investigation. Officer Kevin T. Catalina was found to have been "unfit for duty due to the overindulgence of alcohol." Officer Ramona D. Vicario, a witness to the banister-sliding, resigned in June after a random drug test was positive for cocaine, police said. Also, 29 officers were found to have taken their guns to Washington in violation of directives from superiors.

Bratton said some errant officers likely were not caught despite what he called the most intensive Internal Affairs investigation in recent history. The investigation did not find that officers took part in reported "groping" of women guests.

The investigation found that a number of incidents blamed on New

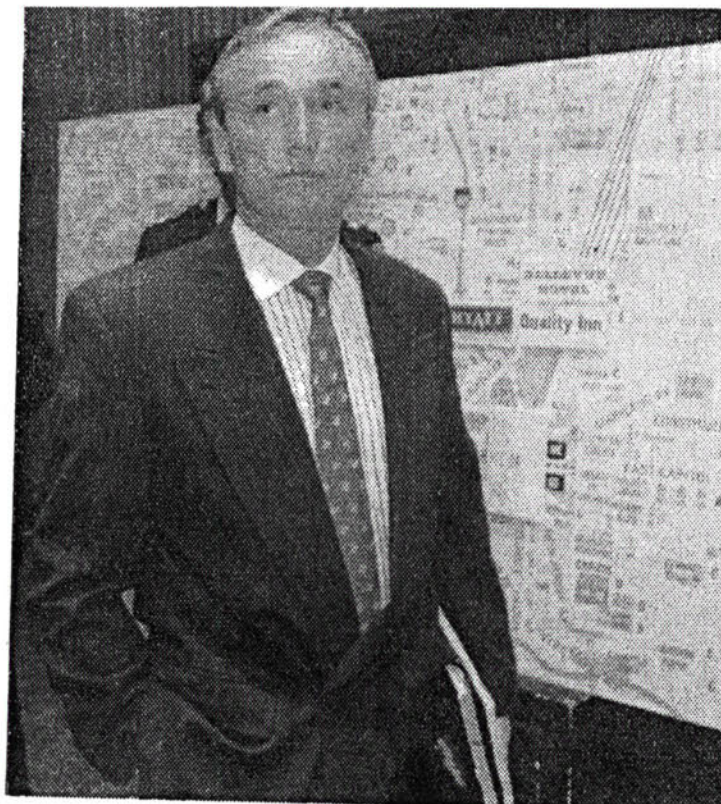
York police officers in fact involved officers from other cities, or revelers from other conventions. "NYPD" T-shirts were big sellers at the May 13-15 gathering, and Internal Affairs Bureau Capt. James Burns said two officers wearing NYPD shirts, who appeared to be drunk in widely published photographs, work for the Cranston, R.I., police force.

District police are investigating two criminal complaints from the weekend, in which thousands of guests at six hotels were forced to evacuate rooms in the middle of the night after drunken guests presumed to be visiting police officers set off fire extinguishers and sprinkler systems, triggering fire alarms.

There were also accounts of "hordes" of drunk and disorderly police officers at the convention to observe National Police Week and to honor officers killed in the line of duty.

One criminal case involved the vandalizing of a Somerville, Mass., police car in the garage of the Holiday Inn on C Street, where 60 New York police officers stayed. District police lifted 24 fingerprints from the car, and NYPD investigators found no match with any New York City police officer.

The other case involved robbery charges lodged by a Department of Defense employee who was a guest at the Hyatt. But District police told New York investigators that the alleged victim was "highly intoxicated," and Bratton said: "The guy was so drunk I don't think he even knew what the hell was going on."



New York Police Commissioner William J. Bratton before announcing disciplinary charges in D.C. incident that could lead to officers' firings

D.C. police officially had no comment on the status of their investigation into the events.

But two sources familiar with the D.C. department's internal affairs investigation said the probe of whether out-of-town officers were involved in a robbery of a guest is continuing. The robbery occurred at the same time the hotel was being evacuated because fire alarms were set off.

The NYPD investigation found suggestions of widespread drinking by police from across the country.

Burns said a D.C. Fraternal O Police concession sold \$100,000 of beverages, mostly and Kelly's Irish Times Bar provided officers with free beer.

Bratton observed, however New York is the only department in the country that investigated officers' behavior.

Bratton said that 1,000 New Yorkers attended the convention. "On the other side, that indicates that 993 did what they were supposed to do," he said.

Survey of Drug, Gang Defendants Details a Culture of Gun

By Sarah Neville
Washington Post Staff Writer

More than one in three admitted gang members believe that it is acceptable to shoot someone who "disrespected" them, according to a government-commissioned study released yesterday.

The proportion of people willing to use a firearm rose to almost two out of three when illegal drug sellers were asked whether it was "okay to shoot someone who hurt you."

The survey results presented at the Annual Conference on Criminal Justice and Evaluation provided additional evidence of the link between guns and the cultures of drugs and gangs in American cities.

National Institute of Justice Direc-

tor Jeremy Travis acknowledged he had been taken aback by the findings. "I'm surprised by the extent to which people in the inner cities involved in criminal behavior are living in a war zone where they frequently experience gunfire threatening to them and where guns are commonplace and widely available," he said.

The survey, conducted in 11 cities, included extensive interviews with people under arrest. Asked whether they needed a gun for protection in their neighborhood, more than two out of five of the arrestees said they did, with that figure rising to more than 50 percent among adult women. Among those selling illegal drugs in the past year, the figure was close to 60 percent, and among admitted gang members it was higher.

The research was conducted by Scott Decker, professor of criminology and criminal justice at the University of Missouri, and Susan Pennell, director of San Diego's criminal justice research division.

The project, part of a 23-city investigation into patterns of drug use, was ordered last October by Attorney General Janet Reno to gather information about the extent of illegal firearms use.

Decker said he found striking the "escalation of involvement" that suggested many young people were both victims and perpetrators of violence.

Almost eight of 10 admitted gang members told researchers that they had been shot at, an experience also reported by 65 percent of those who had sold illegal drugs in the past year.

Asked whether they had ever len a gun, one in three of those had sold illegal drugs and 37 percent of admitted gang members said had done so. Moreover, about same number of drug dealers a greater number of gang members said they had fired a gun during commission of a crime.

Pennell said a prime concern the extent to which gun use and session were now regarded as "mative behavior" in some inner-neighborhoods. Urging schools families to play a part in helping show young people how to se their differences peaceably, went on: "We're raising our child in such a way that we're suggest that if you don't like something, can just use a gun to deal with it."

THE PRESIDENT HAS SEEN

7/16/95

Melanne -
Jim Darsheid
Should handle
this
JH

7/17/95
Original sent to Jim Darsheid,
C. Crook

THE WHITE HOUSE
WASHINGTON

7-16-95
THE PRESIDENT HAS SEEN
7/17/95

Melanne

cc: Jm
Dorshkind

I never answered
these letters -

They both came to
the James Madison
Speech and praised it
Now I need a different
letter and they ~~should~~
should be part of the follow
up strategy —

BC

THE WHITE HOUSE

WASHINGTON

June 2, 1995

Dr. Charles C. Haynes
Visiting Professor Scholar
The Freedom Forum
First Amendment Center
Vanderbilt University
1207 Eighth Avenue, South
Nashville, Tennessee 37212

Dear Charles:

Thanks for your letter concerning the White House meeting, now scheduled for July 6. Your recommendations are very much in the spirit that led me to convene this forum. I believe it will be a vital opportunity to renew shared values and begin building a national framework for civil discourse.

I appreciate your thoughtful comments and your dedication to addressing the challenges of our diverse society. I look forward to working closely with you and Os in the days and weeks ahead.

Sincerely,

THE TRINITY FORUM

NEW LETTER
FROM OS GUINNESS

May 23, 1995

The President
The White House
Washington, DC 20510

Dear Mr. President,

It was a real privilege to be with you at the radio address and the character conference last Saturday. I deeply appreciated the invitation and your generosity in including my wife and son. Thank you so much.

I was delighted to hear that the White House will be holding a further conference on Wednesday, June 21. This letter, written with Dr. Charles Haynes of The Freedom Forum, is to share some suggestions for that conference as the White House begins to plan for it.

With the closeness of the election campaign and the imminence of the barrage of Constitutional amendment proposals, the time for effective action is short and the range of possible moves is narrowed. At such a moment any diffuse, generalized, or unfocused conference would achieve little. To have a chance of success, the conference would have to be clear in purpose, limited in focus, serious and substantive in content, and courageous and visionary yet strategic and practical in proposals. To that end, here are several suggestions for your consideration.

First, the purpose of the conference should be to address the deep divisions in American society and articulate a national way forward that is in the interests of all Americans, of whatever party, class, race, gender, and religion. A suggested title: "Living with our deepest differences—Renewing citizenship, civility, and community in an era of controversies and culture wars."

Second, the content of the conference should have five components:

- A survey and assessment of the problems.
- A clear articulation of what it means to find common ground and reforge the common vision for the common good.
- An announcement of a Religious Liberty statute as a wise and effective alternative to the proposals to amend the Constitution. (Note: Religious Liberty is mistakenly thought of as purely of religious significance. In fact, it is the political-social key to brokering differences in a pluralistic society.)

- Sharing excellent materials that help rebuild the common ground, such as The Freedom Forum's "Finding Common Ground: A First Amendment Guide to Religion and Public Education."
- Highlighting successful programs that demonstrate how communities can work together, such as the California Project "Rights, Responsibilities, and Respect," jointly sponsored by The Freedom Forum and the California County Superintendents of Schools.

Third, the audience for the conference should be the 75-100 American "gatekeepers" most involved in and affected by this issue (key leaders in the worlds of politics, religion, education, law, activism, and business).

Fourth, there should be at least four addresses given at the conference:

- A stage-setting speech laying out the historical and global perspectives on the problem.
- A look at the educational dimensions of the problem (If it is not considered presumptuous of us to say so, you might consider Os Guinness for the first topic and Charles Haynes for the second.)
- A look at the political dimensions of the problem. (A clearly bipartisan speaker, such as Bill Bennett, would be ideal here.)
- An articulation of the common ground, along the line of "The American Covenant" proposal sent last fall. (Clearly, this part would be your responsibility and privilege as President.)

Fifth, the conference should be followed by a Press Conference at which you could articulate the notion of an American Covenant and announce the proposed statute. Incidentally, we believe that the key "gatekeepers" from the media should be invited as citizen-participants rather than as "detached press observers."

Doubtless the White House already has its own ideas for this conference. These suggestions are offered only as a contribution to the planning. Our desire is to serve the interests of such a national reconciliation and we stand ready to help you in any way we can. The issues are urgent, the time is short, but there are some things that only you as "President of all Americans" can do.

With warmest regards,

Sincerely,

Os Guinness

Dr. Os Guinness
The Trinity Forum

Charles Haynes

Dr. Charles C. Haynes
The Freedom Forum
First Amendment Center
at Vanderbilt University

THE WHITE HOUSE
WASHINGTON

June 2, 1995

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WASHINGTON

June 2, 1995

Dr. Os Guinness
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Suite B
5210 Lyngate Court
Burke, Virginia 22015-1631

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I look forward to working closely with you and Dr. Haynes in the days and weeks ahead, and I hope to see you again soon. Please send my best wishes to your family.

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FROM OS GUINNESS

THE TRINITY FORUM

May 23, 1995

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Washington, DC 20510

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Sincerely,

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Dr. Os Guinness
The Trinity Forum

Charles Haynes

Dr. Charles C. Haynes
The Freedom Forum
First Amendment Center
at Vanderbilt University

THE TRINITY FORUM

FACSIMILE TRANSMISSION SHEET

TO: Bill Galston

ATTENTION:

ORGANIZATION: The White House

FAX NUMBER: 202-456-2878

DATE: May 23, 1995

PAGES: 3

FROM: Os Guinness

REMARKS: Please find attached copy of letter sent to the President today.

To: Julia Bator

From: Bill Galston

Subj: Os Guinness letter

SENDER'S NAME: Debi Siler

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I look forward to working closely with you and Dr. Haynes in the days and weeks ahead, and I hope to see you again soon. Please give my best wishes to your family.

*Approved Bill Galston
5/25*

② We need to really
review what we're doing
enough to protect federal
workers → some of them
① We have to ~~Don't think~~
check this ~~so~~
out.

THE PRESIDENT HAS SEEN
7/16/RS

Leon G. Smith

Officials at Forum Describe Alleged Militia Threats

By Serge F. Kovalski
Washington Post Staff Writer

A county employee in California was beaten and slashed with a knife. A murder contract has been put out on a Montana judge. And a federal wildlife worker received a threat that his wife and children would be bound in barbed wire and stuffed down a well.

These people say they were targets of terror by citizen militias and other right-wing extremist groups that viewed them as part of a sinister government conspiracy to wipe out individual rights. During a forum yesterday on Capitol Hill, law enforcement authorities, government workers, environmentalists and abortion rights activists described incidents of harassment, intimidation and violence carried out by paramilitary groups.

Democrats used the hearing to suggest that the groups enjoy a protected status with the GOP-controlled Congress, despite growing complaints from government workers that they are being singled out for harassment.

One witness, Karen Mathews, a clerk-recorder in Stanislaus County, Calif., was accompanied to the hearing by a sheriff's deputy as a precaution. She is scheduled to testify in a criminal case against nine members of a local tax protester group who have been charged in connection with harassing and attacking her.

Mathews's troubles started in November 1993 when she refused a demand by the anti-tax activists to remove a \$416,000 Internal Revenue Service lien imposed on one of its members. Bullets were fired through a window of her office after she received anonymous telephone threats and found a simulated pipe bomb under her car. Nobody was hurt.

But on the night of Jan. 30, 1994, Mathews pulled into her garage and was attacked by two men. She was kicked and punched repeatedly and her neck was slashed. Finally, a gun was placed to her head and the trigger pulled several times. But the chamber was empty. "My assailants said I was a messenger to all recorders. That if we did not begin to do our jobs and record their documents, this would happen to them too," Mathews recalled yesterday. One of the attackers "reminded me I would be easy to kill."

She lamented: "The beating has changed my normal existence dramatically. . . . I carry a gun at all times. . . . I never imagined I'd ever carry a gun."

Led by Rep. Charles E. Schumer (N.Y.), the ad hoc hearing was organized by seven House Democrats after majority Republicans refused their request for a formal hearing into militia activities. Democrats used the hearing to criticize Republicans for not taking



Waiting to testify are Darby, Mont., City Court Judge Martha A. Bethel, left; Montana state Rep. Deborah Kottel; Washington state Assistant Attorney General Cynthia Sybolt; and Stanislaus County (Calif.) Recorder Karen Mathews.

an interest in holding official hearings on the militia movement despite a letter signed by 61 House Democrats that was sent to Speaker Newt Gingrich (R-Ga.) requesting GOP participation. "Many in the Republican Party have become mealy mouthed mollifiers of militias," Schumer said.

In declining Schumer's invitation in a letter Monday, Gingrich said that the House Judiciary subcommittee on crime held a hearing on domestic terrorism on May 3 and that comprehensive testimony was submitted by the Anti-Defamation League, "which, as you know, has undertaken to monitor very closely the activities of many of these groups."

Schumer also criticized last month's Senate hearing in which militia leaders appeared before Congress for the first time, contending that "it quickly disintegrated into a soapbox for the wacky right." "This is just the first shot across the bow," Schumer said of yesterday's forum.

Several Democrats said they were particularly eager to probe reports that many militias receive a large chunk of funding from major U.S. corporations. They were also told by witnesses that some federal lawmakers have been intervening on behalf of militia members in disputes with government agencies,

as well as intimidating federal employees trying to enforce land use statutes.

Martha A. Bethel, a city judge in western Montana, said yesterday that she has been terrorized by the right-wing "Freemen" because of court cases involving its members, who claim she has no legal jurisdiction over them. She was told that she would be kidnapped and tried before the Freemen's "common law" court and sentenced for her acts, which were described as "treasonous."

The threats worsened after she testified before the state legislature on behalf of a bill that made intimidating a public official a felony. "I have since that time received hate mail from across the country. On two occasions I had my children live with their dad for a week at a time; I would like to spare them the terror of seeing mom kidnapped," Bethel said. "After threats of 'riddling my home with gunfire,' law enforcement officials visited my residence and showed me which room they would expect me and my children to hide in if the house came under attack."

The situation got so grave that they recommended Bethel keep a packed duffel bag at the back door, along with a police radio, and mapped out where in the woods she and her family should hide if they fled the house.

Last Easter weekend, she said, police urged her to leave the county after finding out that an attack on her house was in the works. Bethel said she has been told by a federal law enforcement agency that a contract was out for her murder.

Witnesses also talked about "paper terrorism," referring to the mounds of documents filed against county officials by extremists whose intent is to smear and bog down the system.

The director of a Washington state environmental group said that after testifying at a county council hearing last November she was confronted by a member of the Snohomish County Property Rights Alliance who pulled out a hangman's noose and said, "This is a message for you." Another man then said, "We have a militia of 10,000 and if we can't beat you at the ballot box, we'll beat you with a bullet."

Jeff DeBonis, executive director of Public Employees for Environmental Responsibility, gave a litany of violent acts against federal workers, including the bombing of a U.S. Forest Service office in Nevada and the attempted shooting of a biologist for the service in California. "The federal government's anemic response to [such] incidents creates the impression that threats and violence against federal employees are acceptable," he said.

6 New York Officers Cho

Altman to leave government service

BY CHARLES V. ZEHREN
 New York Newsday

WASHINGTON — Roger Altman, who has hung on as an unpaid Clinton administration adviser since resigning as deputy treasury secretary over Whitewater in September, said Tuesday that he's had it with politics and will leave government service.

"I am returning to the private sector ... in the fall," Altman said in a brief interview.

Altman wouldn't say what he intends to do. "That's private, too," he said. But when asked if that meant he was done with politics, Altman said, "I expect so."

Altman made his remarks after testifying before a heated hearing by the House Banking Committee's General Oversight and Investigations Subcommittee into the Resolution Trust Corp.'s failure to recoup billions of dollars in losses from fraud-ridden Texas savings and loans.

Altman was the Resolution Trust Corp.'s interim chief executive officer in September 1993 and directed a review of the losses, which were report-

ed by employees at Senate "whistle-blower" hearings.

Tuesday was the first time Altman had been called before Congress since being forced to resign after lawmakers said he lied about Treasury contacts with the White House over Whitewater Development Corp., the controversial Ozarks real estate investment of President Clinton and Hillary Rodham Clinton.

Altman relived the nightmare as House Republicans tore into him again and again, badgering him for lapses in memory and disavowals of actions confirmed in letters and memorandums.

In answering questions, Altman — a Wall Street investment banker and Clinton political supporter once touted as a possible treasury secretary — acted exasperated and looked exhausted.

At times he closed his eyes, shook his head or rested his chin on his chest.

"Do you think someone who is head of the RTC should remember what happened 15 months ago? I just asked a simple question!" shouted Rep.

Steve Stockman, R-Texas.

"I don't precisely remember that" meeting, Altman snapped, saying he believed the subsequent RTC report reviewing the Texas losses was "quite direct, quite forthright and quite critical" of the agency. "I am simply not aware of any attempt to diminish the problem."

While acknowledging that many of the savings and loan regulatory problems started under former President Bush, the Republicans said that under Altman the RTC failed to recoup losses or pursue wrongdoers aggressively.

"Altman came across like he was bored and bothered," said Rep. Peter King, R-N.Y., a member of the panel. "For a guy who has made as many mistakes as he did, he's a pretty arrogant guy."

Democrats on the subcommittee didn't attend the hearings or defend Altman. But Rep. Paul Kanjorski, D-Pa., who is on the full Banking Committee, showed up and criticized the Republicans for conducting a Whitewater-like witch hunt to discredit the Clinton administration.

White House counsel who killed himself in 1993.

The RTC is to go out of business at the end of the year, its functions to be assumed by the FDIC. But the agency's handling of the savings and loan cleanup continues to attract interest.

Tuesday, Treasury Department lawyers

agency, created in 1989, has recovered only \$36 million from officers and directors of failed institutions in Texas, the center of the savings and loan scandal.

Committee members also want to know the validity of investigators' complaints that cases involving 25 to 50 of the 137 institutions in Texas were in-

expertise to pursue all these cases."

Golden said listing complaints by investigators in a confidential attachment unavailable to the investigators might create problems.

Bah - saw!

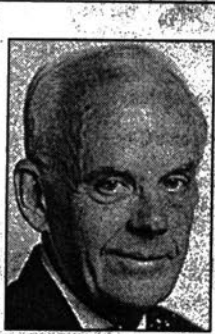
THE PRESIDENT HAS SEEN
7/17/98

Wait before you trash Clinton

Record shows the Reagan, Bush years weren't all that great.

AMES, Iowa — Let's look at the record. The Republicans — from Bob Dole on the right to Pat Buchanan on the right — say they could run this country better than Bill Clinton is running it. Maybe so.

But before you buy into that, before you listen to them trash Bill Clinton, before you put a new bumper sticker on your car, look at what happened between 1981 and 1992, the



COUNTERPOINTS
By Michael Gartner

12 years the White House was controlled by Ronald Reagan and George Bush.

The budget deficit in 1980, the year before the Republicans took over, was about \$73 billion. By 1992, their last year in office, it had soared to \$340 billion (or, if you want to toss in the Social Security surplus, \$290 billion).

Responsible

management? Hardly.

Outlays for means-tested entitlements — Medicaid, food stamps, family-support assistance, child-nutrition programs and the like — totaled \$45 billion in 1980. In 1992? More than \$140 billion.

Reform-minded policies? Hardly.

The number of employees in the executive branch in 1980 totaled 2.8 million, excluding soldiers. Employment in 1992? Around 3 million.

Corporate-like toughness? Hardly.

The number of Americans living below the poverty level in 1980 equaled a distressing 13% of the population. By 1992, it was a more distressing 14.5% — with that increase spread among whites, blacks and Hispanics. The number of children below the poverty level rose to 21.1% from 17.9%.

An effective safety net? Hardly.

The number of births to unmarried women nearly doubled during those 12 years, rising to more than 1.2 million from 665,000. When Reagan came into office, about 30% of all births were to unmarried women. When Bush left office, the figure had climbed to more than 45%.

A return to old-fashioned family values? Hardly.

The number of Americans earning \$75,000 and over equaled 8% of the population in 1980. The number in 1992 — and this is measured in constant dollars — had jumped by more than a third, to 11%. The percentage earning under \$15,000 a year actually rose

“
Republicans may think government is too big, but it grew dramatically ... the last time they had a chance to control it.
”

slightly, meaning the percentage in the middle classes fell.

A policy of spreading the wealth? Hardly.

The median income of households rose only a bit during the 12 years of Republican rule — and that was only because more wives entered the workforce. The median income of men declined during those 12 years, when measured in constant dollars.

A land of opportunity? Hardly.

Some other statistics:

America was at peace during those 12 years, yet defense spending rose to \$300 billion in the last year of the Bush administration from \$134 billion in the last year of the Carter administration. Interest on the national debt rose to \$224 billion from \$55 billion. Farm subsidies rose to \$20 billion from \$9 billion; spending on the administration of justice jumped to \$14.4 billion from \$4.5 billion.

In 1980, the government spent \$32 billion on Medicare; in 1992, \$120 billion. In 1980, the government spent \$118 billion on Social Security; in 1992, \$288 billion.

You get the idea.

No matter what the candidates and Newt Gingrich are saying, the statistics tell the story. And the story is this:

The Republicans may think government is too big, but it grew dramatically under them the last time they had a chance to control it.

The Republicans may say they want to reform social programs, but they soared in the Reagan and Bush years.

The Republicans may say they want a safety net to ensure dignity for all, but the number of people below the poverty level — men, women and children, black, white and Hispanic — rose during the Republican era.

The Republicans may say they aren't the party of the rich, but the rich got richer and the poor got poorer and the average man lost ground during the Reagan and Bush years.

And so, as you see the nightly news clips of the candidates wandering the farms of Iowa and the factories of New Hampshire, as you listen to them on the Sunday shows and as you read of their plans and pledges, you might pause and look back at the record.

For statistics don't often lie.

Politicians sometimes do.

COUNTERPOINTS' four columnists provide views from diverse perspectives on today's issues. **Wednesday:** Linda Chavez on foreign policy; **Thursdays:** Susan Estrich; **Mondays:** Tony Snow; **Tuesdays:** Michael Gartner.

OPINION

problem of the disproportionate college

David Osborne

A Federal Challenge for Local Ingenuity

In the new Republican Congress, block grants are breaking out all over. And heaven knows, they're superior to narrow categorical grants. But as the time for decisions draws near, it's worth stopping for a moment to ask: Are block grants the best we can do?

There is one simple idea missing from the block grant debate of 1995. It's called accountability for results. In their heat to downsize the federal government, the Republicans may miss the best opportunity in a generation to create a federalism that works.

We all know that the current federal system, with its 550-plus categorical grant programs, is a mess. We also know from every poll on the issue that the public supports devolution of responsibilities to state and local governments.

What we don't know is that block grants are the best solution.

Congress's inability to resist creating new categorical grant programs—they sprout up almost like weeds in a garden—has been a problem since the 1960s. By 1991 Congress funded almost 100 social service grant programs, more than 80 health care grant programs and close to 30 grant programs that dealt with housing or development in poor communities.

Many of these were for absurdly small amounts—\$3 million or \$4 million nationally. More than half of the Education Department's 90-odd programs were for less than \$15 million.

When one department administers so many tiny grant programs, something is wrong. Thousands of public employees, in Washington and in state and local governments, spend countless hours publicizing programs, writing and reviewing grant applications, reporting on how money was spent and auditing. Billions of dollars go to the professionals and bureaucrats who do this, rather than the intended recipients: students, poor people, urban residents and the unemployed.

For 25 years, the knee-jerk response has been the block grant, which consolidates many categorical grant programs into one grant with—at least theoretically—few strings attached.

There is just one problem with this. Block grants are blind to performance. They shower as much money on wasteful, ineffective programs as they do on innovative, cost-effective approaches.

We need a third way: block grants in which state and local governments compete in part based on the results they achieve. This kind of model has become common at the state level. Pennsylvania's highly regarded Ben Franklin Partnership, for instance, invented what it calls "challenge grants" to fund local economic development centers.

The concept is simple, and Congress would be wise to adopt it. Consider the idea of a community development challenge grant, administered by the Department of Housing and Urban Development. Under this approach, the federal government would establish broad guidelines, objectives and performance measures. State and/or local governments would then compete for challenge grants based on three criteria:



BY RANDY MACK BISHOP

"Block grants are blind to performance."

■ **Need:** This could be determined by a community's unemployment rate, poverty rate and median income.

■ **Quality of strategy:** Does the proposed strategy leverage private sector involvement? Does it empower communities to solve more of their own problems? Does it encourage competition and choice? Does it measure and reward results?

■ **Results:** The federal government would measure the number of jobs created, changes in the poverty and unemployment rates, job placement rates, private investment leveraged, changes in indicators of family health, incidence of graft or corruption and so on.

The higher a government ranked on those criteria, the more funding it would receive. Eventually, only two criteria would be necessary: need and results. Until data on results build up, however, HUD could use quality criteria to drive state and local governments toward strategies that have proven more effective than traditional service delivery by public bureaucracies.

This approach would cause states and localities to attack the problems federal programs are designed to solve, without dictating the approaches they use. It would tap state and local ingenuity without abandoning federal responsibility.

By setting goals, measuring outcomes and re-

warding success, challenge grants would push lower levels of governments to come up with strategies that worked. Local entities could focus on their own areas of greatest need and craft their own initiatives, without micromanagement from above. They could not, however, continue to collect their full grants without producing results.

The Clinton administration is already testing a version of this model through its "Oregon Option"—a performance-based contract between the state and several federal departments, first proposed last year by the Alliance for Redesigning Government. HUD Secretary Henry Cisneros has also proposed three performance-based block grants. Yet few Republicans in Congress are listening.

The Republicans' impulse to hand money to the states regardless of their performance is particularly ironic given the public's intense demand for more efficient and effective government. Remember, this is federal money, raised through federal taxes to attack national problems that state and local governments will never solve on their own.

It is easy to wax poetic about the virtues of state government. But as the author of a book on the subject, "Laboratories of Democracy," I feel compelled to inject some reality.

State and local romantics often forget one fact: States, cities and counties must compete to keep their taxes low, lest they drive businesses and wealthy residents away. This is why no state has ever made a sustained investment in combating poverty or creating a viable training system. It is also why no state save Hawaii—separated by thousands of miles of ocean from its neighbors—has ever funded universal health insurance.

It is equally ironic that Congress wants to give block grants only to the states. The fact that current proposals ignore local governments is perhaps the most obvious sign of how little thinking their authors have done.

Again, a dose of reality: The typical state bureaucracy performs a little better than the typical federal bureaucracy—but not much. Most of the real improvement in performance over the past two decades has come at the local level. In addition, most public services are provided by local governments, not state governments. And the level of government Americans trust most is—no guessed it—local government.

If Congress wants to make government work better and cost less, it will control its jorking wot and craft challenge grants aimed at both state and local governments. If it simply wants to make the federal government smaller, it will create block grants for the states. The choice will be revealing.

The writer is chairman of the nonprofit Alliance for Redesigning Government, managing partner of a consulting firm and co-author of "Reinventing Government."

THE PRESIDENT HAS SEEN
7/17/95

THE WASHINGTON POST
THURSDAY, JUNE 1, 1995

TOUP

Consider whether there
any ~~program~~ we could use
this as an alternative
to block grant or subgrants

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THE PRESIDENT HAS SEEN
7/17/95

purchasing cooperative and a requirement for employers to pay at least 50 percent of the cost of workers' health coverage.

A major factor in the demise of health care reform in Washington state is the 1976 federal Employees Retirement Income Security Act, or ERISA, which looms as an all-but-insurmountable barrier to most state initiatives. The law bars states from regulating health plans set up by the growing number of self-insured companies, thus seriously hampering the ability of states to mandate reforms.

Even though state initiatives assumed new importance last fall after the death of Clinton's agenda, Congress adjourned without granting Washington or any other state an ERISA waiver, thus all but guaranteeing further deterioration of the system.

Analysts therefore are not surprised by emerging evidence of what they believe is a resawakening public desire for health care reform. As a Wall Street Journal/NBC News poll found last week, for all the current emphasis on federal deficit reduction, Americans ranked health care reform as the most important of six legislative priorities. The poll said 45 percent wanted health care reform, up from 39 percent just five months ago, while 38 percent cited a balanced federal budget as the next most important priority.

The explanation for such surprisingly strong public support for health care reform appears to lie in an array of recent data.

Medical inflation is forcing more employers to cut health care benefits to workers and dependents, often by channeling them into less expensive managed-care plans or health maintenance organizations. By 1994, a record 21.1 million Americans were members of such networks, a 15 percent increase from 1993, the Group Health Association of America, an industry organization, reported last week.

In the worst-case scenario, employers simply stop providing coverage altogether first to dependents and then to the employees themselves. And in 1994, an additional 1.1 million Americans younger than 65 became uninsured, primarily after losing employer-provided coverage, according to Deborah Chollet, associate director of the Alpha Center, a health care think tank in Washington, D.C.

Gephardt Compares Talk-Show Host Liddy to 'Gangsta Rappers' (Washn) By Glenn F. Bunting* (c) 1995, Los Angeles Times=

WASHINGTON Comparing conservative radio talk-show host G. Gordon Liddy to "gangsta rappers" who promote violence against police, House Minority Leader Richard A. Gephardt, D-Mo., urged a group of like-show personalities Saturday to boycott a banquet honoring the former Watergate figure.

Gephardt criticized the decision by the National Association of Radio Talk Show Hosts to give Liddy its annual Freedom of Speech Award, saying the citation "is not only wrong, but outrageous."

In a midday address at the group's seventh annual conference in Houston, Gephardt said that honoring Liddy's "hateful speech" is the equivalent of advocating bloodshed. Liddy was scheduled to receive the award during a ceremony Saturday evening.

"If we can agree that gangsta rapper Tupac Shakur, a convicted criminal who has openly advocated violence toward law enforcement, is a disgrace to the shirvan of America," Gephardt said, "why can't we agree that Gordon Liddy, a convicted criminal who has openly advocated

violence toward law enforcement, is in many ways a gangsta rapper himself?"

Liddy, a former Nixon administration figure who was convicted of burglary for his role in the Watergate break-in, has generated controversy by suggesting to his listeners that the most effective way to shoot federal agents in self-defense is to aim at the head. The remarks were made as part of Liddy's reported verbal attacks on federal agents in connection with the 1993 raid on a religious sect's compound near Waco, Texas.

On his daily show, which is carried by more than 230 stations, Liddy has acknowledged using drawings of President Clinton and first lady Hillary Rodham Clinton for target practice. Nonetheless, Liddy insists that he has never advocated violence.

The decision by the Houston-based talk-show association to honor Liddy was by no means unanimous. Several prominent members declined to attend the ceremony in protest, and last year's recipient, former New York Gov. Mario M. Cuomo, now a talk-show host himself, refused to present the award.

(Optional add end)

Previous recipients have included author Salman Rushdie, columnist Jack Anderson and CNN correspondent Peter Arnes.

Some association board members welcomed the backlash, saying it has focused attention on the issue of free speech. They said the notion that Liddy is being honored for his specific views is absurd.

Gephardt told the broadcasters that he supports their freedom to exchange ideas and opinions on any issue and heeded much of talk radio as positive and provocative. But along with the protections offered by freedom of speech comes a responsibility, Gephardt said.

O'Leary's Travel Habits Unusual Among Cabinet Colleagues (Washn) By Alan C. Miller and Dwight Morris* (c) 1995, Los Angeles Times=

WASHINGTON U.S. Energy Secretary Hazel O'Leary defends her department against budget-cutting proposals to dismantle it by portraying herself as a master economist in government: reducing her work force, boosting efficiency and saving taxpayer money.

But when she hits the road in her job, as she often does, O'Leary is no bargain hunter.

Travelling in a style that is unusual, if not unique, among her Cabinet colleagues, O'Leary is the jet-setter of the Clinton administration.

On longer trips, the former corporate executive frequently upgrades her airline flights to business class or first class and sometimes authorizes staff members accompanying her to do so as well. And she routinely stays at expensive hotels, in contrast to more cost-conscious fellow Cabinet members.

The travel habits are apparent on the bills for all trips, other than flights on military or Energy Department aircraft, that she submits to the government. For her first two years on the job, the median cost for O'Leary's 61 domestic official trips was 54 percent higher than it was for Environmental Protection Agency Administrator Carol Browner's trips, 73 percent higher than for travel by Housing Secretary Henry G. Cisneros and 90 percent higher than Health and Human Services Secretary Donna Shulkin's trips, according to travel documents obtained under the Freedom of Information Act.

In a written response to questions, O'Leary said her

travel costs and practices are entirely appropriate and that, in fact, she had spent nearly \$14,500 of her own money on official travel. On most domestic flights, she upgrades to business class at no cost to the government, even though she is on duty 24 hours a day and does considerable work on route, a spokeswoman said.

"Secretary O'Leary is an activist secretary who believes that most of the work of the government is beyond the Beltway," said press secretary Barbara Someda. "She is responsible for supervising a nationwide network of sites, many of which are former nuclear weapons facilities located in remote areas of the Western United States, where transportation is sometimes time-consuming and expensive."

Two practices in particular put O'Leary at the top of the travel-expense list. The government has ceilings on the amount it will repay officials for meals and accommodations but, citing special circumstances, O'Leary routinely seeks hotel reimbursement at as much as 150 percent of the maximum level. Other Cabinet members usually find lodging for considerably less.

And most other agency heads rarely, if ever, upgrade from coach class on commercial flights.

The figures cited for O'Leary do not reflect one additional area in which the Energy Department outspends other agencies: travel by staff members. The energy secretary usually takes a larger retinue of aides with her on trips than do her Cabinet colleagues.

O'Leary's overseas travel tends to be expensive as well. One trip to London cost taxpayers \$26,814 for O'Leary and seven aides who joined her for an oil and money conference involving international government leaders and energy executives.

O'Leary, 58, a lawyer, oversees a \$17.5 billion agency and one of the largest federal bureaucracies, with 17,000 federal employees and another 140,000 who work for the government through contracts with private companies. Its responsibilities include cleaning up thousands of sites that were radioactively contaminated through the nation's nuclear weapons program.

(Begin optional text)

O'Leary was executive vice president for corporate affairs at Northern States Power Co., a gas and electric utility based in Minneapolis, before Clinton made her the first woman and first black to head the Energy Department. A multimillionaire, her annual salary is \$148,400.

She was early plaintiff for revealing information about government-sponsored atomic experiments and has led high-profile overseas trade missions to India, Pakistan and China where U.S. energy firms signed deals that the Energy Department said were worth at least \$19.2 billion.

While battling Republican efforts to eliminate her department in recent months, O'Leary has announced plans to close offices and reduce staff as well as cut back on overall department travel.

(End optional text)

An extensive review by the Los Angeles Times of the travel itineraries and vouchers of eight senior Clinton officials found that O'Leary's travel habits stood out. The median cost for her trips, which means that half her trips cost more and half less, was \$671.

Among those surveyed, only Veterans Affairs Secretary Jesse Brown recorded similar costs. His traveling style is not comparable to O'Leary's but he tends to take longer trips.

The figures of O'Leary and her counterparts appear low, in part because they include inexpensive trips, some of which involved only ground transportation and no overnight

stays. In other cases, political campaign committees picked up some of the tab if the trip entailed a political appearance.

Moreover, government officials can be reimbursed no more than a certain amount for meals and lodging, with those maximums determined on a city-by-city basis. In addition, hotel and airline often offer discount rates to government workers.

Overall, O'Leary spent a total of \$49,837 on domestic trips, a figure that does not include travel by her aides.

That amount was \$11,088 less than Clinton's cumulative cost, although he took nearly twice as many trips. Labor Secretary Robert B. Reich took only three fewer trips than O'Leary but charged taxpayers slightly more than half as much.

The seven times that O'Leary upgraded to business class or first class at public expense were generally on overseas or cross-country trips. She cited on her travel vouchers that she needed to do so to perform "work during the flight, to arrive at her destination fresh enough to conduct business and because of periodic back spasms. Federal travel regulations require such justifications for flying via any class other than coach.

On other trips, Someda said O'Leary upgraded by using frequent-flyer miles accumulated before she came to the Energy Department or by paying the difference herself.

The spokeswoman said O'Leary considers it cost-effective for aides to upgrade so they can work while in flight. Unless otherwise necessary, just a single seat is upgraded, with staff members moving back and forth from coach class to consult with the secretary.

But the practice can multiply the cost. During an October 1993 flight from Chicago to London, three staff members upgraded to business class with O'Leary. The additional charge to the government for the secretary was \$3,104; and the added amount for the three aides was \$7,057.

(Optional add end)

The lodging choices of O'Leary and her Cabinet colleagues are also a study in contrast.

When Clinton traveled to Boston in late 1994 for the RFA, she stayed at the Charles Hotel on Harvard Square at a cost of \$89 a night. O'Leary stayed at the Four Seasons for \$333 a night when she flew to Boston in November 1993.

When Reich went to New York for the Labor Department in April 1993, he stayed at the Sheraton Manhattan for \$121. Three weeks later, O'Leary flew to Manhattan and checked into the Ritz-Carlton for \$193.

Federal travel regulations permit officials to seek approval to claim up to 150 percent of the maximum per diem costs if one of several "special or unusual circumstances" applies. In Boston, O'Leary sought the higher rate in her travel authorization because she required lodging close to where she was scheduled to appear. She also did so in New York, citing high costs and her schedule.

The government maximum for New York accommodations was \$140, or \$210 at the higher reimbursement rate.

In Boston, however, even at the higher reimbursement rate, the secretary was able to put in for only \$173 for lodging. O'Leary paid the balance herself.

Overall, O'Leary billed the government for expenses that exceeded the maximum standard reimbursement rate on 61 of the 71 occasions when she stayed at a hotel in the United States, records show. Other agency heads took advantage of the higher cap far less often.

THE PRESIDENT HAS SEEN
7/17/95

Leon

let's discuss

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THE PRESIDENT HAS SEEN
7/17/95**Another view****Congress shouldn't butcher
new meat-testing system**

Scripps Howard News Service

Here's some planned deregulation that may make you sick — literally.

Legislation in the Senate and House would delay and perhaps even scuttle a badly needed updating of the nation's archaic "sniff and poke" meat and poultry inspection system.

That system was established in 1907, largely in response to Upton Sinclair's stomach-turning expose, *The Jungle*, and has succeeded in its original goal of stopping slaughterhouses from processing diseased or rotten carcasses.While science has advanced, the inspection system has not, and bacteria like salmonella and *E. coli* that can cause serious food-borne illnesses escape undetected. The government estimates that 4,000 deaths and 5 million illnesses annually can be traced to contaminated meat and poultry. The fatalities tend to be among the young, the old and the ailing.The U.S. Department of Agriculture says the solution to this is something called HACCP, pronounced HAH-SIP by insiders, which stands for Hazard Analysis and Critical Control Point Systems. HACCP would bring stringent science and

management techniques to food inspection, and, yes, it would cost the industry and consumers some money.

The Agriculture Department can hardly be accused of a headlong rush to regulate.The National Academy of Sciences recommended something like HACCP in 1985. The department began work on new standards for meat and poultry inspection in 1989, but it wasn't until 1993 when four children died from eating contaminated hamburgers at a fast food restaurant that work began in earnest. The proposed regulations were finally published this February and would take effect beginning in 1996 with a three-year phase-in.The industry is understandably reluctant to take on the added costs and hassle of HACCP. Food-processors exist in a market of, excuse the wordplay, cutthroat competition. And, the fact is, the industry processes an astonishing 130 million head of livestock and 170 billion birds a year, meaning the risk of food poisoning is statistically tiny. Still, the technology exists to make it tinier, a cost to consumers of an estimated 0.2 cents per pound. Even if that estimate is low, it's still a fair price.

Congress should allow the new food inspection standards to go forward.

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George W. Wilson, president

THE PRESIDENT HAS SEEN
7/17/95

THE WHITE HOUSE
WASHINGTON

*Back to
Hicks
Post*

July 15, 1995

MR. PRESIDENT:

Attached are two Mark Mellman items:

- A poll on attitudes towards environmental regulations in Delaware, Virginia, Nevada, Arkansas, North Dakota and Nebraska. The poll, conducted last month, shows that voters opposed a Congressional roll-back of environmental regulations by substantial margins.

- An analysis of a "dial group" conducted on swing voters in Baltimore on June 21, showing that your ratings improved dramatically when participants were shown clips of your speeches. The group was also shown clips of Senator Dole.

Todd Stern *TS*
Phil Caplan

*Only document
returned ^{was} the
1st document - poll
on attitudes towards
environmental regulations
~~action~~*



THE MELLMAN GROUP

RESEARCH-BASED STRATEGY

**ATTITUDES TOWARD ENVIRONMENTAL
REGULATIONS**

**PRESENTATION OF FINDINGS
FROM A SURVEY OF 500 VOTERS IN EACH
OF SIX STATES**

**DELAWARE
VIRGINIA
NEVADA
ARKANSAS
NORTH DAKOTA
NEBRASKA**

JUNE 1995

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THE PRESIDENT HAS SEEN
THE WASHINGTON POST
FRIDAY, JULY 7, 1995
7/17/95
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Philip M. Hocker

Digging a Gold Mine From the Treasury

This 104th Congress rode into Washington with reform guns blazing, pledged to shrink government, balance the federal budget and place the public's interest above traditionally powerful special interests. Is all this the aura of true fiscal conservatism? Or will the new Congress succumb to baser motives and resume the fiscal folly of favors for the same influential companies who have dug a gold mine from the Treasury in the past?

The law is more than a century out of date.

The test is reforming the 1872 Mining Law. That law was passed 123 years ago to legalize miners' diggings in the American West. Mining companies could not have asked for more: The Mining Law gave, and still gives, mining companies an automatic legal right to dig gold, silver or other metals anyplace on public land where they can make a profit. It lets them take the ores for free and pay no royalty to the public. It lets them mine without restoring the land and waters they foul to original condition when they finish. And it gives them power to "patent," or purchase, mineral-rich mine sites from the federal government for \$5 or less per acre, no matter what El Dorado lies beneath the surface.

None of this makes any sense in 1995. Our frontier is settled. Mining is run by huge multinational corporations, not lonesome sourdoughs. The pick, shovel and mule of 1872 have been replaced by trucks the size of three-story houses, excavators that take 40-ton bites from the land and annual doses of millions of tons of toxic mining chemicals like cyanide. This highly profitable industry neither needs nor deserves the special corporate welfare system Congress created for it 123 years ago.

Amazingly, though, the subsidies of 1872 are still the law today. And today's large-scale mining companies are exploiting the Mining Law in a very big way. In May 1994 a Canadian mining company, Barrick Gold Corp., patented 1,038 acres of land in Nevada—land that until then had been owned by all Americans. Barrick paid U.S. taxpayers \$5,190 for the mine site. It got clear title to the Goldstrike Mine, an ore deposit that holds more than

\$10 billion in gold.

A few months later, Santa Fe Pacific Gold Co., one of the largest holders of Mining Law claims in the country, bought 344 acres of federal land containing the Mesquite Mine in California. The site contains more than \$266 million in gold. The company paid \$1,725 for the patents.

Those are just two recent examples. Since 1872, by use of the Mining Law, more than 3.2 million acres have been patented, and \$273 billion worth of minerals have been taken from America's lands. The public's return? Five dollars per acre, at best.

The Mining Law's corporate welfare program has many facets besides patenting: its free grant to miners of the right to denude sensitive wild lands, its absence of environmental provisions tailored to the massive impacts of billion-ton open pits ("we're not just impacting the environment, we're removing it," an industry attorney exclaimed), its royalty-free annual giveaway of billions in valuable ores. All of these giveaways should be ended through comprehensive reform of the 1872 law. However, industry-friendly Western senators blocked comprehensive Mining Law reform last year, and it is stalled in the Senate Energy Committee today. The immediate test that confronts Congress is the patenting privilege.

Last September, Congress halted Mining Law patenting with a one-year moratorium. Not a moment too soon. Because, though much has been handed away, much remains. The moratorium blocked immediate giveaway sales of 235 more mine sites around the country, sites that contain \$15.5 billion in additional gold, silver and other minerals. Beyond those sites, the other lands that are still public and that have still not been patented hold more vast mineral riches: riches that belong to all Americans and that can help balance the federal budget. These are riches Congress should preserve, not patent.

But the moratorium passed last year was only a one-year halt, and now it must be renewed in the Interior Department's pending funding bill. Sadly, on June 20 the House Appropriations subcommittee voted to let the moratorium expire.

It gets worse: Not only does the subcommittee's bill restore the miners' special patenting privilege, but its report even includes a provision that directs the Interior Department to issue Mining Law patents on an accelerated timetable. The provision was written by large gold mining companies and promoted by Rep. Barbara Vucanovich (R-Nev.).

The full House of Representatives can still restore it. An amendment to reinstate the moratorium will be offered when the Interior Department's appropriations bill comes before the House in a few days.

There is little hope that the Senate will pass a moratorium if the House falters. The representatives will be tested by whether they stand up against one of the most egregious examples of corporate welfare on the books, the 1872 Mining Law's patenting legacy.

The writer is president of Mineral Policy Center, a nonprofit organization.

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THE PRESIDENT HAS SEEN

*2019-0774-5**7/17/95*~~Confidential~~

MEMORANDUM TO THE PRESIDENT

From: RBR *RBR*

RE: Restoring upward mobility/ Republican House Appropriation mark

Date: July 12

Even Business Week is sounding the alarm (in case you haven't seen the attached). It is, of course, at the core of what you are seeking to remedy, and at the core of the Republicans' greatest vulnerability.

The Labor/Education/HHS appropriations subcommittee did their deed. You have the details, I'm sure: Goals 2000 cut; dislocated worker funds (at the heart of your GI Bill for American Workers) cut by 34 percent from the 1995 freeze (adjusted for inflation, the cut is worse, of course); School-to-Work cut by 20 percent; and so forth.

Allow me to make a suggestion: I agree with you that the public dislikes partisan wrangling. But highlighting the fundamental difference you have with Republicans about the importance of education, training, EITC, minimum wage, and tax equity is not engaging in the sort of partisanship that the public dislikes; it is conveying your public philosophy about the purpose of government in the modern global economy.

A high-toned speech about the core problem you came to office to address, what you have done so far to begin solving it, and why the Republican position is so untenable -- in moral terms, in light of the survival of our national community -- would help sharpen the distinction, and lay the predicate for any fight in the fall.

I can almost hear your response: You've have made the point many times already and it isn't breaking through. With due respect, I disagree. You haven't really taken them on on this one central issue, dividing their vision and yours. Without such an "edge" of indignation, no message will penetrate. And it needs to be restated and restated.

Confidential
RBR
B
7/17/95

Laura → Do you know him,
Have we ever had him
in here to talk?
→ Do you think this anything new? BC

cc Rubin, ^{Ron} Reich, Brown, M Kantor,
CETA

THE PRESIDENT HAS SEEN
7/17/95

THE PRESIDENT HAS SEEN
7/17/95

Taming Global Money

Howard M. Wachtel

The nation-state has been weakened in its influence over economic performance. An emerging supranational economic order is imposing a unified ideology of free markets on an historical setting to which it is ill-suited.

Of all the changes in the global economy over the past generation, none have occurred with such alacrity as those in global money and finance. And in no other policy sphere have governments lagged further behind in introducing effective supervision and regulation.

Walter Wriston, who (as Chairman of Citicorp) was in on the creation of this new world financial order, has written that this was a "new system . . . not built by politicians or economists . . . which in turn has allowed [the] creation of a new international monetary system. This state of affairs does not sit too well with many sovereign governments because they correctly perceive [it] as an attack on the very nature of sovereign power."

As political sovereignty is challenged by privatized global finance, economic performance in the industrial economies suffers. The results are: higher unemployment, as wealth forsakes capital formation for financial speculation; lower trade volumes to cover the higher costs of foreign-exchange risk; and higher real rates of interest, as countries position their

interest rates competitively to stabilize foreign-exchange values.

The Federal Reserve Board of New York estimates that, after allowing for resales, some \$650 billion in foreign-exchange transactions are completed each day in New York, Tokyo, and London. Only about 18 percent support either international trade or investment—the ostensible reasons for foreign-exchange markets. The other 82 percent is speculation, the sole purpose of which is to buy enormous volumes low and sell higher in order to make a small unit profit, but a large overall profit. These profits appear as ephemeral jottings on a computer screen.

A globalized money system that recognizes no geographic boundaries threatens the most fundamental economic *raison d'être* of the nation-state—the ability to control its money supply and influence the value of its money. Using the marvel of modern computer power and telecommunications technology that recognizes no national boundaries, this foreign-exchange system comprises the essence of a *supranational economy*—one that is governed by the

HOWARD M. WACHTEL is Professor of Economics at The American University and is the author of *The Money Mandarins: The Making of a New Supranational Economic Order*, M.E. Sharpe, 1990.

fundamental tension between the unbounded economic geography of a private global money system and the bounded political geography of nation states. While recognizing that this technological and institutional genie cannot be put back into the bottle, it is essential, nevertheless, that boundaries be placed on the effect of its operations. There are two compelling reasons for boundaries: (1) a potential for vast financial instability; and (2) the undermining of the 20th century's governing project of social democracy.

THE SCOPE OF THE PROBLEM

Several criteria for the policies that will be proposed for dealing with this problem ought to prevail:

- They should be kept simple;
- existing national policies should be extended where feasible;
- existing venues and organizations for international collaboration should be used and no new ones created;
- no new international treaty arrangements should be promulgated.

With these criteria in mind, I suggest we extend all existing national monetary controls, regulations, and supervision to this global money system. It escapes all such government policies now. Much of this unregulated money flows through the Eurodollar system and comes under no national regulatory authority. The system takes its name from, and is defined by, the phenomenon of currencies used outside the borders of any country. It is, therefore, outside the jurisdiction of its nation of origin.

The birth of this system goes back to the late 1940s, when the Soviet Union placed its dollar holdings in a French bank to avoid the possibility of having these accounts frozen, should the United States employ this strategy to wage the Cold War. The funds grew slowly, and their potential was not realized until the United States imposed capital export controls in the 1960s. Banks and their multinational corporate customers then found ways around the exchange controls by using the Eurodollar system. The system reached maturity in the 1970s by being the principal receptacle of some \$350 billion in surpluses earned by OPEC countries.

About 85 percent of this surplus is made up of dollars, with German marks and Japanese yen being the two other principal currencies. Technically, these currencies should be regulated in the jurisdiction in which

they are used—a practice ignored for fear that the operations would be moved to an unregulated venue, if a government began to regulate their activities. We do not even have a good accounting of the dollars in the Eurodollar markets. A rough estimate is that it is nearly \$2 trillion. But no agency of the United States government regulates or monitors its movements.

CENTRAL BANKING REFORM

Effectively, the Federal Reserve Board has abdicated its central function of control over the portion of the money supply that is influenced by the Eurodollar system. The principal control instrument is the power to set reserve requirements. These are set-asides against deposits that banks are required to sequester. For the dollars that circulate inside the United States, banks are required to set aside such reserves. This is what limits the expansion of the money supply, affords the Federal Reserve control over this crucial monetary function, and allows it to influence interest rates. But no such reserve controls exist for Eurodollars. The growth of this component of the money supply lies solely in private bank hands. Here, banks can theoretically lend out all of their deposits, even, though they tend to hold small reserves—however, less than is required on domestic accounts. The ability to hold less idle reserves is what makes the Eurodollar system so attractive to banks. They can make all their deposits work for them, thereby receiving larger profits.

A globalized money system that recognizes no geographic boundaries threatens the most fundamental economic raison d'être of the nation state—the ability to control its money supply and influence the value of its money.

Because of these profits, they can charge lower interest rates than on domestic borrowing. The policy of extending reserve requirements to Eurodollars, therefore, would place them on an equal footing with domestic dollars. It would eliminate what is now an incentive for banks to hold and invest dollars outside the United States where they can earn higher profits, charge lower rates of interest, and escape regulatory and tax obligations.

The banks' arguments against such a policy change is that the United States does not have sufficient worldwide influence to effectively implement it and that German marks or Japanese yen would replace dollars in the Eurocurrency markets. In regard to the first point, when one government consistently controls 85 percent or more of the market, it has a "monopoly" position that allows it to dictate terms to the market. As to the second point, Germany and Japan have neither the desire nor the capacity to become the world's reserve currency. The real reason banks oppose this policy change is the loss of a major profit center. But this should not be the basis of a public banking policy, the purpose of which is to promote sound banking and economic stability.

? Reserve requirements on Eurodollars (combined with other policies) could encourage investment inside the United States and reduce the incentive now offered to investors outside the United States. The Eurodollar system presents the classic supranational dilemma for public policy. If banks are offered an unregulated and lower-taxed arena outside their nation of origin, and give up no domestic supports at the same time, they will opt to do business there rather than in the regulated and higher-taxed domestic economy. Without precluding banks from operating in the Eurodollar system, it is the job of our government to equalize the domestic and international structures in which banks do business. Otherwise, the outcome is predictable. Banks will protect their Eurodollar environment by investing outside the tax and regulatory scope of the U.S. government. The increasingly aggressive flight of capital from the United States in the past two decades is, in no small measure, induced by the skewed incentives provided by this abdication of public-policy responsibility.

WORLD TRADE

We shall see lower volumes of investment inside the United States and more investment outside as one outcome of the privatized and unregulated global financial system. A second outcome represents the higher costs placed on international trade and the resulting lower volume of world trade than would be the case, if public-policy boundaries were placed around foreign-exchange speculation. With speculation in foreign exchange comes risk for anyone dealing in future transactions that require conversion of currencies. This is as true for the lone tourist as it is for a large international-trade enterprise. The higher the volatility,

the greater the risk and the higher the cost of covering the risk. The volatility in exchange-rate fluctuations in the 1980s and 1990s has been far greater than anyone anticipated after the end of the Bretton Woods fixed-rate regime between 1971 and 1973 and the introduction of market-determined exchange rates. And with this volatility comes risk, higher costs of internationally traded goods, and a lower volume of world trade.

Risk is a cost that is added to the price of internationally exchanged products. The cost occurs when firms have to enter the futures markets to hedge their projected foreign-exchange transactions. While this adds to the employment and income generated in the peripheral financial sectors of the economy, the goods-production economy suffers as these higher costs are passed on in higher prices. And higher prices mean fewer goods and services sold and produced and lowered employment in those sectors. There is, consequently, a distributional shift in employment that arises from foreign-exchange speculation. Employment in the financial sectors of foreign exchange and futures markets that engage in speculation increase, but employment in the goods-producing segments of the economy suffers.

The increasingly aggressive flight of capital from the United States in the past two decades is, in no small measure, induced by the skewed incentives provided by the abdication of public-policy responsibility.

The most fervent advocates of free trade also resist most aggressively any efforts to place public-policy boundaries around the present foreign-exchange markets. But they fail to realize that these arrangements increase the cost of internationally traded goods and thereby lower the volume of international trade. Public policy that addresses foreign-exchange volatility and speculation is also trade policy in the best tradition of an open trading system—one that is shorn of the ideologically driven mantras of "free trade."

CURRENCY SPECULATION

Foreign-exchange speculation feeds off interest-rate differentials among the industrial countries. Even small differences in interest rates, after adjusting for

inflation and the risk associated with future exchange-rate changes, can trigger large movements of foreign exchange. Such a development can then take on a life of its own, magnify whatever differentials started the process, and end up destabilizing the structure of interest rates in the currencies that are in play. For example, when interest rates were lower in Great Britain than they were in Germany in 1993 (after taking account of risk and expected inflation) capital moved from Great Britain to Germany. This differential had arisen because of domestic policy decisions taken in each country. Capital moved from England to Germany, as speculators took advantage of the higher returns on the German mark.

Under ordinary circumstances, relatively small movements of currencies out of sterling and into marks would be of no consequence. But if the movement becomes a stampede, then both the mark and sterling will face destabilization. A large rush out of sterling will lower the pound's exchange rate vis-à-vis the mark. If it cannot be contained by intervention, pressure will be placed on British interest rates. First, the market will signal a drift upward in British interest rates to attract and retain capital. Eventually, it will have to be ratified by the central bank, thereby forcing a change in policy inside the British domestic econo-

One policy instrument—the domestic interest rate—cannot simultaneously stabilize foreign-exchange rates and achieve domestic macro policy objectives.

my. This scenario is not fiction. It happened to Great Britain in the summer of 1993.

The Bretton Woods arrangements were constructed, in part, to allow nations to follow their own domestic economic policies without having them distorted by foreign-exchange speculation. John Maynard Keynes, whose influence transcended all others at Bretton Woods, sought to take the price of money out of the play of the market. He did not believe the government should set prices. His one exception was the price of money, which has an internal and an external price. Its internal price is the interest rate, and its external price is the foreign-exchange rate—one nation's price of money in terms of another's.

Keynes's *The General Theory*, published in the mid-1930s, focused on the internal domestic economy. It ignored, for the most part, external economic rela-

tions in the international economy. Central to this work is the interest rate (the internal price of money)—its function, and how it should be determined. Keynes presented a persuasive case that the interest rate should be established by the central bank in order to achieve the objectives of high levels of employment. He insisted that the interest rate be taken out of the play of market forces and that it be one of the instruments of policy retained by the government. In *The General Theory*, this one price (and just this one price!) is set by government.

Keynes extended this reasoning at Bretton Woods. If the external price of money (the foreign-exchange rate) remained within the play of market forces, the domestic interest rate would be affected. It would be dragged into the market, be subjected to its influences, and would undermine the centerpiece of *The General Theory*. The creation of fixed exchange rates, established among governments in international accord, was designed to remove the external price of money from market forces, in order to promote international trade and quarantine domestic interest rates from external market forces.

The designers of Bretton Woods saw the two prices of money linked. If one were set free on the market, inevitably the other would be as well. This would not be a terrible fate, if one believed the market was more astute at setting the internal and external prices of money. But that is not what Keynes believed; nor was it the consensus of those who accepted fixed exchange rates at Bretton Woods.

All this collapsed between 1971 and 1973, when the fixed exchange-rate regime fell under its own weight. It was caused by the absence of imagination on the part of the industrial economies which, for more than a decade, had put off treating the fractures in the Bretton Woods fixed exchange-rate system. When a market-determined exchange-rate system replaced the fixed exchange-rate regime, external prices of money began to gyrate more widely with each cycle of exchange-rate fluctuations. By the end of the 1970s, domestic interest rates were pulled into this maelstrom and were used to stabilize exchange rates. One policy instrument—the domestic interest rate—cannot simultaneously stabilize foreign-exchange rates and achieve domestic macro policy objectives.

Just as Keynes had predicted, once the external price of money was left to float freely on the market, governments began to lose control over their domestic interest rates. In the 1980s and 1990s, the two prices of money have become linked more closely by tech-

nology and institutional changes in money markets. Policy managers have absorbed the lessons of the 1970s. They now try to calibrate domestic interest rates to foreign-exchange rate movements.

A NEW POLICY

The answer to this conundrum is to create a new exchange-rate regime that combines the best of the fixed and market floating systems—one in which the exchange-rate bands are wide enough to accommodate the market, but not so wide as to destabilize domestic interest rates. To make this work, however, a new policy instrument must be created—the coordination of interest-rate policies among the G-3, the United States, the European Union, and Japan. This will enable countries to pursue their own domestic interest-rate objectives, but not at the expense of the potential destabilization from other nations' interest-rate policies that is induced by the foreign-exchange rate-transmission mechanism at this time.

The important factors in the movement of short-term financial capital are the relative interest rates in any two countries. Their level is inconsequential. It should be possible, therefore, to engage in policy coordination over relative interest rates while slowly moving downward the absolute level of interest rates. Today, no one government can lower interest rates too much without threatening a run on their currency and capital flight. But coordination, which can be shown to be in the interest of each of the G-3 members, could restore government's policy capabilities.

The difficulties of such a new policy thrust shouldn't be minimized; nor should the obstacles be seen as insurmountable. The coordination need only occur among three countries—the United States, Japan, and the European Union (with Germany and France being the two major players in the Union). This is not a large group; nor is it one which does not already have formal and informal venues in which consultation goes on continuously. The key actors know each other very well and share a common financial culture and set of interests.

Nations have not pursued this collaborative interest-rate policy, because they have jealously guarded what they continue to believe is their exclusive franchise over the value of their money. But this has been only partially valid for nearly two decades. The more quickly countries abandon this fiction, the sooner will they be able to ask the appropriate questions about financial policy in the last decade of the 20th century.

AT THE CROSSROADS

The problems posed by this new supranational economic order extend beyond the boundaries of economic stability. Political stability is also threatened by a global regime in which the nation-state has been weakened in its influence over economic performance. This is true for the old as well as the new parliamentary democracies. The new parliamentary democracies in the post-Cold War era are in conflict with a supranational economic order that leaves scant room for economic improvement and imposes a unified ideology of free markets on an historical setting to which it is ill-suited. For the established market economies, a government that cannot control the internal value of its money—the interest rate—when its currency is under stress, or direct its economic destiny, has limited call on the public for support. In both instances, abstract forces emanating from the global economy appear to exercise more influence over personal economic futures than do elected governments.

The fragmentation of modern society and its accompanying resurgence of nationalism (seen most acutely in Europe) are, in no small measure, a result of the weakened economic influence of governments. Economic insecurity, rising levels of unemployment, and fear of the future all converge to destabilize political systems. They are seen to be ineffective in dealing with the erosion of economic vitality. Blaming others, bunkering down, and replaying old tapes of ethnic hatred are the result of governments having allowed the untamed forces of economic supranationalism to have their way with national economies.

Globalism begets tribalism. Governments no longer exercise dominion over their economies. The minutiae of nationalism's regression coexists with the grand scope of globalism's modernity. Tribal rituals have filled the security void left by public inaction. The threats to social stability spawned by the global economy, therefore, cut more deeply into society than the threat merely to economic stability. In the post-Cold War period, this threat has become translated into nationalism and its predilection to the balkanization of societies. By not attending to economic globalism, governments are encouraging the incubation of a nationalism that confronts them with a new security threat.

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Letter is 2 weeks
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THE WHITE HOUSE
WASHINGTON



07/17/95

NSC:

Please prepare a response for
the President to sign and for-
ward it to this office ASAP.

Todd Stern

(It is already overbilled)

4/2
Pres. Clinton spoke to Yeltsin
Roger? about finding their son
GENE & CHARLOTTE CUNY
July 3, 1995
Dear Mr. President,

We are the parents of Fred Cunny, and we are more grateful than words can express for your efforts on behalf of the search for him.

We are sure that your speaking to President Yeltsin about Fred's case, both in Moscow and in Halifax, will spur the Russian government to be of greater help in finding Fred.

Thank you, too, for meeting with our son, Chris, and grandson, Craig in Moscow. It was a great privilege for them and gave them new heart. Craig especially enjoyed working out with you! ☺

Thank you for all the Cunny family, but (this time) mostly for me.

Sincerely,

Charlotte (Mom)

1212 STONEWALL TRAIL
COVE RIDGE ESTATES
HEATH, TX 75087-8958

GENE & CHARLOTTE CUNY
1212 STONEWALL TRAIL
COVE RIDGE ESTATES
HEATH, TX 75087-8958



President Bill Clinton
1600 Pennsylvania Ave. N.W.
Washington, D. C.

20500



THE WHITE HOUSE
WASHINGTON

THE PRESIDENT HAS SEEN
7-17-95

95 JUL 12 P3:04

JULY 12, 1995

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MEMORANDUM FOR THE PRESIDENT

FROM: DOUG SOSNIK

SUBJECT: LETTER FROM BILL ROLLNICK

As you requested at last evening's fundraiser, Bill Rollnick has written you a letter (attached) proposing the infrastructure program that was discussed.

Please let me know what action you would like to take on this proposal.

*Laura T
What do you think
of this?
/BSC*

WILLIAM D. ROLLNICK
812 Fifth Avenue
New York 10021

July 12, 1995

President William J. Clinton
The White House
Washington, D. C. 20050

Dear Mr. President,

As regards the infrastructure program that we discussed last night, I see the program operating in the following way:

- 1) It will be a block grant program from Washington to the States.
- 2) It will have three components:
 - a) Education
 - b) Roads, bridges, airports, etc.
 - c) Private building construction, such as plants, offices, etc.
- 3) Each state will set up an oversight panel to run the program. The panel should consist of the Governor, the two majority leaders of the legislature, the two minority leaders and perhaps four individuals from the private sector.
- 4) For the Federal Government, a small organization (perhaps twenty people) would administer the program. I don't think that group should report to any cabinet department to avoid the danger of micro-managing.
- 5) States will be prevented by law from using any money for operations.
- 6) The program is specifically designed to finance capital projects, including new construction, re-modeling, refurbishment and additions.

Page two
President William J. Clinton
July 12, 1995

7) The States will submit its proposals to Washington. They will be reviewed and if approved they will be sent back to the States for them to proceed.

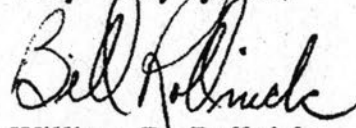
8) The governor of each state will have their program reviewed annually by an independent agency such as a public accounting firm as to progress versus plan and report this to the Governor. He, in turn, will report to Washington. Short of major problems this is the extent of the reporting requirements.

9) As far as the level of the program is concerned, I think it should start at \$10 Billion going to \$20 Billion year three.

Where does the money come from? Trust funds, some gas taxes, a slower tax reduction, a revamping of some program priorities and some other methods that Felix and Bernard Schwartz can conjure up.

Mr. President, this is a program that is desperately needed. It will provide good jobs and help the states provide the facilities that are badly needed. The block grant approach will work and will also help make the program bullet-proof.

Very truly yours,



William D. Rollnick

WDR/at

of the state budget by 2002.

Universities will be left with only 1% of state funds.

correctional system. One young woman majoring in nutritional science tells me she plans to work as a prison nutritionist. A physical education major hopes to find a job working with prison inmates. A bilingual freshman reveals her ambition to teach English as a second language in prison.

I feel enormous compassion for today's young people. From their perspective, the professional market has been glutted by baby boomers; industrialists have moved factories and assembly-line jobs overseas. Harsh prison sentences and the "three strikes and you're out" movement have created a frenzy to build more prisons, which, young people accurately surmise, will need to be filled to justify their construction. If they want to work in the human and social services, prisons are where the jobs will be.

Prisons are being built at the expense of public education. This year, California will spend more on prisons than on the University of California and the state university systems. The state estimates that it will need to build 15 more prisons by 2000. The cost to taxpayers will be \$4.5 billion. RAND Corp. has projected that the three-strikes law, if fully enforced, will consume 18% of the state budget by 2002. Universities will be left with only 1% of state funds.

We need prisons to protect us from society's most violent criminals, but prison building has not proved to be the best way to fight crime. It's no secret that severe drug laws, with long mandatory sentences for nonviolent offenses, are the major cause for the enormous increase in the recent prison population. Nor has prison proved to be a deterrent for nonviolent drug crimes. Crack and other drugs are still as plentiful as ever on the street.

None of this is rational. It costs far less to educate young people than to incarcerate adult prisoners. The California Dream, moreover, didn't emerge from thin air; it was built on a world-class public educational system that produced a skilled and literate work force.

Consider what kind of society prepares to incarcerate rather than to educate its young. Think about which "traditional values" we embrace when we prepare one sector of our young to stand guard over a large chunk of its own generation.

It could be an Orwellian dystopian tale, but alas, it's the harsh reality that American students face the '90s.

Ruth Rosen, a professor of history at UC Davis, writes regularly on politics and culture.

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By JAMES
TIMES STAFF

WASHINGTON
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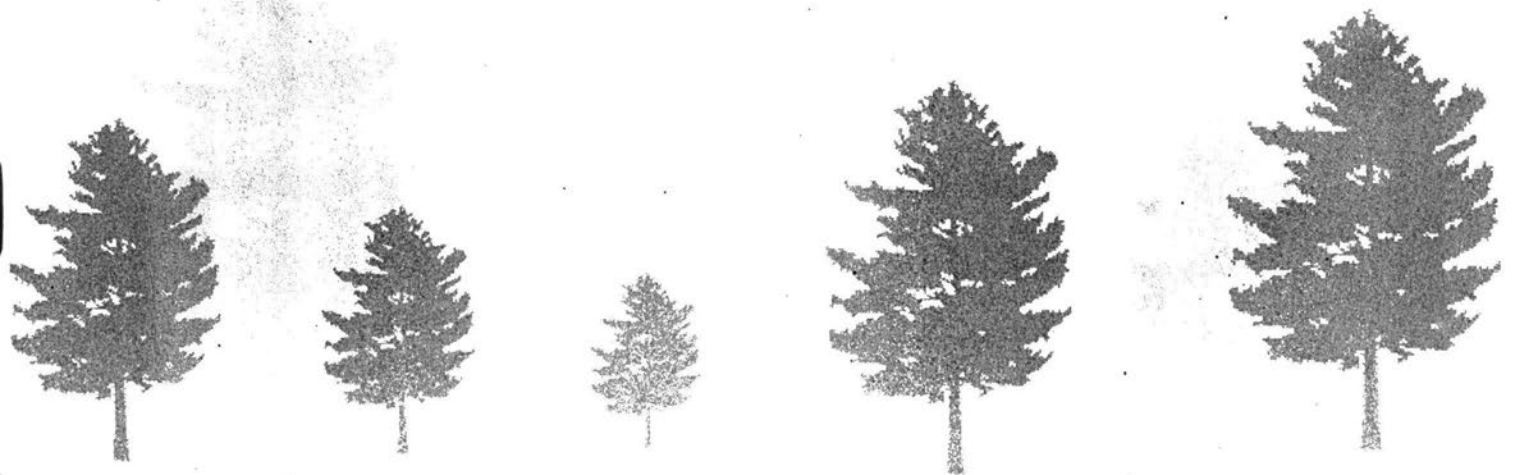
THE PRESIDENT HAS SEEN

7/17/95

Be

THE PRESIDENT'S FOREST PLAN

A bold, new way of doing business managing America's natural resources



• THE PRESIDENT'S FOREST PLAN •

The plan is a visionary blueprint built on five fundamental goals

- Support the region's people and communities during a period of economic transition
- Provide a sustainable timber economy
- Protect and enhance the environment
- Ensure federal agencies work together as one government
- Adhere to our nation's laws

Years of frustrating legal logjams are coming to an end

- In June, 1994, just two months after the plan's Record of Decision was adopted, federal courts dropped injunctions banning timber harvest from federal lands. For the first time in three years, timber sales in the region of the northern spotted owl could be offered and harvested.
- In December, 1994, six different lawsuits from representatives of the timber industry and environmental groups challenged the plan on 96 counts. The plan won on each and every count.
- Since that positive decision, to date there have been three other decisions on the legality of the plan, and the plan won all three. This has allowed 30 timber sales, and the region, to move forward...putting an end to gridlock.
- The plan's solid legal and scientific foundation is breaking gridlock by preventing lawsuits in the first place. For instance, many groups who originally challenged the plan chose not to appeal, and others withdrew their challenges to timber sales after examining the ecosystem protections built into the plan.



The timber supply pipeline is flowing again

In 1991, the federal timber supply pipeline was shut down to a mere trickle. A federal court injunction put the timber sale program west of the Cascade mountains in a straight jacket, because the federal government did not have a forest plan that was both balanced and protected the region's forests, salmon, and water quality. A flurry of lawsuits followed, gridlock engulfed the region, previous administrations failed to address this dilemma, and during all of this activity of inaction, the timber supply pipeline was running dry.

The President stepped up to the challenge to get a sustainable timber supply pipeline flowing again. In 1994, the injunctions were lifted just two months after the President's Forest Plan's record of decision was announced.

For the first time in three years, the legal logjam was broken, and federal timber sales in the region of the northern spotted owl are moving forward.

- Timber sales and harvests are back on track, with the Forest Service and the Bureau of Land Management working hard to move timber. Since the injunctions were lifted:

More than 300 million board feet have been offered for sale from federal forest lands in Washington, Oregon and northern California. Of that amount, 136 million board feet comes from the west side of the Cascades.

More than 900 million board feet of timber is under contract and awaiting harvest at the purchaser's discretion.

To date, nearly 870 million board feet have been harvested, enough to build 72,000 average homes and employ about 6,000 people.

The President is making good on the government's commitment to honor millions of board feet of timber sales that have been held in limbo for years.

Millions of board feet of timber sales came to a dead stop, tied up in the legal morass of lawsuits and gridlock that existed prior to the Clinton administration.

255 million board feet of these deadlocked timber sales are now cleared and ready, thanks to the re-inventing of government in the region, with the federal agencies now working together as one government, coordinating their efforts, streamlining reviews and processes.

Also, in the next three months the path will be cleared to release an additional 88 million board feet.

- Assuming that the federal agencies implementing the forest plan are given sufficient resources to get the job done, and the fire season does not pull Forest Service and Bureau of Land Management people away from timber sale planning, an estimated 800 million to 1 billion board feet of timber will be offered for sale in Washington, Oregon, and northern California by the end of this summer.



THE PRESIDENT HAS SEEN

THE WHITE HOUSE

WASHINGTON

95 JUN 29 P1:04

June 29, 1995

MEMORANDUM FOR THE PRESIDENT

FROM: DON BAER

DAB

SUBJECT: Magazine articles on Apollo 13

Attached are the article by Jonathan Alter in Newsweek and the Time piece I mentioned yesterday. Both articles make larger social points based on the Apollo 13 movie that we are considering for the "Common Ground" speech.

I am also attaching a Time magazine piece on working families that does a good job of describing their dilemma today, although it does almost nothing to give you credit for what you've done to help. It is, nevertheless, useful reading for speeches.

News

The Moral Equivalent of Apollo

Can't we help other Americans back from the dark side of the moon?

BY JONATHAN ALTER

FAILURE IS NOT AN OPTION." THESE ARE THE WORDS OF Gene Kranz, the Apollo 13 flight director played by Ed Harris, and they deserve to linger in the minds of moviegoers at least as long as the superb technical re-creation of the American space program. The film is tightly focused on the immense drama of the aborted mission; beyond astronaut Jim Lovell's daughter in a hippie costume, it pretends to no social comment at all. And yet I couldn't help thinking about the larger ideas this movie's heat shield reflects—not about 1970, but 1995. The real heroes of "Apollo 13"—on screen and in life—are today's villains, namely federal bureaucrats. The paper-shuffling government geeks who (we're informed daily from the House floor) couldn't handle a three-car funeral not only put men on the moon, they rescued them against all odds. Twenty-five years ago, failure was not in their vocabulary. Today, we're told, failure is their first name.

Unless there's an American soldier or airman in danger. Then we briefly suspend our disbelief about the federal government, and remember the miracles. In recent years, this impulse has become a kind of tiny rescue asterisk in our otherwise deep skepticism about what we can accomplish as a nation. When Americans are lost in space (or Bosnia) we pull together and get the job done. But when Americans are lost in America—through terrible education, say, or a broken welfare system—then it's hopeless. Let them come home under their own power. Let the private sector save 'em. Let the states do it.

Ironically, this loss of faith in Washington coincided almost exactly with the staggering accomplishment of the federal Apollo program. The Vietnam war soured the public on the government just as that same government was making history that will be remembered 500 years from now. The emerging bias against government solutions has been plenty justified by horror stories of unconscionable waste. But the bias is also impervious to evidence of success. The formulation went: "If we put a man on the moon, why can't we [fill in the blank]?" The assumption behind the question was that nothing ever filled in the blank; the moon was a glorious exception. In fact, in the years since, the U.S. government essentially ended hunger (through food stamps), cleaned up polluted air and water (through federal regulation), transformed the role of women and blacks (with routes for upward mobility). Almost no one stopped to notice.

It's true that today's problems are less amenable to NASA-style big fixes than yesterday's. The American family module is much easier to break and harder to repair than the lunar module. Even for technical problem solving, mainframes and command-and-control hierarchies are being replaced all over the world by PCs and decentralized systems, which work better.

But this development is not at odds with the message of Apollo 13. In fact, the small quality-circle teams of Houston technicians on the ground anticipated 1990s-style problem solving. At one point they saved the crew from fatal CO₂ poisoning by feverishly improvising a device with duct tape, then asking the astronauts to replicate their experiment. It worked. They literally fit a square peg into a round hole.

Social problem solving is often just a variation on these challenges. Simplistic as it was, Ross Perot had a point when he argued in 1992 that we need to get under the hood, identify what's wrong with education, welfare and the rest, experiment

with pilot programs, then apply the workable solutions nationally. In the case of Apollo 13, this took the form of grounded astronaut Ken Mattingly (Gary Sinise) and others experimenting under extreme time pressure with solutions in the Houston flight simulator, then telling Jim Lovell (Tom Hanks) to apply the ideas in space.

Such thinking is light-years removed from today's debate, where replicating an idea nationally has become unfashionable. Newt Gingrich's approach is to eloquently conjure the problem, but offer no solution. His favorite sound bite is: "You cannot maintain civilization with 12-year-olds having children, with 13-year-olds kill-

ing each other, with 17-year-olds dying of AIDS, with 18-year-olds getting diplomas they can't even read." Then he argues that Washington simply can't figure out how to change those conditions. National goals for education? No way. And don't dare compare them to JFK's goals for space. If the states want to try, fine, but forget the idea of a national mission.

If this kind of thinking applied to the space program, Apollo 13 would still be orbiting with three dead astronauts. Texas was not about to rescue

Lovell while Colorado figured out another way to get Jack Swigert back to earth. The private sector could not have handled the problem. Gingrich understands this; space exploration is an exception to his thinking about the role of the federal government. He supports it.

It's the implications of that distinction that are so troubling. Are Lovell, Swigert and Haise somehow more American, more deserving of heroic national efforts, than the rest of us, just trying to get prepared for brutal re-entry into the global work force? Of course, struggling Americans ultimately have to make their own way back from the dark side of the moon, just as the crew of Apollo 13 did. But they, too, could use a little help from those imaginative federal bureaucrats on the ground. To William James's moral equivalent of war, add the social equivalent of Apollo. If the plastic doesn't work, try the duct tape. That's our nation up there, and as the clock ticks down, the mission has not been completed. Failure should not be an option.



Suspending disbelief: Lovell, Mattingly, Haise

*The story's
real heroes—
geeky federal
bureaucrats—
are seen today
as villains*

T H E A R T S & M

CINEMA

HELL OF A R

With Tom Hanks as the pilot, Apollo 13 is a stirring tribute to the heroes who fly h



TEAM SPIRIT: Hanks, Bacon and Paxton as the stranded astronauts who put their heads together in a desperate disaster

EDIA RIDE

ly high in the face of failure



By RICHARD CORLISS

THE TYPICAL ADVENTURE MOVIE is a big, gaudy lie. It says life is a battle of one man, armed with only wit and grit, against a hostile universe. This romantic, existential notion does a disservice to the way most people live and work. We aren't solo flyers or secret agents. We are a squadron of team players dependent on our colleagues and increasingly on our machines to get us through our jobs. Often, because of those machines or those colleagues—or ourselves—we fail. And sometimes the bravest thing we can do is react quickly, boldly, gracefully to the failures and compromises we face every day. Getting along, getting by: it's a big subject the movies hardly ever touch.

The 17 Apollo moon missions, from 1967 to 1972, provided cubic tons of melodrama, from the explosion of the Apollo 1 test module that killed three astronauts to Neil Armstrong's buoyant lunar stroll from Apollo 11. The apogee of American know-how and teamwork, the program could, at the flick of a wrong switch, careen from triumph to tragedy. In this job, success meant you forged the ultimate frontier; failure meant you died with the whole world watching.

The Apollo 13 mission—launched at 13:13 military time on an April afternoon in 1970—carried the threat of death in its oxygen tanks. They exploded on April 13, imperiling both the mission and the lives of astronauts Jim Lovell, Fred Haise and Jack Swigert. Commander Lovell, history's greatest traveler with almost 7 million miles on his Gemini and Apollo odometers, had dreamed of walking on the moon. Now he and his companions would be lucky to walk again on the earth. In an anxious four days, they would learn how to pilot a wounded, runaway craft; they would assemble an air purifier using homely artifacts found in any space module; and they would hope against hope that the guys back in Houston knew how to improvise against chaos.

Apollo 13, based on Lovell's memoir of the mission, chronicles those hairy days and salutes the men who worked to keep a disappointment from becoming a catastrophe. Ron Howard's film pays tribute to the signal and endangered American

virtues of individual ingenuity and team spirit. "It gives credit where a great amount of credit has been forgotten," says Tom Hanks, the exemplary Hollywood star and former astro-nut teen who realized a dream of his own by playing Lovell. "Launching men into space is a fantastic undertaking, which very few people today seem to appreciate. It's ironic that we made a movie about a mission that was a 'failure,' because it's probably the best celebration of what NASA did."

A throwback to classic Hollywood pictures about men in groups—notably Howard Hawks' gruff flyboy panegyrics *Dawn Patrol*, *Only Angels Have Wings* and *Air Force*—the new film is also a splendid display of old-fashioned realistic special effects, which convince viewers not that they are in a cartoon but that they are inside a real rocket with real people who really might die. The result is that rare Hollywood achievement, an

adventure of the intelligent spirit. From lift-off to splashdown, *Apollo 13* gives one hell of a ride.

In *Cocoon*, *Gung Ho*, *Parenthood*, *Backdraft* and *The Paper*, Howard splashed his vision on a huge canvas and peopled it with a sprawling cast. His problem was that in pushing a zillion buttons on the plot console, he often pushed too hard. Perhaps fearful of losing his audience, Howard would let his films get shrill or dewy. In *Apollo 13*, though, he has only a few dips into bathos (a too-cute child's face here, a dotty grandma there). Mostly, he makes viewers partners, trusting them to

keep track of all the techno-talk, to take on faith what they don't immediately grasp.

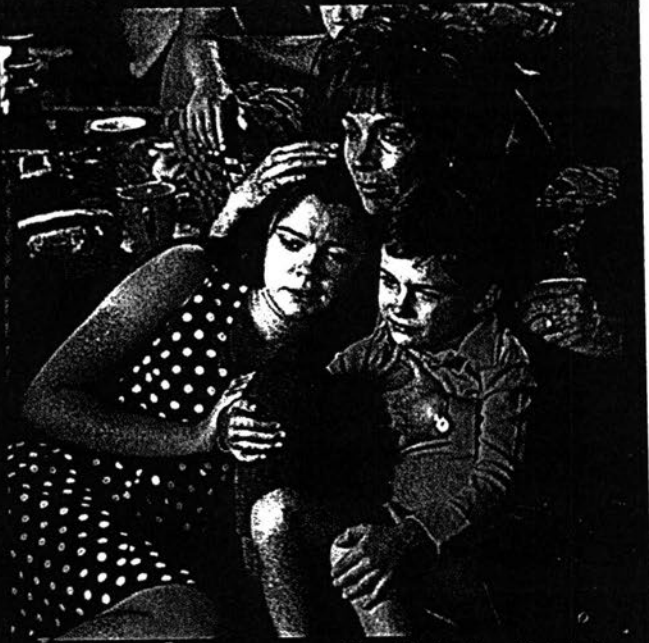
Led by Ed Harris as flight director Gene Kranz and Gary Sinise as Ken Mattingly, who was scrubbed from the mission two days before launch, the grunts of Mission Control are efficient and almost faceless, a Greek chorus busily computing solutions. The astronauts' wives, notably Marilyn Lovell (lustrous Kathleen Quinlan), cope sensibly with despair. Lovell's partners in jeopardy (Bill Paxton as Haise, Kevin Bacon as Swigert) keep things cool, especially when they nearly freeze in their icy cabin. And Hanks provides the anchor. His Lovell—as strong, faithful and emotionally straightforward as Forrest Gump—carries the story like a precious oxygen backpack. His resourcefulness gives Lovell strength; his gift for convey-



13 GHOSTS: The real-life Haise, Lovell and Swigert just before their ill-fated 1970 mission



THEY ALSO SERVE: Flight director Kranz (Harris) and benched astronaut Mattingly (Sinise) prove their heroism on earth



SINCE YOU WENT AWAY: Jim Lovell's wife Marilyn (Quinlan) and children anxiously watch TV for news of the mission

ing worry gives the film its humanity and a purchase on ordinary-Joe heroism.

In '60s newspapers and magazines, the Apollo astronauts were portrayed as heroes in the old mold: God-fearin', jut-jawed, steely-eyed missilemen, gazing into the skies they would soon conquer. These brainy jocks with their laconic C.B. chatter and their diplomas from M.I.T., Princeton, Caltech and Harvard were icons of stability in a most fractious decade: Americans looked across the Pacific and saw defeat. They looked at their campuses and saw revolt; at their inner cities and saw flames. For inspiration there was nowhere to look but up.

But what was there to see inside the techie Trekkies of Apollo? They seemed defiantly bland: all sinew, not much soul. They were the country-club Republican answer to '60s radicals. Instead of growing beards and dropping out, they kept their haircuts short and their rebellion in check. The most privileged among them played golf on the moon.

Which helps explain why, by Apollo 13—just the third moonwalk flight, nine months after the *Eagle* had landed—Americans were already sated with their star-cruising stars. Jim Lovell's little TV show on the third night of the mission, intended for the whole country's viewing pleasure, was not carried by the networks; it was a rerun of a rerun. Fly me to the moon? Yawn—no thanks. A vicarious lunar trip was now no more exciting than a seaside vacation with the kids.

All right, then. Imagine a minivan towing a small boat to the beach. The

minivan is *Odyssey*, Apollo 13's command module (named after the Stanley Kubrick film about a man lost and transformed in space); the boat is *Aquarius*, the lunar module (after the song from *Hair*, Broadway's hymn to hippie insurrection). Now imagine that, on a nowhere stretch of road, your van just about blows up. How do you get home?

IN ESSENCE, THAT WAS APOLLO 13's problem. After the explosion, *Aquarius* became a lifeboat; in it the astronauts would try sailing home on the gravitational breezes of the moon and the earth. To steer their vessel, they would refute the argument that astronauts were not so much pilots as passengers or cargo—they had to navigate using the sun and the earth as a compass. And with doom dogging their flight, newsmen and viewers finally paid attention. Imminent death is great for ratings.

Today it may be the recipe for hero making in the new conservative style. Here, after all, was a team that actually fulfilled its contract with America. The Apollo gang got a man on the moon in one urgent decade. Then they worked even more impressively to bring three men back safely from the beyond. William Broyles Jr., the former editor of *Texas Monthly* and *Newsweek*, and creator of the TV series *China Beach*, who wrote *Apollo 13*'s script with Al Reinert, spells out the family values: "In these cynical times, when exploitation of violence in movies is the norm, it was great

to make a movie about real, ordinary people who do extraordinary things."

As any producer or key grip can attest, the making of a big movie can seem more complex and fraught with peril than any missile launch. The miracle of *Apollo 13* is that for a relatively spare \$52 million, Howard and his team got it right. They knew what they wanted—and what they didn't. They were not aiming for the wild mix of comedy and rapture in the ultimate astronaut movie, *The Right Stuff* (1983); that, says Harris, "was about the space program as a p.r. phenomenon, whereas *Apollo 13* is about men fulfilling a duty." They didn't want a stratospheric disaster movie like the whiny *Marooned*, a 1969 annoyance about a fatal mission and a dead commander (named Jim!), or a paranoid thriller like 1978's zippy *Capricorn One*. The astronauts had felt burned by some of the space soap operas. "Listen," Lovell told Howard, "just tell our story as it happened, and you'll have a thrilling movie."

Howard's goal was meticulous realism, in everything from the arc of emotion to the gizmos on the module dashboards. "There must be more than 400 controls, switches, circuit breakers, buttons and lights in the spacecraft," says Dave Scott, the film's technical adviser, who as commander of Apollo 15 was the seventh man to walk on the moon. "I spent about three months looking at them all and found just one little, insignificant thing wrong: the color of a small scribe on a window."

"It was like cramming for an exam," says Harris of the film's preproduction.

Hanks calls himself "the most annoying person around" as a stickler for following procedure. He pored over the air-to-ground transcripts of the Apollo 13 flight to make sure he got the nomenclature down solid. "Most people," he says, "think a spacecraft moves like the *Millennium Falcon* as it zooms by the Death Star at light speed to defeat Darth Vader. We did this film in the real physical universe. It not only gave us more credence as filmmakers and actors, but it should help the movie become more involving for audiences." The hyper-real special effects were provided by James Cameron's Digital Domain unit, with Cameron (director of *The Terminator* and *True Lies*) serving as an uncredited consultant. Remarkably, not one frame of film was lifted from documentaries or NASA footage. All effects were created from scratch.

To achieve the effect of weightlessness in the space capsule, the *Apollo* team used NASA's KC-135, a converted Boeing 707 jet with an open cargo bay that climbs 30,000 ft. and then arcs into a dive, creating a 23-sec. period of weightlessness. The crew shot about four hours of weightlessness footage, which required more than 500 topsy-turvy takes—97 in one day. Says Lovell: "The actors playing astronauts actually spent more time in the zero-gravity plane than any real astronaut ever did."

The weightlessness took a while to master. "There were times when we'd finish shooting a scene, and I had no idea which way I was going to fall," says Hanks. But he soon learned to love defying gravity. "It's not a sensation you can liken to anything else," he says dreamily. "It's not floating like Superman but kind of floating like an angel."

Apollo 13 has a trace of this mooniness, the mystical nostalgia that seized most of the astronauts who got there and back. This cosmic optimism, the movie suggests, is one of the reasons for spending billions of dollars on the Apollo program: something wonderful is out there.

And something silly. When Howard toured NASA, he learned that the visitors' favorite question was: How do you pee in space? "Well," he decided, "that means we'll have to show it in the movie." So they do. Adds Hanks: "Maybe in the sequel we'll show how they go doo-doo."

Spoken like a steely-eyed missileman. —Reported by Jeffrey Ressler/Los Angeles

Nice Guy at Mission Control

By JEFFREY RESSNER

CHILD STARS LOSE IT ONCE THEIR HORMONES KICK IN, NICE GUYS finish last, and you can't shoot a movie in zero gravity. Those are just a few of the show-biz verities broken by Ron Howard, whose assured direction of *Apollo 13* may finally help people get past his image as the TV tyke who grew up in our living rooms on *The Andy Griffith Show* and *Happy Days*.

"It's Opie Gunningham!" folks on the street still yell out when Howard walks by, combining the names of his TV alter egos. Since his days as a child actor, however, Howard has gone on to direct a string of high-concept but engagingly human Hollywood entertainments (*Splash*, *Cocoon*, *Parenthood*) while maintaining his sitcom reputation as the most likable kid on the block.

Not that Howard's easygoing nature prevents him from firing unprofessional actors or screenwriters who can't deliver the goods. "He's tougher than all of us," Creative Artists Agency chief and Hollywood hardball player Michael Ovitz has said.

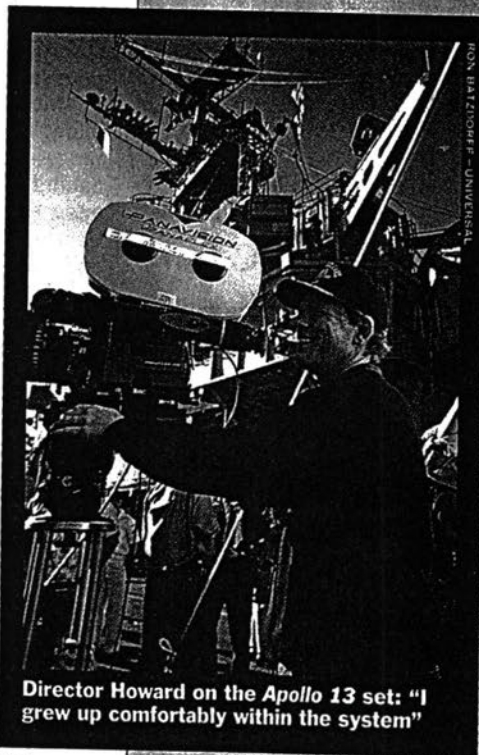
"The whole 'nice' thing has been overplayed," contends Michael Keaton, who starred in Howard's first studio film, *Night Shift*, as well as in the director's later features *Gung Ho* and *The Paper*. "He can make cold, hard decisions when he needs to. It's not like he rolls over. He does anything but roll over." Says Howard: "I'm not real neurotic, so I don't heap pressure on people unnecessarily. But if we're falling behind schedule or missing something artistically, it doesn't take a hell of a lot for me to let that be known."

Born in Oklahoma to an acting family, Howard made his stage debut at age 2 in a production of *The Seven Year Itch* directed by his father. Even during his days as TV's freckle-faced icon of small-town Americana, he was starting to learn the filmmaking craft. While in his teens, he won second prize in a Kodak-sponsored movie contest and briefly attended film school at the University of Southern California. Still,

Hollywood was wary when Howard tried to move behind the camera. "When I set up *Night Shift*, most studio executives didn't want Ron to direct it," recalls his longtime producing partner, Brian Grazer. "Some of those people are still around today—except now they're all trying to kiss his ass."

Unlike many directors who chafe under studio involvement, Howard says, "I grew up comfortably within the system and never felt terribly hindered by it. My instincts don't frighten them." Maybe that's because his instincts are so, well, comfortable. What attracted him to *Apollo 13* was not the techno-wizardry but the human story. "The bittersweet quality of Jim Lovell's experience definitely drew me in," says Howard. "Here was a guy, arguably the best-equipped individual to walk on the moon, and the opportunity was pulled out from under him. It was devastating, and we can all relate to that kind of disappointment."

Everyone, maybe, except Howard, whose career disappointments have been precious few. Yet he is typically modest about the technical feat of making *Apollo 13*. "I always feel like I'm flying by the seat of my pants," he says, chuckling. "I could carry the analogy further and say I haven't even come close to making a movie on autopilot yet. I hope I never do."



Director Howard on the *Apollo 13* set: "I grew up comfortably within the system"

■ NATION

Working Harder,



J.B. DIEDERICH—CONTACT FOR TIME

Getting Nowhere



Millions of American families hold two or three jobs but still can't afford necessities and see little relief ahead

By NANCY GIBBS

THE BILLBOARDS AROUND Orlando, Florida, call Kissimmee "the affordable place to live." Take I-4 south and look for the Disney World exit, then drive in the opposite direction. There, behind the souvenir shops and motels, live America's working poor. It's not a bad neighborhood. The lawns are mowed, and the kids can play safely in the street. Anybody who wants a job can find one: Orlando was one of the nation's top five cities for job growth last year, with 40,000 new positions. Only 10% of the area's residents live below the poverty line.

All this is small comfort to Terri Yates. Last year, working full time, she took home about \$10,000 as a cabdriver. This year she expects to do better. But even with Terri working six-day weeks and her husband Philip driving a cab all seven days, they still can't scrape together a down payment on a house. Terri's 1985 Pontiac needs radiator and clutch work; Philip is still paying \$160 a month on a 14-year-old Mazda pickup. "I'm making less money than ever in my whole life, and I'm working more," Terri says. "I have no life. The only thing that holds me together is my children. But I can't even afford to send my daughter to the dentist for a cavity." Terri is proud that she has never been on welfare, but she feels little kinship with the politicians who extol workers like her. "I feel lost," she says. "Now everything goes up but people's wages. Either you're rich or poor."

When Capitol Hill revolutionaries vow

TROUBLE IN PARADISE

Even in Florida's tourist belt, Philip and Terri Yates (with daughter Megan) work long weeks but barely get by



THE BABY SHIFT

Nancy Tillack, far right, works nights, her husband works days. "We have no real life," she says

has our time when we're awake enough."

Soon after moving to Utah from North Carolina, they were homeless for three months. "It's payday to payday. If one of us gets sick, it would be trouble," says Tillack. "We both love our jobs. We feel useful and productive, but I don't think anybody has job security anymore. We work hard to make ourselves indispensable."

The Tax Crunch

THE WORKING POOR MAY not expect much from the government, but at a min-

imum they wish the government would not make their hard lives even harder. But that is what happened in 1983, when a blue-ribbon commission headed by Alan Greenspan decided to "save" Social Security by hoisting payroll taxes to record heights. The employer and employee share of the payroll tax, which in 1960 was 3% each, for a total of \$530 for people who worked full time at minimum wage, now stands at 7.65% each for a total of \$1,352. Today more than three-quarters of American households pay more in payroll taxes than in income taxes. "We ought to let the working poor keep all their earnings until they reach a higher level of income," says Douglas Besharov, resident scholar at Washington's American Enterprise Institute. "But politically, it would be difficult to do, because if we lifted the payroll tax, it would become clear that Social Security is a form of intergenerational welfare." Instead, the earned income tax credit was supposed to provide relief. In 1986, when Ronald Reagan expanded the EITC, he called it "the best antipoverty, the best profamily, the best job-creation measure to come out of Congress." But now the Republican budget cutters have EITC in their sights.

Bernice Jackson can't fathom why politicians want to cut the EITC. They can't understand the hardship of a life such as hers "unless you've lived it," she says. "They can't just say we need to work harder and things will be fine."

Jackson lives in a small trailer home in Appomattox County, Virginia, with her disabled husband Virgil and their three children. For 17 years she has cooked and cleaned at a training center for mentally

to lift millions of Americans off the dole and into the work force, this is where they would land first, among the more than 10 million Americans who hover one rung above welfare on the nation's "ladder of opportunity." These are people who tiptoe between paychecks and have no savings, who ride the bus to the discount stores, who sell their plasma until their veins scar, who don't bother to clip coupons for Cheerios because the generic version is still cheaper, and who can be wiped out by even a minor medical problem.

Last week their position looked more precarious than ever. The Labor Department reported that despite the exuberant stock market and mild inflation, real wages keep on falling. For the lowest-earning 10% of workers, the weekly paycheck averaged \$225 last year, a 10% drop since the late '70s after inflation is taken into account. It means that more people than ever are working full time and still living below the poverty line of \$15,141 for a family of four. Millions more are scraping by, just one broken refrigerator away from crisis. Says Labor Secretary Robert Reich: "If we don't take steps to begin to reverse the trend for so many workers who are sinking in this new economy, we will be paying a high price as a society."

What to Do

SUCH FIGURES WILL MAKE IT EVEN HARDER for politicians to tout the virtues of work over welfare. "We've got years of stagnant wages and people who are working hard and being punished for it," President Bill Clinton told a crowd of enthusiastic New Jersey autoworkers last week. "The question is, What are we going to do about it?"

He talks cheerily about enterprise zones and community block grants. Republican Bob Dole talks about patience, while the Republicans set about shrinking government, shedding regulations and flattening taxes. "We've got to take a long-term view of this," he says. "I think we're on the right track. If we're not, I assume they'll throw us out." In the meantime the working poor work, and wonder what it would be like if the politicians had to walk in their shoes, just for a day or so.

Close to the Edge

IN ATLANTA, A QUARTER OF THE PEOPLE who call the homeless hot line are working people: schoolteachers, chefs, computer-maintenance men, airline flight attendants. The standard recommendation is that a family should budget 30% of its income for housing. Among the working poor, 70% is more typical. "It doesn't take much in the way of an unforeseen circumstance to spin these people right out of control," says Anita Beaty, director of Atlanta's Task Force for the Homeless. "You cannot pay rent and child care on minimum wage."

David Harris works from 3:30 to 11:30 p.m. at the Travelers Aid Society shelter in Salt Lake City; his wife Nancy Tillack works there from midnight to 8 a.m. This means that if they need anything more than a couple of hours of sleep, they are never together for more than an hour or so a day.

"When we're home, we have no real life," Tillack says. They take turns looking after six-year-old MacKenzie; at least they don't have to pay for day care out of their combined weekly income of \$720. "It's hard on her," Tillack admits sadly. "She

KENNETH JARVICE—CONTACT FOR TIME

disabled adults; she brings home \$1,000 a month, while Virgil's disability payments add \$560. Credit cards are banned from the house; she is still ashamed of how they ran up a huge debt and had to declare bankruptcy. The creditors were so aggressive they came and demanded her engagement ring and Virgil's wedding band.

This year Bernice received a \$1,000 refund from the ERTC. Some years she needs the refund for emergency repairs. This time she indulged in a small luxury for herself; she bought a treadmill. "You'd be depressed if you didn't treat yourself sometimes," she reasons. "I work every night, and I still can't make ends meet." She knows that there are people on welfare who are collecting more than she does. "But I believe in earning my way." The family has no savings at all. Son Jodie just graduated from high school, but Bernice couldn't afford to buy his graduation pictures. The mantels are filled with trophies from the daughters' track meets; but it's a struggle to find the cash to send them to the events. "Sometimes I just have to tell my kids they just can't go," she says.

Welfare vs. Work

AN URBAN INSTITUTE STUDY CONSIDERED the case of a hypothetical Pennsylvania woman with two children who received \$4,836 in AFDC, \$2,701 in food stamps and \$3,000 in Medicaid benefits, for a total of \$10,537 in cash and benefits. If she took a full-time job at minimum wage, her family would gain \$9,516 in earnings before taxes and lose Medicaid, AFDC and one-third of her food stamps. Moreover, she would have to find and pay for day care. Welfare recipients who take part in job-training and education programs are eligible for subsidized care; for the working poor, day care can consume half their take-home pay.

"They send these AFDC people back to school. How come we don't do that for the working poor?" asks Eloise Anderson, an African American who grew up in a poor neighborhood in Toledo, Ohio, and now heads the California Department of Social Services. "They made the same bad decisions, except the working poor usually

ON THE EDGE

Heather Beck, the only employee of her machine shop, looks for a cheaper apartment to cut costs

live with their decisions; they go to work, they say, 'Hey, I blew it, but I'm working.'"

Heather Beck, 23, earns \$1,200 a month at a machine shop in Spokane, Washington. She is the only employee left following layoffs last month. Heather handles everything from typing and filing to the actual machine work. Her rent and day-care costs alone total \$1,000. Last month, she reports with great pain and embarrassment, she had to borrow \$200 to pay her landlord. "It just about killed me to do it," recalls Beck. "I don't even know how I'm going to repay it."

She is on a 200-person waiting list for subsidized day care for her two children and has found little sympathy from other agencies. "They said if I wasn't living on \$500 a month, they weren't going to do anything for me, and that's for a family of three!" says Beck. "My ultimate frustration that day was that their message was that it would just be easier to give up and go on welfare." Beck bristles at talk of getting people off the dole and into the work force. "The people that are really working and trying to succeed are the ones who get the least amount of help," she says.

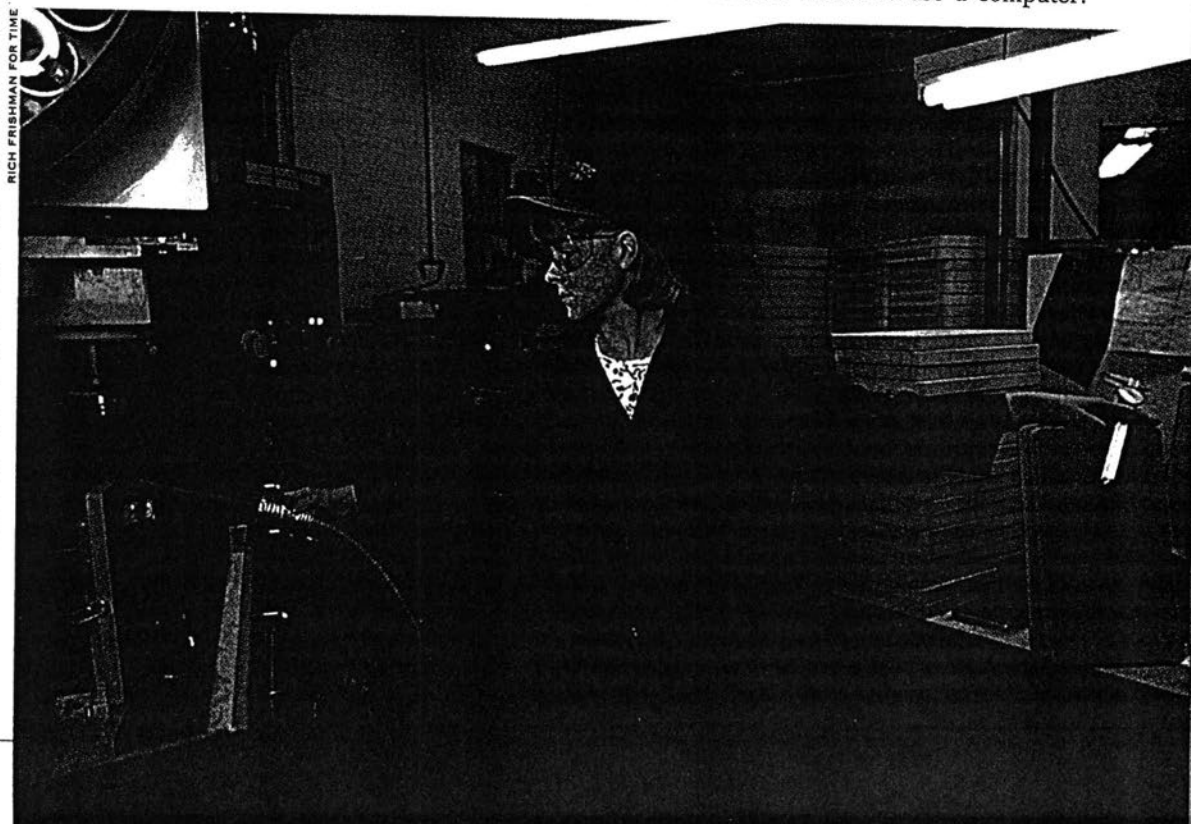
As President Clinton likes to note, two-thirds of the nearly 40 million Americans with no health insurance live in families with full-time workers. A single illness or injury will plunge a family into crisis. Often health-care concerns override all others in determining whether someone stays on welfare or goes to work. Being poor means making choices: the phone bill or the gas bill? Cough medicine or snow boots? In hard times, health insurance is a luxury; you can't eat peace of mind. So when Briana

Harris, 17, fractured her leg sliding into home in a softball game last month, her parents' pain was as real as hers. "We're going to be faced with incredible hospital costs," says Denise O'Brien, a 45-year-old mother of three. "We gave up our insurance last December. When income is low, health care is too expensive."

The family's dairy farm no longer provides enough income to support the family. Husband Larry Harris works in construction, where he makes \$1,800 a month, and Denise earned \$5.45 an hour last season transplanting flowers and vegetables in a greenhouse. She is searching for a full-time job and raising free-range chickens and raspberries in the meantime. She used to imagine that by this time in her life, things would be more settled. "I sat and wrote in my journal, 'Things are different in 1995,'" she says. "All of us are wondering what we're going to do. Life seems so precarious. But there are a lot of people in denial."

The Learning Gap

IF YOU HAVE GRADUATED FROM COLLEGE, the chances that you will live in poverty are less than 2%, vs. almost 20% for those with only some high school. "We are seeing a higher correlation between education, earnings and benefits than we have ever seen in the history of this country," says Labor Secretary Reich. "If you are not educated and trained, technology tends to replace you." But it is little comfort to the working poor to be told they are victims of shifts in the global labor market and of advancing technology. What are they supposed to do? they ask. Follow the jobs to Thailand? Learn to use a computer?



"If I could do it all again, I would go to college, become a doctor," says William Robinson, who works three jobs in Appomattox County, Virginia. "Just, at the time, I didn't feel like going." He works six days a week, about 80 hours, for an annual income of less than \$20,000. He studies traffic for the state transportation department, he stacks shelves at the local Food Lion, and he works as a medic for the National Guard. His wife is legally blind. Before the couple got married, she received a \$265 federal disability allowance, but the subsidy was cut off because William earned too much. When all the basic necessities have been covered each month, the Robinsons are left with about \$14.

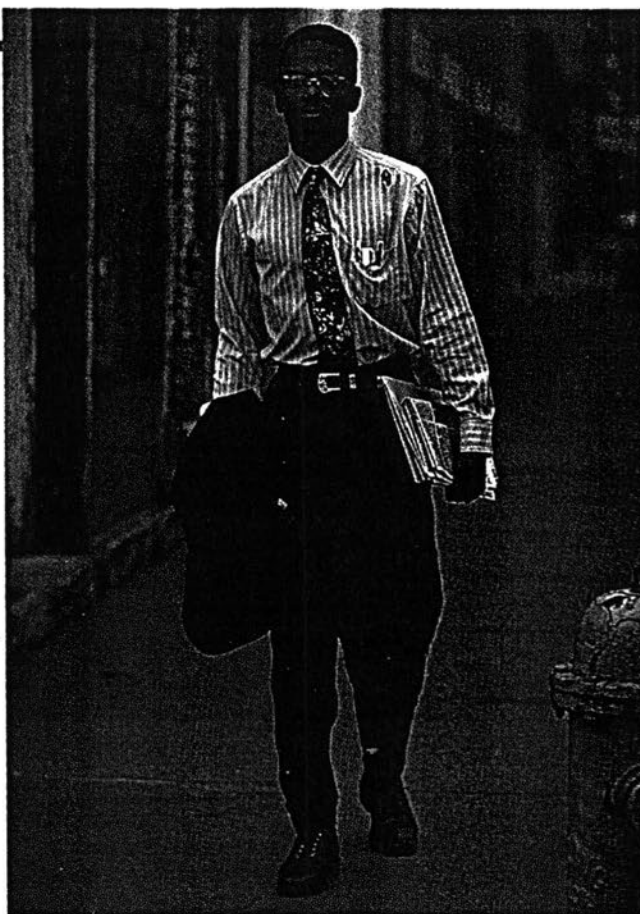
He stands on the wooden steps in front of his double-width trailer home and looks proudly out over the mounds of stones and gravel that one day will be a circular driveway. "Just like rich people have," he says. Mary Robinson's grandmother sold the couple the two-acre plot of land for \$500. "She offered to give it to us, but I wouldn't take it for free," William, 32, explains. It took him more than two years to pay off his elderly in-law in \$10 and \$20 installments; then he used the equity to borrow for the trailer. "It's taken so long to get this far. But we finally did it."

He is determined that his daughter Whitney, 7, will not take her education lightly. "She is already talking about going to college," says William. "I'm encouraging her to be a doctor. When I play Barbie dolls with her, we're always playing accident, and she is the emergency technician going to the scene."

Who's to Blame?

LIBERAL CRITICS CHARGE THAT THE G.O.P. agenda is about to make the economic ladder even more slippery. "Republicans might actually be surprised to see that they are doing things that will provide less assistance to the working poor," argues Isaac Shapiro of Washington's Center on Budget and Policy Priorities, which is about to release a report detailing the impact of the budget proposals on low-income families. "They are talking of substantially reducing the EITC. They are opposed to an increase in the minimum wage. What's gotten lost in the message is that the programs that offer assistance to the working poor could be partially if not completely reversed by the new agenda."

As government training and education programs are scaled back, aspiring work-



STEVE LISS FOR TIME

THE SLIPPERY LADDER

Jerome Ash dreams of an office job, but so far his only source of income is selling soft drinks on commission

ers will have to rely on the private sector. Training Inc. is a national nonprofit group that helps people polish their job skills. This has given counselors like Bev Schroeder a window on people's dreams and expectations. She works at the Indianapolis branch. "When I do presentations, I'm struck by the number of people who ask, 'How much will I make at the end?'" she says. "I talk about process. They say, 'I can't take \$7.50 an hour. I need at least \$30,000 a year.' I say, 'What do you have now?'" The trainees talk about owning their own business someday. "You need a reality injection," Schroeder tells them.

For the past five months, Jerome Ash has spent every weekday at Training Inc. in hopes of breaking into what used to be known as the pink-collar ghetto of receptionists, typists and filing clerks. He spends game nights at Indianapolis' Market Square Arena, selling frozen drinks on a 15% commission. On his first night, during a hockey game, he made \$13.05.

Along with 40 classmates, Ash spent three weeks in a simulated office, practicing how to answer the phone, send a fax, file a letter. His goal: a \$7-an-hour job. "I want an office job dealing with the pub-

lic." His dream? That one day, with a steady job and a nest egg, he will actually take a vacation.

The Parent Trap

HARPER'S MAGAZINE PUBLISHED the response of Washington State Representative Marc Boldt to a letter from a constituent asking him to fight to preserve funding for the local family-education center. "If your situation is subject to so much financial instability, then why did you have three children?" he wrote back, expressing the concern of taxpayers. "Why is your husband in a line of work that subjects him to 'frequent layoffs'? Why, in the face of your husband's ability to parent as a result of his frequent layoffs, are you refusing to work outside the home? Why should the taxpayer foot the bill [for such education programs]?"

Being single and a parent is a good way to slip into poverty. Millions of single mothers know that, but it can be even worse to be a single father. Terry Younger remembers when he tried to get help in rearing his three children.

"I've gone to some of these places, said I needed some help, and they just said, 'We can't help you; you're not a lady,'" says Younger. "So it's double jeopardy, and I'm bucking the system."

Younger fixes appliances at the local college in Spokane for \$1,200 a month and uses subsidized day care. The hardest part for him, he says, is saying no to his children. When they go to the supermarket, the kids put cereals and other treats in the shopping basket, and Younger has to take them back out. "You learn to shop by the sales—last week I found a sale on cream-of-mushroom soup, so instead of three cans, you're buying 10 or 12 because you know the price is going back up again." He explains, "I want to be a role model. I don't want my kids to grow up thinking that things in life are free."

There may be 10 million working poor in this country, but many of them say they are too discouraged to go out and vote, so it's easy for politicians to ignore them. Many millions more, however, are perched near the bottom of the middle class, worried about what would happen if their jobs were eliminated, or they got sick, or for some reason lost their homes. In the campaigns to come, the politician who can speak to these fears will unleash vast political energy for good or ill. —*Reported by Cathy Booth/Miami, Ann Blackman and Ann M. Simmons/Washington, Dan Cray/Los Angeles and Elizabeth Taylor/Indianapolis*

JUN 08 '95 10:10AM FIRST AMENDMENT CTR.

MelauerTHE PRESIDENT HAS SEEN
7/17/95Fyl -
PK

Take Religious Liberty Seriously in Public Education

by Charles C. Haynes

The Freedom Forum First Amendment Center at Vanderbilt University

Before we amend the Constitution to secure the religious liberty rights of students, we should try the amendment we have. Properly understood and applied, the Religious Liberty clauses of the First Amendment are all we need to ensure a proper role for religion in the public schools in ways that protect the conscience of every student and parent.

Fairly or unfairly, many of the supporters of a "religious equality amendment" see the public schools as places hostile to religion. This may be because we have gone from a Protestant-dominated school culture to, in more recent decades, virtual silence about religion. Neither approach is consistent with the religious liberty principles of the First Amendment.

When the Supreme Court struck down state-sponsored prayer and devotional Bible reading in the early sixties, we failed as a nation to support the proper, constitutional role of religion in public schools. Instead of finding ways to accommodate religious conscience and to be fair to religious perspectives, textbooks largely ignored the role of religion, and some schools told students that they could not speak about their faith, distribute religious literature, make religious art, or form religious clubs.

We do not need a new constitutional amendment to end these conflicts about religion in schools. Under the First Amendment, we can correct the mistakes of the past and, at long last, make religious liberty a reality in public education. Earlier this year, I helped to draft a statement of principles that nineteen educational and religious groups (including AASA) have now endorsed. One of the key principles addresses the meaning of religious liberty in public schools:

Public schools may not inculcate nor inhibit religion. They must be places where religion and religious conviction are treated with fairness and respect. Public schools uphold the First Amendment when they protect the religious liberty rights of students of all faiths or none. Schools demonstrate fairness when they ensure that the curriculum includes study about religion, where appropriate, as an important part of a complete education.

This statement has been endorsed by everyone from the Christian Coalition to People for the American Way! Other signers include such diverse groups as the Association for Supervision and Curriculum Development, the National Association of Evangelicals, and the Union of American Hebrew Congregations. We contend that a common vision for the common good is possible in public education.

JUN 08 '95 10:11AM FIRST AMENDMENT CTR.

P.3

The challenge before us is to make the principles of the First Amendment work in school policies and programs that give religion an appropriate role while simultaneously protecting liberty of conscience for all -- believers and non-believers alike. It can be done. I have worked in scores of school districts across the nation where people of many faiths, liberal and conservative, have joined together to create a place for religion that is constitutionally permissible and educationally sound.

Schools can begin to take religious liberty seriously by:

1. Working with parents and community leaders to adopt policies that protect the religious liberty rights of students in such areas as student speech, distribution of literature, and formation of clubs, yet keep the school neutral in matters of faith.
2. Inform teachers and administrators of the rights of students including the right to speak from a religious perspective in a class discussion, the right to pray alone or in groups and the right to share one's faith with others as long it is not disruptive and does not infringe upon the rights of others.
3. Prepare teachers to include study about religion in the curriculum, especially in history, literature, art, music and wherever topics about religion naturally arise.

After more than thirty years of bitter, fruitless debate about "school prayer," it is past time for public schools to take religious liberty seriously. The goal is neither a naked public school where all religion is excluded or a sacred public school where religion is imposed. The goal must be a *civil* public school where people of all faiths and none are treated with fairness and respect.

THE PRESIDENT HAS SEEN
7/17/95



Willow Creek Community Church

June 20, 1995

President Clinton
c/o Kelly Crawford
The White House
1600 Pennsylvania Avenue
Washington DC 20500-2000

Dear Bill:

I trust that all is well. Enclosed is a very important note from someone who should be invited to the upcoming "Common Ground" event. He is on the "solution-side" of the problems we all spend so much time talking about. I've checked him out, and I think he could be a key player. Now the ball is in your court.

I am still fuzzy on the vision for this upcoming event, and at this point sense no reason for my participation. Do you think otherwise? Those dates are free on my calendar, so if nothing else, maybe you and I could do our monthly meeting around that time.

I know that this is the "home stretch" before your summer vacation. "Weary not in well-doing...." God sees and cares. . . and fairways and beach walks are well within sight.

Your friend,

Bill

Melanne
Have we involved
Josephson in
any of this? Should
~~get~~
we get him to support
merger help
discuss the
Joe Madison speech?
BC



Advisory Council

DR. WILLIAM BENNETT
Empower America
JACK DUNN
Crossroads of North Carolina
MARIAN WRIGHT EDELMAN
Children's Defense Fund
DR. LLOYD V. HACKLEY
Fayetteville State University
GENEVA JOHNSON
Family Service America
BARBARA JORDAN
LBJ School of Public Affairs
(Univ. of Texas)
MICHAEL JOSEPHSON
Josephson Institute of Ethics
DR. THOMAS LICKONA
State University of New York
(Ortland)
NINA LINK
Children's Television Workshop
SYLVIA PETERS
Edison Project
THOMAS W. SELLECK
Adapt/Producer
DR. NORMAN SPRINTHAL
North Carolina State University
RABBI DAVID WOZNICA
Bronfman Center for Jewish Life
(2nd St. Y)

Member Organizations

American Association
of Community Colleges
American Association
of School Administrators
American Federation
of Teachers
American Red Cross
American Youth Soccer Organization
Association for College
and University Religious Affairs
Boys & Girls Clubs of America
Boys Town
Child Welfare League of America
Council of the Great City Schools
Covenant House
Crossroads of North Carolina
Family Service America
Fayetteville State University
4-H
Girls Incorporated
Goodwill Industries of America
The Heartwood Institute
Little League Baseball
Minnesota Center for
Corporate Responsibility
National Association
of Catholic School Teachers
National Association
of Secondary School Principals
National Association
of State Boards of Education
National Association
of Student Councils
National Catholic Educational
Association
National Council of La Raza
National Federation
for Catholic Youth Ministry
National Urban League
Quest International
San Francisco Giants
United Neighborhood Centers
of America
United Way of America
YMCA of the USA
Young Men's & Young Women's
Hebrew Association (NYC)
Youth Volunteer Corps of America

June 14, 1995

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

Dear Mr. President:

At the suggestion of Bill Hybels, I am writing to tell you how deeply I was touched by your remarks about character and values at a Washington conference on May 20th. I have not been as moved by such a talk since 1965 when, as a fresh-faced Senate intern, I was privileged to hear Robert Kennedy express his vision of politics and community service.

As the founder of the *Character Counts!* Coalition — a partnership of nearly 60 educational and youth-serving organizations committed to strengthening the moral fiber of the next generation — I hear many speeches and sermons on character and values. Yours was so powerful because you conveyed sincere personal conviction without self-righteousness. Equally important, you did not use the values "issue" as a bludgeon to attack others or as a vehicle to advance a partisan political agenda. Instead, your willingness to reflect candidly and openly about your own challenges in balancing the commands of character and the practices of politics held up a mirror for yourself and the rest of us. It was precisely the right tone.

As was evident in the aftermath of the Oklahoma City tragedy, people are hungering for optimistic messages reminding us of the capacity of character and simple virtues such as moral courage and kindness to overcome even horrendous acts of conscienceless brutality. Please, continue to speak boldly and often about the importance of good character as a solution to escalating violence, irresponsibility and dishonesty.

Of course rhetoric is not enough. Families, schools, youth-serving organizations, and faith communities need to do a better job of teaching and modeling good character by conscious, consistent, concrete, creative, and collaborative efforts. Still, noble rhetoric, especially from the bully pulpit of the presidency, is important. Like many of my contemporaries, I was inspired by John Kennedy's call to public service: "Ask not what your country can do for you, but what you

The President
June 14, 1995
Page 2

can do for your country." Unfortunately, today's young people almost never hear invocations more noble than "Look out for number one," or "You only go around once — go for the gusto!" As a result, far too many grow up without the moral ambition or conscience needed to help them know right from wrong and fortify the will to do what is right. External punishments or rewards will never be enough. We must place a high national priority on instilling in the next generation internal mechanisms of self-control and a belief in virtue.

Last October, in proclaiming National *Character Counts!* Week, you explicitly endorsed the Coalition's premise that the ethical values we call the "Six Pillars of Character" — trustworthiness, respect, responsibility, justice/fairness, caring, and civic virtue/citizenship — are the foundation of a democratic society. You also said that "the character of a nation is only as strong as the character of its individual citizens....Every adult has the responsibility to teach and model the core ethical values and every social institution has the responsibility to promote the development of good character." I hope you will continue to send this message.

One of the most important factors in the success of the Coalition is our ability to de-politicize the issue by stressing collaboration and common values. All our programs are built within the nonpartisan framework of the six consensus values. The involvement of board members Barbara Jordan, Bill Bennett, Marion Wright Edelman and Tom Selleck reinforces our message that the need to repair the hole in the moral ozone transcends political ideology. This strategy has allowed us to leap over the hurdle of "Whose values?" and focus on the much tougher and more important problems of implementation. And despite our initial skepticism about inviting the support of politicians, the vigorous nonpartisan leadership of Senators Pete Domenici and Sam Nunn has helped us bring effective character development programs into communities all over the country. Your voice can add immeasurably to our success.

Whatever you decide to do in the future, thank you for what you have already done.

Very truly yours,



Michael S. Josephson
President, Josephson Institute of Ethics

THE PRESIDENT HAS SEEN
7/17/95

THE WHITE HOUSE
WASHINGTON

95 JUL 14 P3:27

July 14, 1995

MEMORANDUM TO THE PRESIDENT

FROM: DAVID SHIPLEY ^{DS}
PRESIDENTIAL SPEECHWRITER

SUBJECT: J. WILLIAM FULBRIGHT AND HIS TIME, BY LEE RILEY POWELL

Attached please find a draft of your foreword to Lee Riley Powell's biography of J. William Fulbright.

The draft contains passages from your eulogy for Senator Fulbright and from the Fulbright obituary you published in "The Oxonian."

Bruce Lindsey has signed off on this.

~~As good -~~
I made a couple of
minor changes -
I have 2 questions
① Is it too long
② Should it say more about
Lee's book -
You and Bruce decide - You
Decide on -
BS

DRAFT 7/14/95 3:00 P.M. 1,700 wds.

PRESIDENT WILLIAM J. CLINTON
FOREWORD FOR J. WILLIAM FULBRIGHT AND HIS TIME
BY LEE RILEY POWELL .

It is with great pleasure that I write this foreword to J. William Fulbright and his Time. Lee Riley Powell devoted 17 years to this wonderful book. I imagine it was much more than that. Any Arkansan -- indeed any American who has followed the course of our nation and the world through the triumphs and turbulence of the 20th century -- knows that we have spent our entire lives touched by the ideals and actions of J. William Fulbright. And though Senator Fulbright passed away in early 1995 at the age of 89, we can be certain that he will be with us as long as the dream of America is alive.

Lee Powell, as he notes in his introduction, received plenty of wise editorial advice from his father, James O. Powell, who for 25 years was the editorial page editor of the Arkansas Gazette. It's worth mentioning that between the two of them they interviewed Bill Fulbright more than 100 times. This is no mean feat. Back in 1968, I had the privilege of driving the Senator around Arkansas during his campaign for reelection and I can tell you firsthand that keeping pace with his formidable intellect took about every ounce of wit I could muster.

Sustor

~~This is a statement to say~~ S. William Fulbright was a remarkable man. In the work he did, in the words he spoke and in the life he lived, Bill Fulbright -- teacher, university president, public servant, statesman -- stood against this century's most destructive forces and fought to advance its brightest hopes. He lived a life of passion tempered by reason.

He believed in the American idea, but respected others who saw the world differently. He loved politics, but cautioned against the arrogance of power. He cherished education as the answer to our common problems and to our personal dreams, but he knew there would always be more to learn. He understood the value of reasoned conflict, but never permitted it to come at the expense of common ground.

"The Great Dissenter," as he was called, knew very well that conflict can be the engine of progress in a democracy. But ~~the~~ *He understood* ~~lesson of his life was that~~ the tension *of experience + opinion* created by our great diversity must be balanced by civility and mediated by the recognition that we share a philosophical heritage in the Declaration of Independence and the Constitution. We should, as he did, fight hard for what we believe in. We can, as he did, challenge our leaders if that is the course of our convictions. But we must, as he did, do so with respect and without anger.

It was in this spirit that Bill Fulbright warned President Kennedy not to go through with the Bay of Pigs expedition. He was one of the few advisers close to the President to take such a stand. From where I sit now, I understand better than ever before the value of such honest, principled dissent.

Time and again, for 32 years as a Congressman, as a Senator, as Chairman of the Foreign Relations Committee, Bill Fulbright worked for progress and peace, often against great odds and sometimes at great personal cost. He expanded opportunities for Americans who needed help to make the most of their lives. He was a driving force behind the United Nations, the Marshall Plan, and NATO. He took a long, lonely stand against Joseph McCarthy. He fought a long, lonely fight to change our course in Vietnam. He struggled mightily to remind us that the forces of freedom would win the Cold War if we could just avoid nuclear war -- what he called his generation's power of veto over the next. And in the chill dawn that followed Hiroshima, he brought about the creation of the international exchange program that will live as his most profound legacy *to world peace & understanding*

The Fulbright Scholarship Program embodies Senator Fulbright's faith -- people of all backgrounds learning side by side, building what he called "a capacity for empathy, a distaste for killing other men, and an inclination for peace."

The idea behind the program was a simple one. And it informed Bill Fulbright's life. It was the eternal search for common ground -- the belief that the ethnic and religious and political differences that divide us are vastly less important than our shared bonds of humanity. Bill Fulbright was one of the first Americans to try to get us to think seriously about the Islamic world. He was one of the first Americans to try to get us to understand the rich and varied cultures of Asia. This conviction in the hopefulness of connection shaped the contours of his life. And it is the spirit behind the wonderful program he created.

Next year will be the 50th anniversary of the Fulbright Program, which includes as its alumni Nobel Prize winners, members of Congress, and leaders for peace and freedom the world over. The list also includes many not so famous people who journeyed abroad and then returned home to live out quietly the promise of Senator Fulbright's vision. More than 120,000 students from more than 130 countries have come to the United States to study; more than 90,000 Americans have gone overseas to learn and to grow. No matter what their native tongue, all of them are now known by the same name -- Fulbrights.

Those of us from Arkansas, those of us who worked for him over the years, in the Congress and on his campaigns, are Fulbrights, too. It would be impossible to overstate the impact he had on generations of young people in our state. It gave us tremendous hope to know that we had a Senator in Washington who could double the I.Q. of any room he walked into.

He made us believe that education could lift us up. He convinced us that our obligation was to build our minds and use them, as he did, in the action and passion of our times. And he taught us that it was acceptable for us to change our minds -- if the facts and our convictions led us in a new direction. In this light, it must be remembered that while many of us disagreed strongly with his early positions on civil rights, he did, in his later years, contribute to the effort to ensure equal opportunity for all Americans. He was one of the few Southern Senators to vote for Thurgood Marshall's elevation to the Supreme Court in 1967. In 1970, he voted to extend the Voting Rights Act.

Most importantly, Bill Fulbright made us believe in the power of reason over fear. During his 1968 reelection campaign, a time when this country was literally being torn apart by the war in Vietnam, the Senator and I stopped by a feed store in a small town in the southwest part of the state. When we walked in, a man in overalls came up to the Senator, looked him right in the eye, and said, "I wouldn't vote for you if you were the last person on Earth." Senator Fulbright sat down on a big sack of seed and said, "Well, why?" And the man replied, "Because you're letting the Communists in. They're everywhere. Today it's Vietnam; tomorrow it will be -- they're everywhere."

So the Senator looked around the store slowly, paused, and then said, "I didn't see any when I came into town. Where are they and what do they look like? I wouldn't recognize one."

Bill Fulbright was always trying to understand and he was always trying to be understood.

I wish he had been alive to see our nation normalize relations with Vietnam. It would have made him proud to know that Americans who were so deeply divided over the war a generation ago came together, bound up the wounds of the past, and moved on toward common ground for the future.

In a speech she gave to the American Chamber of Commerce in Berlin recently, Harriet Fulbright, who was accepting a distinguished award for her husband, spoke of his accomplishments in the context of the times in which he lived.

In the late 1940s and early 1950s, she reminded the audience, as the United States was acclimating itself to the Cold War world, talk of leadership, freedom, and education -- ideas that may seem simple, self-evident, and commonplace today -- was often considered radical, even dangerous. Back then, for taking such daring stands, Senator Fulbright was subjected to fierce criticism.

Then she quoted from a letter the Senator received some 30 years ago. Senator Fulbright got a lot of very emotional mail, but this letter affected him particularly. "Dear Senator Fulbright," the letter began:

"I have never voted for you. I have never missed a chance to belittle you. But deep inside me, there is a nagging suspicion that I have been wrong. If this world plunges headlong toward what well may be its destruction, it gets increasingly harder to hear lonely voices, such as yours, calling for common sense, human reason, and the respect for the brotherhood of man. But be of good cheer, my friend; keep nipping at their heels. This old world has always nailed its prophets to trees, so don't be surprised at those who come at you with hammers and spikes. Know that those multitudes yet unborn will stand on our shoulders. And one among them will stand a little higher because he is standing on yours."

After reading the letter, Senator Fulbright closed his office door, ordered his calls held, and wrote out an answer by hand. We don't know what he said. He kept it to himself. It was a rare private moment for a man who spent his entire life in service to his country, and to the world.

In Fayetteville, where Bill Fulbright grew up, there is a statue of him in the town square with the following inscription: "In the beauty of these gardens, we honor the beauty of his dream -- peace among nations and free exchange of knowledge and ideas across the earth." Bill Fulbright left us more than a dream. He left us the power of his example. It is a noble, timeless example, and one that is captured admirably in this book.

THE PRESIDENT HAS SEEN

7/17/95

CEHRC

This is good

Sorinel / Gamm / GS

are we, the ABC, the working
w/ them? — Are they funded?

if you haven't talked to them
you should bring them to work
for a discussion

BC

The "Talking Back" Project:

Reclaiming the Language of Democratic Values from the Libertarian Right

A Concept Paper
by Michael Pertschuk
Co-Director

The Advocacy Institute
1707 L Street, NW, Suite 400
Washington, DC 20036
phone 202.659.8475
fax 202.659.8484
e-mail AI0001@ADVINST.ORG

Summary

X (The Advocacy Institute ("AI"), in cooperation with the Berkeley Media Studies Group, the Benton Foundation, and the Marin Institute, proposes to help public interest groups reclaim the language of public discourse in the mass media from the libertarian right. This two year project is designed to build the capacity of progressive national and community-based leaders to effectively approach and employ language which resonates affirmatively with those core democratic values which promote community and shared responsibility. Such language:

- affirms the essential role of responsive government as one of a democratic community's instruments for assuring the common welfare, justice, and the restraint of private economic abuse; and
- challenges and discredits the surging exploitation of libertarian language and ideology as a political weapon deployed to undermine and discredit the role of community and government in addressing social needs and inequities.

The Problem

As the elections of 1994 reminded us, the language of demagogues can be chillingly efficient in evoking isolation, fear, distrust, and paranoia. But as the elections of 1992 demonstrated, the language of public discourse can instead evoke people's yearning for community, mutual trust and support, and hope.

In 1995, corporate and other economic special interests have forged an alliance of mutual benefit with libertarian talk show hosts, columnists, political practitioners, and academics. This alliance has stormed the gates of the mass media, and appears to have succeeded in reframing public debate on a wide range of domestic policy issues. Its dominant libertarian framework discredits and scorns all government interventions designed to restrain corporate abuse or to promote the public welfare.

Much of this reframing was accomplished, over the past two decades, by the conscious manipulation of language and the appropriation of selective shared values and symbols in support of the unfettered marketplace and the shackling of government.

Gingrich is not a subtle historian, but he has understood and deployed language as a political weapon. As the Washington Post noted:

In graduate school 30 years ago, a professor noticed him testing the power of certain words and images to control a debate, just as he seeks now to redefine welfare as having *enslaved* rather than *protected* the needy: "I had a sense he was practicing. He was always fooling around with words, manipulating phrases, getting behind cliches."

The most telling example of this strategy's success is seen in Speaker Gingrich's efforts to train aspiring Republican candidates in the strategic use of language. The training, through videos and manuals distributed through GOPAC, included lists of negative labels for the opposition, terms to discredit their views and policies, and positive labels and symbols to characterize libertarian views and candidates.

In December, Gingrich arranged seminars for House Members by libertarian management consultant Morris Schechtman, who taught them how to "convince people that what Democrats describe as compassionate government is actually oppressive." Gingrich and Schechtman's solution: "[People should be] responsible for themselves while facing the challenge of higher expectations. It also entails the elimination of social programs (and regulation of business)."

The libertarian thrust draws upon both populist and academic streams. Thus, the populist thrust of the Limbaugh "dittoheads" is reinforced and legitimated by think tanks, such as George Mason University's Center for Public Choice. The "Law and Economics" theorists, led by Henry Manne, provide academic gloss--and media-wise experts--to legitimize the populist assault on government as sound economic policy.

These are heavily funded by conservative business foundations opposed to government regulation of the environment, consumer health and safety, labor relations, civil rights--such as Coors, Earhart, and Olin. As legal historian Grant Gilmore elegantly put it, "There has always been a symbiotic relationship between the academic establishment, which appreciates the support, and the economic establishment which appreciates being told that the relentless pursuit of private gain is in the public interest."

These strategies are working. Polls and focus groups detect a rise in the resonance of libertarian individualist and anti-government themes with the public. Once again, values of community are giving way to a revival of social Darwinism, in which the survival of the fittest and the competitive marketplace are seen as synonymous with social virtue.

At the same time, community and democratic values retain a residual, if submerged, resonance with the public. People continue to feel a community responsibility for the less fortunate, especially children; to distrust large corporations and other private institutions; and to recognize the powerlessness of individuals to resist exploitation and oppression alone.

The public has just grievance with too many oppressive, rigid, unresponsive government programs and officials. Government can surely be a threat to freedoms and liberties. Yet people know that government has also been and can be the public's only instrument for securing freedoms and justice from oppressive private institutions and predators. Public frustration with specific programs or regulations does not mean that the public has abandoned the yearning for responsive government. This is especially true if government is seen, as Jeremy Brecher notes, "as a vehicle for supporting popular initiatives rather than a substitute for them."

But those who advance such responsive policies and programs struggle for the right language in which to frame their arguments; they react awkwardly and defensively to libertarian assaults on

programs that are *not* responsive and do *not* reinforce community institutions, and too often find the vocabularies they have long used stale and flat. And while focused attention has been paid by such advocates as Jim Wallis, People for The American Way, to the language and tactics of the *religious* right, no comparable attention has been paid to countering the language and media tactics of the *libertarian* right.

Part of the Solution: The Talking Back Project

Meeting the challenge of the libertarian right requires that the progressive community be prepared to take the offensive in approaching the news media and effectively challenging the libertarian frame, including its distortion of values and symbols, e.g.:

- reframing environmental regulation
from: capricious government "taking" of property
to: the health and heritage of our children and their future;
- reframing state and local budget priorities
from: saving money
to: saving community;
- reframing welfare
from: the creation of dependency
to: the saving of children and investment in their future opportunity;
- reframing regulation of business
from: an assault on marketplace freedom
to: rules which all business must follow in order to secure children and families from consumer fraud, deception, and exploitation, and honorable business from unfair competition;
- reframing arts funding
from: tax burden on the working family which supports the elitist taste of the wealthy
to: an investment in the common cultural heritage of America for the benefit of our children and their children;
- reframing tobacco prevention legislation
from: government interference with freedom of choice, speech, and assembly
to: freedom to breath unpolluted air, freedom from preventable disease, freedom from advertising and promotion targeted at the young;
- reframing the issue of handgun ownership
from: individual freedom and self-defense
to: violence prevention and gun-free home, school and neighborhood safety.

Together with its collaborating partners, the Advocacy Institute will pursue a series of interrelated objectives through the following activities:

Objective 1: Create a strategic center for countering the libertarian right in the mass media.

- Activity 1a: The Advocacy Institute, serving as an informal clearinghouse, will collect and analyze polls and focus-group data gauging the inroads of libertarian rhetoric and ideology on support for government programs and regulation. This will be facilitated through access to the wide range of public interest issue leaders and organizations with whom the Institute and its partners counsel and train, and with whom they enjoy sound relationships.
- Activity 1b: The Advocacy Institute will facilitate the sharing and exchange of materials designed to counter libertarian rhetoric. These materials will include analyses and exemplary guidance in rhetoric and issue-framing developed by progressive scholars and commentators, and by public interest organizations for use by their own constituents or members.
- Activity 1c: The Advocacy Institute will monitor and track the manipulation of libertarian rhetoric as a political weapon. It will also solicit, collect and share illustrations of successful techniques for challenging such manipulation in the media.

Objective 2: Develop media advocacy strategies to challenge the libertarian right. (Media advocacy is the adoption of a strategic approach to mass media to advance public policies.)

- Activity 2a: The Advocacy Institute, working with its partners, will draw upon the data amassed by the clearinghouse to organize a series of working group sessions. These sessions will test, develop and refine media advocacy language and techniques to effectively challenge the libertarian right.
- Activity 2b: Drawing upon the lessons learned through the working group sessions and upon the media advocacy expertise of the Advocacy Institute and its partners, the Institute will publish a media advocacy guide (with audio tape) for community-based leaders on "Talking Back." The guide will expose and counter libertarian rhetoric and will be designed both to enable community-based activists effectively to engage libertarian advocates in the mass media, and to help journalists guard against such conscious manipulation of language.

The guide will provide:

- A clear articulation of a positive role for government as responsive to, and supportive of, community goals and institutions;
- An analysis of the ways in which the libertarian right manipulates language to distort this potential and essential role of government;

- Illustrations of the most extreme policy positions which flow from such language (e.g., abolish minimum wage; invite multinational corporations to control the regulations which govern them; starve children to punish their mothers);
- The highlighting of conflicts between the authoritarian Christian right, which would have government dictate personal private behavior, and the libertarian right, which would have government allow unchecked corporate overreaching and abuse;
- Safeguards against economic injustice and exploitation;
- Guidance on defending the *principles* of government action and intervention, even where *existing programs* are inadequate or flawed;
- Guidance on issue framing.

Objective 3: Disseminate the media advocacy strategy to national and community-based public interest groups.

- Activity 3a. The Advocacy Institute will disseminate the guide and audio briefings widely to community-based groups, and electronically through ArtsWire, SCARCNet, SafetyNet, and others, such as the Special Interest Group Forums organized through HandsNet on Children, Youth, and Families, AIDS/HIV, Housing and Community Development, and Legal Services.
- Activity 3b: The Advocacy Institute and its partners will develop trainings of community-based issue leaders in media advocacy. Participants will learn to counter libertarian right rhetoric, specifically on the community level. This will include training in challenging libertarian talk shows, editorial writers, and columnists.

Objective 4: Increase the capacity of community-based leaders and national leaders to respond to new attacks from the libertarian right.

- Activity 4a: Provide online media advocacy counseling on strategies for countering libertarian right initiatives.
- Activity 4b: Provide strategic counseling and technical assistance in media advocacy to alliances and coalitions formed to resist the current campaign to straightjacket health, safety, and environmental regulation, such as those convened by OMB Watch. AI will also provide assistance in the development of issue-specific speakers' guides.

Objective 5: Enlist memberships of movements with which the Advocacy Institute and its partners work closely to respond to issue-specific attacks from the libertarian right.

- Activity 5: The Advocacy Institute will work within its existing issue-specific programs on tobacco prevention and gun violence prevention to help expose the moral bankruptcy of politicians who exploit libertarian rhetoric. AI will train advocates working on these two issues to highlight and discredit the corrupt alliances, fueled by corporate campaign funding, between the "Merchants of Death" and Congressional libertarian leaders.

Funding

The estimated costs of this project range from \$300 - \$450,000 for each of the next two years. This includes AI staff consisting of a full-time Program Associate, significant involvement from the Co-Directors, and the participation of the staff working in media advocacy, issues advocacy, electronic advocacy and training; sub-contracts to our partners; and other direct costs such as materials, printing and travel. We will seek funding from a variety of sources, including, where possible, reprogramming current grant money to respond to the urgent needs that this program addresses.

GREER, MARGOLIS,
MITCHELL, BURNS
GMMB&A
& ASSOCIATES, INC.

DATE: 7/7/95

TO: NANCY HERNETICH

FROM: FRANK GREER

RE: _____

PAGES TO FOLLOW: 4

COMMENTS: COULD YOU PLEASE MAKE SURE
THE PRESIDENT SEES THIS.

THANKS.

The information contained in this facsimile message is confidential and intended solely for the use of the individual or entity named above. If the reader of this message is not the intended recipient, or the employee or agent responsible for delivering it to the intended recipient, you are hereby notified that any dissemination, distribution, copying or unauthorized use of this communication is strictly prohibited. If you have received this facsimile in error, please notify the sender immediately by telephone, and return the facsimile to the sender at the below address via the United States Postal Service. Thank you.

Any questions or comments, please call: 202/338-8700. Telecopier # 202/338-2334.

THE PRESIDENT HAS
7/17/95

SENEER, MARGOLIS
MITCHELL, BURNS
GMMB&A
& ASSOCIATES, INC.

*Barry said you
might want to
use the language
for Monday's
speech —*

MEMORANDUM

TO: PRESIDENT ~~CLINTON~~
FROM: FRANK GREER
DATE: JULY 7, 1995
RE: AFTER THE GEORGETOWN SPEECH
CC: LEON PANETTA
ERSKINE BOWLES
HAROLD ICKES
GEORGE STEPHANOPOULOS
DON BAER

Bar

*Do we have a
distilled short
version of G'town
speech? Yes*

This, I believe is a more concise version of what we tried to do at the Georgetown University speech. I think it could be used as language for the Saturday Radio Address.

"This week, in a speech at Georgetown University, I began what I hope will be a sustained effort to challenge our nation to a new era of Responsibility, Opportunity, Community and Citizenship... An effort to recognize, celebrate and honor what is best about America. What is truly the American Spirit. What has made this nation great and what has inspired the world for over 200 years... A dedication by each generation to keep the American Dream alive, and a commitment to each other. A commitment to rebuild the American community with shared values and shared purposes and common goals... a search for solutions and a better life for all.

As we stand on the threshold of the 21st Century buffeted and battered by the pressures of a modern world -- We need to launch a national effort to find and recognize and highlight and learn and be inspired by what is best about America.

If we are to face the challenges of our time, we must ask: How do we build a nation of opportunity and responsibility? How do we provide a better future for every child? How do we reward work, honor family, protect our environment, celebrate our

diversity, and build a strong, secure and vital democracy that can continue to inspire the world? I believe we can find the answer within our American experience. We can find the answer by recognizing, promoting and celebrating what is best about America. In thought, word and deed. As I said in my Inaugural Address, "there is nothing wrong with America that cannot be fixed by what is right about America."

This year's tragedy in Oklahoma City united our nation against the forces of hatred and violence and division. And it reminded us of what is best about America. Responsible citizenship, neighbor helping neighbor, concern and compassion, caring for one another, understanding and tolerance. A true sense of community. That is what makes America great. That is what keeps the American Dream alive.

Now as the voices of hatred and division seek to weaken our nation, let us renew our dedication to assure a sense of community, renew our dedication to find common ground. Let us not just criticize and grow cynical, but let us search for solutions together. That is the American spirit. That is what is best about America.

As the shrill voices of the extremes try to appeal to fear, hatred, division... Let us reach out and appeal to what is best in America. A sense that we are all responsible to one another, that we all have a duty to responsible citizenship, as individuals, as businessmen and workers and citizens... We all have individual responsibilities and all have a responsibility to each other. We are all in this together and we shall rise or fall together.

I believe we can create a chorus of harmony that will drown out the shrill voices of hate. We can celebrate and gain strength from our diversity because that is the genius of America.

That is why today, I am issuing a challenge to all of America. Let us put aside partisan politics. Let us understand and focus on what is best in America... Community, opportunity, responsibility and citizenship. All across our country, let us seek out and

find those examples of what is best in America. To highlight them, to focus attention on them, and to inspire all of us with their example.

As we stand on the threshold of the 21st century, we must rebuild the American community again with a new call to responsible citizenship. First, we must offer a new covenant between the government and our citizens. We must provide more opportunity and demand more responsibility of everyone. To the hard working middle class families who play by the rules, who struggle to raise their children and help their neighbors, we must provide the opportunity for a good job with good benefits, and reward their hard work and their responsible citizenship. And we must provide the quality education and job training that will allow us to compete and win in global competition.

It is our responsibility to put an end to the violence that threatens the safety and security of these hard working families. It is our responsibility to provide safe streets and safe communities and a secure retirement. That is our common responsibility to each other and every American family... To give them an opportunity to pass along the American Dream to their children and grandchildren. And we must challenge the business community to be responsible citizens as well. The entrepreneur, the CEOs and the plant managers. You have a responsibility to your employees ... to American workers to provide good jobs and to build quality products that can compete and win in the world markets.

There is a serious and devastating crisis in America today... Working family incomes are going down, they're working harder for less money and having more difficulty supporting their families... while corporate profits and the stock market are at record levels. We must challenge the business community to build and create good jobs here at home -- not overseas. To provide good jobs and wages that reward productive work and provide a good life to America's families. And all of us have a responsibility to provide the public services and the infrastructure that our businesses and our economy need to grow. We have a responsibility to expand trade and stand up to unfair trade. To

open markets for American products and American workers. But those businesses that benefit from these government actions also have a responsibility to provide good jobs and good wages.

And we all have a responsibility to protect our environment... to provide clean air and clean water and better health for our families... and to preserve our national heritage for our children and their children. That to is how we keep the American dream alive.

The media, the entertainment industry, the religious community... all have a special responsibility of citizenship. And in the coming months, I want to specifically challenge them to join in the effort to bring out the "best of America."

Today and tomorrow, let us come together as a nation to assume our responsibility of citizenship... to find common ground... to reach out -- work together -- to find solutions to build a better future, in common cause to keep the American Dream alive for our children and grandchildren.

Thank you and God bless you."

7/17/95

THE WHITE HOUSE

WASHINGTON
July 14, 1995

95 JUL 14 P7:57

MEMORANDUM FOR THE PRESIDENT

FROM: DOUG SOSNIK

RE: WEEKLY REPORT

1996 Presidential News

Recent Polling: California. The most recent CNN/USA Today poll, conducted July 7-9, shows your performance rating in California remaining fairly steady. The poll shows your approval/disapproval numbers in California at 47-45% respectively. The poll further shows that in a head-to-head matchup between you and Senator Dole in California, you would win by a 48-46% margin. In a head-to-head matchup between you and Governor Pete Wilson, the poll shows you winning California by a substantial margin of 56% to 38%.

Bob Dornan. Republican Congressman and Presidential hopeful Bob Dornan, rumored to be bowing out of the race for the Republican presidential nomination, said this week that for the moment, he is staying in the race, as long as his campaign can survive on "minimal funding." Unlike his fellow Republican hopefuls, Dornan has yet to make "a single money call" in efforts for his 1996 Presidential bid.

Recent Polling: Louisiana. Bob Dole leads among GOP primary voters according to the most recent Mason-Dixon poll. The poll showed Dole with the support of 35%, followed by Phil Gramm with 21%, Pat Buchanan with 13%, Pete Wilson with 6%, Lamar Alexander with 5% and the rest of the field in the 0-2% range. Dole leads you 44%-42% in a general election match-up but you lead Gramm by a 45%-40% margin. You also lead in the two three-way matches tested. In a Clinton-Dole-Powell match-up, you placed first with 35%, followed by Dole with 26% and Powell with 22%. In a Clinton-Gramm-Powell race, you lead with 36% support, Powell is second with 24% and Gramm third with 23%.

In the gubernatorial race, former Governor Buddy Roemer (R) continues to hold first place with 24% support. State Treasurer Mary Landrieu (D) placed second with 13%, Lt. Governor Melinda Schwegmann is third with 12%, Rep. Cleo Fields is fourth with 11% and Jefferson Parish Sheriff Harry Lee is fifth with 10%. David Duke leads off the second-tier with 5% support. Rep. Billy Tauzin placed first -- with support in the low-to-mid 20s -- in two crowded open 1996 Senate primary heats, one of which tested him as a Democrat and the other which tested him as a Republican. Forty-four percent of respondents said they would approve if Tauzin switches parties while 33% said they would disapprove.

Iowa. Mike Tramontina started this week as the Iowa Director for the Re-Elect. He was in town this week to meet with White House and Re-Elect staff and Iowa politicians in Washington. His visit was very productive.

Pat Buchanan and Phil Gramm were in Iowa this week, hitting each other pretty hard on trade and, most notably, on abortion. The battle for second place between the two of them is dominating the Iowa political media.

Steve Forbes. Forbes appeared on CNN's "Evans and Novak" last weekend and said he would decide by September whether he will run. When asked if he would use his own fortune to run, Forbes sounded like a candidate in his response, saying that "I will use my resources initially to help get my message across and if the campaign does get under way, then I will certainly seek the support of other people."

1995 Races

✓ **Kentucky Governor.** The gubernatorial race in Kentucky between Republican nominee Larry Forgy and Democratic Lieutenant Governor Paul Patton intensified this week as Forgy accused Lt. Gov. Patton of trying to "politicize the abortion issue". Forgy, an outspoken pro-life supporter who claims that abortion should not be made into a political issue, attacked Patton when Patton linked him to a controversial and pro-life activist doctor who is currently organizing a statewide pro-Forgy network.

1996 Races

Washington Governor's Race. Governor Lowry appears to be vulnerable and even ambivalent about running for a second term. The Washington State Democratic Party is putting pressure on the Governor to declare his intention for the '96 race now.

San Francisco Mayor. The two favored democratic mayoral candidates in the San Francisco, Willie Brown and incumbent Frank Jordan, stepped up their campaigning this week by accusing each other of "incompetence and dishonesty." The candidates also accused each other of "failing to fully disclose potential conflicts of interest in their tax returns and other documents." The winner in the Democratic primary is the most likely candidate to win the mayoral general election scheduled for November of 1996.

Other Political News

California. Governor Wilson's proposal to pass a \$7.6 billion tax cut for the state of California was rejected in committee by the California State Senate. The proposed 15% income and business tax cut died in the State Revenue and Taxation Committee by a 6 to 3 vote, despite strong lobbying by Wilson. Wilson is threatening to put the tax cut on the ballot next year if it does not pass the state legislature.

Meanwhile, Wilson's proposed 1995-96 budget remained dead-locked in the state legislature. Wilson said last month that he would not officially announce his candidacy for President until after the state budget was passed.

Oregon. Five female members of the Senate have called for public hearings regarding allegations of sexual harassment made against Senator Bob Packwood (R-OR) by sending a letter to the Senate Ethics Committee. The five Senators reiterated a need to hold the hearings in public by stating that "...the public's interest are best served by open hearings on a matter of such grave importance." Senator Barbara Mikulski also called for public hearings but said "she could not sign the letter" because she is a member of the Ethics Committee. The five Senators who signed the letter are Patty Murray, Barbara Boxer, Dianne Feinstein, Carol Mosley-Braun, and Olympia Snowe.

Meanwhile, Governor John Kitzhaber today gave his notice to the Oregon Secretary of State that he planned to veto the vote-by-mail bill that had recently made its way through the Oregon Legislature.

Florida Special Session. Governor Chiles plans to convene a special session of the FL legislature in mid to late August on health care. Florida is poised to receive a \$5 billion Medicaid waiver, pending certain actions by the state government. Chiles has a checklist of policies which must be enacted in order for the state to receive the allotted Medicaid funds. The GOP majority leadership in the state Senate claims they have gotten assurances from Speaker Gingrich and Senator Dole that the waiver (and thus the special session) are unnecessary, claiming that the proposed funding for the state would be taken care of through block grants. Governor Chiles continues to strongly oppose block grants and will move ahead with necessary actions to secure the Medicaid waiver.

*Session
covered
by O'Leary*

Georgia Redistricting. Governor Miller has sent a clear message to D.C. this week that he does not want the Administration involved in Georgia's upcoming redistricting process. Miller was concerned about potential involvement by the Administration, based on rumors that you might have committed support to Representative Cynthia McKinney. Secretary O'Leary will participate in a fundraiser for McKinney on July 28th and Secretary Shalala may also participate in an event for McKinney in the 11th district. The special session on redistricting is set to begin August 14th.

Minnesota Chair. Minnesota Democratic Chair Rick Stafford is leaving the post effective August 26th, when the state Party will elect his successor. Stafford has AIDS and cancer and his health is very poor. State Democratic leaders have worked out a departure deal with Stafford which will keep him on the payroll as a consultant, thus permitting him to keep his health insurance. You may recall that you have approved his appointment to the AIDS/HIV Advisory Council, which is currently going through the vetting process. Hennepin County Commissioner Mark Andrew is expected to be elected to the job.

Tennessee Visit. Approximately 150 supporters were invited to greet you during your departure from Nashville on Monday. The turnout was strong and we have received very positive feedback from the state regarding the event.

State Democratic Chairs. Your reception with the State Party Chairs, Vice Chairs and Executive Directors was a big hit. They all seemed to be very pleased with their day of briefings and would like to have a no-frills meeting with you in the future.

→
a 1 day talk would
be great

unvarnished, sometimes unwelcome, but highly professional advice at the top levels of government. Even special pleaders can sometimes be right.

As government institutions go, the CEA is tiny. Its annual budget is some \$3.5 million. It has a chairman, two additional members appointed by the president and a staff of some 18 to 20 economists.

belief, engendered by their professional studies, that under most, even if not all circumstances, free markets do the best job in providing high-quality goods and services to consumers. And in those cases in which government must intervene, professional economists urge the preservation of as much as possible of the incentives

economists, however able, represent the interests of agencies that may not be identical with the interests of the nation or of the president. Moreover, despite the agreement of professional economists on many matters, they have legitimate differences of opinion on others. In these cases, it is important that the president

affecting the performance of a \$7 trillion economy. To skimp on giving him the best possible advice in the hope of saving \$3.5 million would be shortsighted in the extreme.

Herbert Stein was chairman of the Council of Economic Advisers under Presidents Nixon and Ford, and Charles Schultz was chairman under President Carter.

dissenting justices. In a Supreme Court's hostile expression in a public 1947 when, for the first scholar Michael Malbin ruled that the establish requires Congress and maintain strict neutral religion and irreligion that might conceivably religious organizations. court has espoused its d has relied on an incredi reading of the intention authors of the First Am

While it is always da "proof text" either the B Founders, the Founder their fear that the court misunderstand their in Those fears have been time.

In 1787, the year the was written and appro also passed the North outlawing slavery in th Territory. The member the basic rights of citize similar to the Bill of Ri Northwest Ordinance, their view of the place "Religion, morality and being necessary to goo and the happiness of n schools and the means shall forever be encour

George Washington such principles in his F Address: "Of all the dis habits which lead to p prosperity, religion and indispensable support

Benjamin Franklin points he believed wen religions and thus sho schools: (1) recognition a Creator who made a that the Creator has n code of behavior for h distinguish right fro that the Creator holds responsible for the wa each other; (4) that all beyond this life; (5) th

Clinton can't count on winning New York in '96

BY MITCHELL MOSS
Newsday

Although Clinton campaign television ads are running in major markets across the country, they will not be seen in New York because the President's advisers are confident of his support here. They even had the gall to launch Clinton's 1996 campaign in New Jersey.

But 1996 will not be a rerun of 1992. Without New York, there is no way a Democratic president can win re-election, and Bill Clinton cannot count on winning New York state next year. In fact, a Republican presidential nominee might even take the Empire State, just as Reagan did in 1980 and Nixon did in 1972.

Unlike 1992, when Clinton defeated Jerry Brown in a brutal primary, the President will not have any serious opposition in the New York primary next March. However, the

successive defeats of Democrats David Dinkins and Mario Cuomo have deprived Clinton of the managerial talent and volunteer labor needed to run a presidential campaign in New York.

According to Jerry Skurnick of Prime New York, a political consulting firm, Cuomo operatives ran Clinton's campaign in 1992, but the 1996 Clinton campaign cannot rely on the State Democratic Committee, which is now a collection of fiefdoms lacking any common ideology or loyalty to a single political leader. Furthermore, without the help of a Democrat in high office, contributions from wealthy New Yorkers that usually help subsidize campaign costs in other parts of the country will be needed to pay for workers and telephone banks here.

Clinton's new 10-year deficit-cutting budget plan, including cuts in Medicare, do not help him with

hardcore liberals, an endangered species that Democrats cannot afford to ignore. Ironically, the ideological shift to the center that helps Clinton nationally undermines his appeal in New York, where public spending is still popular despite last year's Republican victories.

Adding to Clinton's woes is the resurgence of the New York state Republicans and their plans to seek control of the State Assembly in 1996. Republican State Chairman Bill Powers has targeted vulnerable Democratic Assembly members for defeat, a strategy that will inevitably help the Republican presidential nominee. And while most Jewish voters favor Clinton and consider the religious right to be anathema, the growing political conservatism among American Jews cannot be ignored, especially among the ultra-orthodox who will follow the preferences of Sen. Alfonse D'Amato.

Though the Clinton administration's policies on abortion, gun control, Northern Ireland and Haiti are compatible with most New Yorkers' politics, Clinton will not have the benefit he drew from the 1992 Democratic Convention in Madison Square Garden, which energized local politicians and gave him enormous exposure to the local media. Next year's convention in Chicago will not help him much in New York.

Of course, the best way for Clinton to take New York is to appoint Rudy Giuliani to a high-level Cabinet position. This would endear Clinton to Democratic leaders, who could then retake City Hall in 1997, and to Republicans, who wouldn't have to worry about Giuliani's statewide ambitions. Clinton also would have a genuine tough guy capable of going head-to-head with congressional Republicans.

GARRY TRUDEAU'S 'DOONESBURY'

WELCOME
BACK, HI-S!

WELL, YES,
BUT I'M

READY? ARE
YOU KIDDING?

YOU DID A MONTH OF HOUSE-
HOLD SHOPPING IN LESS THAN
TEN MINUTES--ALL FROM THE

BUT I
SPENT

OKAY, THAT'S A BIT
OVER THE TOP, BUT
YOU'LL GET THE HANG

7-16-95

Seaman

Did we send the
Truman article
to Ernie Sunnes
and Max Brantley
at the American Times?

BC

~~original sent~~
~~to Seaman~~

THE PRESIDENT HAS SEEN
7-17-95

THE WHITE HOUSE
WASHINGTON

MEMORANDUM

TO: THE PRESIDENT
FROM: Ann Stock AS
DATE: July 11, 1995

As you recall, Dave Brubeck presented you with his one of a kind signed music manuscript print of BLUE RONDO A LA TURK.

Mr. Mitch Farber, President of Jazz Galleries International, would like to bring 5 jazz greats to the White House to present Print Number 1 of their respective compositions - Chick Corea, Horace Silver, John Lewis, Benny Golson and Dave Brubeck. Additionally, we could have them do a concert for you.

Is this something you would want to do?

Please advise.

Bring by to present
try to a concert unless
can't tag you on a dinner
B.

Jazz Galleries International

Ms. Ann S. Stock
Special Assistant to the President
East Wing- Room 200
The White House
Washington, D.C. 20500

(copy of Fax of 6/28/95)

Dear Ms. Stock:

Dave Brubeck's manager, Russell Gloyd, gave me your name. My company is the producer of the signed music manuscript print of Dave Brubeck's *BLUE RONDO A LA TURK* which you graciously assisted in getting to the President last fall. I was told that the President loved it, and one of our "sources" has reported seeing it hanging on the wall just outside the Oval Office.

Jazz Galleries International represents a handful of the leading living American jazz composers. In addition to Brubeck, our artists include **Chick Corea**, **Horace Silver** (probably the most important living jazz composer), **John Lewis** (pianist and music director of the legendary **Modern Jazz Quartet**), and **Benny Golson** (composer of six of the best known pieces in the jazz repertoire.) Each of these men has a worldwide reputation among jazz fans, and some -- like Corea, Brubeck, and the Modern Jazz Quartet's John Lewis -- have wide followings in the mainstream music world.

From the inception of this project three years ago, I had planned to present the President with Print Number 1 of each of our editions. There are five editions to date.

I am proposing that I bring these five legendary figures to the White House to personally present the President with print # 1 of their respective compositions. This should only take a few minutes, although the President undoubtedly knows most or all of these men by reputation, and may want to visit with them for a longer time. (Incidentally, we are about to release Dave Brubeck's second edition of prints, so Dave would have something new for presentation.)

Since this year has been proclaimed the Centenary of Jazz by Mr. Clinton, I believe that a moment of recognition from the President would be an important and timely boost for the jazz world. That we are celebrating America's musical achievements, and are selling the (American made) prints all over the world are bonuses. I also believe that the President would love the occasion.

I would be glad to discuss any of this with you. I will mail you the hard copy of this letter, and will enclose some further information about the prints and the composers, including photographs of the prints. However, if you've seen the *BLUE RONDO* print, you already have the general idea.

I know that you must get hundreds of requests each day from people wanting a piece of the President's time. I appreciate any consideration you can give us. My one advantage over most of the other petitioners is that the President genuinely loves jazz, jazz musicians, and especially Dave Brubeck.

Please call me at 518-758-1812 or fax to 518-758-1816. Thanks again for your time.

Sincerely,



Mitch Farber, President
Jazz Galleries International
12 Sky View Lane
Valatie, New York 12184
Phone: 518-758-1812
Fax: 518-758-1816

THE PRESIDENT HAS SEEN

7-17-95

THE STERN GROUP, INC.

3314 Ross Place, N.W.

Washington, D.C. 20008

Telephone: (202) 966-7894

Facsimile: (202) 966-7891

FACSIMILE COVER SHEET

*Don't (Sandy)
- This is interesting
- We haven't said
anything -
For*

PLEASE DELIVER IMMEDIATELY to:

Nancy Hernreich

Deputy Assistant to the President and

Director of Oval Office Operations

Executive Office of the President

Facsimile: 202-456-6703

Client Number: 99999.2547

From: Paula Stern

Number of pages, including cover sheet: 3

Date Jul 14, 1995

Contact Linda Walker at (202) 682-3569 if problems occur.

MESSAGE: Please see attached fax transmission.

7/17 1. C. Long
2. Pres

THE STERN GROUP, INC.

3314 Ross Place, N.W.

Washington, D.C. 20008

Telephone: (202) 966-7894

Facsimile: (202) 966-7891

E-Mail: PALondon@aol.com

MEMORANDUM

TO: William J. Clinton
President of the United States
Of America

DATE: July 14, 1995

FROM: Paula Stern

RE: U.S.-China Relations

✓ 11

As you requested, I am sending this memo concerning the alarming state of U.S. relations with the People's Republic of China, which I think you could use as a basis for a statement. Speaker Gingrich has made a number of provocative statements about China which give you a good opportunity to (i) assert your role as President, (ii) show yourself a statesman in contrast to the posturing, irresponsible, Republicans, and (iii) send a message to Chinese leaders about the United States' true intentions. Issuing a firm warning to Speaker Gingrich and Jesse Helms to avoid careless thinking and thoughtless rhetoric in this sensitive area of the world can help to clarify the United States' position and arrest any downward spiral of misunderstanding.

The Republican leadership is playing a dangerous game in Washington at a time when there is a vacuum of leadership in China. This creates misunderstandings which can lead to dangerous miscalculations threatening nations on both sides of the Pacific.

✓ 11

China sees United States' actions and statements as efforts to "contain" it as it ascends onto the international stage. I propose a presidential statement that would aim to correct two fundamental misunderstandings in China about the United States' intentions. First, it would stress that a number of recent sources of tension between the U.S. and China stem from traditional and global goals of the United States and should not be seen as a special effort to contain China or anyone else. The U.S. traditionally favors (i) opening markets to trade and investment, (ii) protection of intellectual property rights, (iii) democracy and human rights, and (iv) non-proliferation of nuclear weapons. These are goals the United States has advocated throughout its history, certainly before China

emerged on the world scene in its present form as a multidimensional power. The Chinese understand their own history and heritage. They need to understand ours, too.

Second, and relatedly, China must develop greater sophistication about the U.S. political system. Ours is not a mirror image of authoritarianism which prevails in China. Rather it is a system of divided power. Individual statements by members of Congress--which often are playing to domestic political interests--must not be confused with official U.S. foreign policy. The proliferation of U.S. voices on China policy--some of them advocating deliberately provocative and short-sighted policies such as reestablishing relations with Taiwan--is needlessly contributing to the current turmoil in U.S. China relations.

Your statement should stress, therefore, that there is a difference between advancing America's traditional goals of democracy and open markets, for example, and calling for a dramatic shift in the status of Taiwan. The latter is gratuitous and may be tantamount to a *casus belli* that could lead the United States into a military confrontation with a nuclear China in which the United States could expect little or no support from Japan or other Asian nations.

This "trail of misperceptions," as the Wall Street Journal called it today, is occurring against a backdrop of an Asia-Pacific region that is anxiously perceiving two fundamental trends: a contraction of the central economic and military role played by the United States, simultaneous with the ascendance of China (and Japan) as multi-dimensional power(s). Asian calculations tend to be based on long-term trends. But, as we have seen recently, a series of short-term events can send the wrong signal. This spiral of misperceptions between the United States and China has a dangerous precedent in the "Guns of August" that preceded the outbreak of World War I. The history of Western civilization is that it has often been unsuccessful at peacefully integrating emerging great powers. We do not want to make China into what Germany was to the 1870's.

Finally, I urge you not to get identified personally in a high visibility public statement on Harry Wu. This restraint will help to avoid a situation where both the United States and China get so involved at the top levels of power that neither side can back down without losing face.

Please know that I am always enormously honored to call you a friend and that I stand ready to help you in every aspect of your Presidency. In the future, I don't intend to wait to be asked for a memorandum on my views!

The AES
Corporation

Eshen
if there's any
way to let Dennis do
an experiment it might
be interesting to try
Boz

1. Cl Eshen
2. President

Dennis W. Bakke
President
Chief Executive Officer

July 5, 1995

Received 7/14/95

THE PRESIDENT HAS SEEN
7/17/95

The President
The White House
1600 Pennsylvania Avenue
Washington, DC 20500

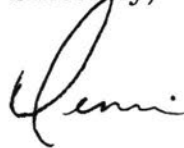
Dear Mr. President:

Thanks again for your phone call on the Wall Street
Journal article. Per our discussion, enclosed is my
letter to Secretary Reich along with his response,
and another nice, meaningless letter from Tom
Glynn as well.

There has been no follow-up from either office since
the exchange of letters, but given the tone and
philosophy expressed in the letters I never expected
any.

This could be a fun area for discussion sometime, if
you have time.

Sincerely,



DWB/jh

Enclosures



November 9, 1994

The Honorable Robert B. Reich
Secretary of Labor
Department of Labor
200 Constitution Avenue, NW
Washington, DC 20210

Dear Secretary Reich:

Thanks for sending a copy of your National Alliance of Business speech in Dallas. I read it with great interest, since I have been hoping to talk with you about related topics for some time (you invited me to lunch a few months ago that had to be canceled).

Your thoughts on the problems facing the world of work in America are unassailable. We certainly need a compact among members of the work community to attack the obvious problems. But I am concerned about some of the assumptions about people and organizations that seem to lie behind some of your suggestions.

You seem to assume that there is a dichotomy between workers and the businesses they work in—the old labor versus management model—that makes workers dependent, pigeon-holed, helpless, irresponsible, non-owners, non-decisionmakers, and, eventually, victims. At AES we are trying to undo these basic industrial revolution assumptions about people in the work place. Instead, we desire to look at each person as responsible, accountable, trustworthy, creative, capable of learning and decisionmaking, unique, fallible and desiring to make a positive contribution to society.

In this context, many of the suggestions made about how good “management” and “labor” ought to respond to our problems seem a little off the mark or at least inconsistent with the people assumptions above.



Secretary Reich
November 9, 1994
Page 2

Managers should not "train" people or establish training programs in the sense most often mentioned. Instead, we should try to create a corporate community with people who can learn and get themselves trained. We need to avoid "taking care of people" with health care, job security, training, housing, etc., and start treating each person as a responsible adult whether they went to the Harvard Business School or didn't finish high school. We need to enable, not take care of people. This is the only way to keep people from being dehumanized and becoming disaffected while also making them more flexible to respond to the dynamic skill requirements of our work world.

Related to this viewpoint is my concern over current Federal rules on worker pay systems. As we at AES experiment with creating a corporate community on some of the principles above, we believe current pay systems (hourly pay, overtime, etc.) may no longer fit. Yet the law as we understand it does not allow even an experimentation with, for example, an all salary plant with no overtime pay. Could we discuss?

Thanks for your dedication to your job. I am a long-time friend of the President and would love to see a major paradigm shift in this arena while he is in office.

Sincerely,



Dennis W. Bakke
President

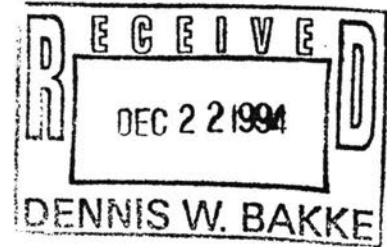
DWB/jh

P.S. I'm sure you can imagine that I believe, as I think you do, that we need to change the name of your department, as well.

cc: Secretary Ronald H. Brown

bcc: Phil Lader (via fax)
Leon Panetta

U.S. DEPARTMENT OF LABOR
SECRETARY OF LABOR
WASHINGTON, D.C.



DEC 20

Mr. Dennis Bakke, President
Chief Executive Officer
The AES Corporation
1001 North 19th Street
Suite 2000
Arlington, VA 22209

Dear Mr. Bakke:

Thank you for your letter. I appreciate your comments about my speech.

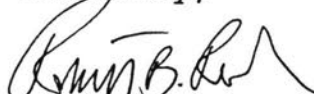
It is very interesting to hear about the efforts at AES to do away with "industrial revolution" assumptions about people in the workplace. There is a real need for all workers and managers in this country to take a good hard look at ideas about how work should be organized and managed.

On the matter of training, it is my belief that employers have much to gain by developing and improving their workers through training. However, I've spoken often of the responsibility of workers to see to their own development through continuous training and upgrading of skills. The organizations of the future will offer few guarantees, only opportunities. Those who have demonstrated their ability to upgrade their skills continuously through learning will be in a position to take advantage of those opportunities.

I would be happy to hear your suggestions for changes in regulations affecting work hours and overtime. The opportunities for abuse in this area are enormous. The fact that these laws are still systematically abused by too many employers means the protections they afford to workers are still necessary in all too many cases.

Again, thank you for writing. I do hope there will be an occasion when we can discuss further the matters you have raised in your letter.

Sincerely,


Robert B. Reich

Thanks

DEPUTY SECRETARY OF LABOR
WASHINGTON, D.C.
20210

December 7, 1994

Dennis W. Bakke, President and
Chief Executive Officer
AES Corporation
1001 North 19th Street
Arlington, Virginia 22209

Dear Mr. Bakke:

Thank you very much for sending me the copy of your letter to Secretary Reich. As Phil Lader suggested, I, too, am interested in the issues you raise. Secretary Reich has been considering some of the very points you made and will be replying to your thoughtful letter soon. We appreciate your thoughts.

Sincerely,



Thomas P. Glynn

**The AES
Corporation**

Dennis W. Bakke
President
Chief Executive Officer

July 5, 1995

The White House
West Wing, First Floor
ATTN: Ms. Nancy Hernreich
Washington, DC 20500

Dear Nancy:

In our phone conversation this morning, the President asked me to get these pieces of correspondence to him and to send it to your attention so that he would get them in a timely fashion.

Thanks for your help.

Regards,



DWB/jh

Enclosure





EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF ADMINISTRATION
Washington, D.C. 20503

July 14, 1995

95 JUL 14 P 1:04

MEMORANDUM FOR TODD STERN

FROM: DOUGLAS R. MATTIES 
SPECIAL ASSISTANT TO THE DIRECTOR

RE: MARTINDALE-HUBBELL LISTING

Every year, the White House is asked to submit a listing of all attorneys for inclusion in the government section of the Martindale-Hubbell Law Directory. Attached is the form for inclusion into the directory. If you wish to have your name published, please complete this form in its entirety and return it to Room 145 by **Thursday, July 20**. If any member of your staff qualifies for the directory and did not receive a form, please feel free to copy the form.

If you have any questions, please to call me at x62861. Thank you for your assistance and cooperation.

Sent on 7/17/95

ce

U.S. GOVERNMENT
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121 CHANLON ROAD, NEW PROVIDENCE, NJ 07974

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Very truly yours,

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Correct Office Address T H O W H I T E H O U S E Rm./Suite _____
(Street or Building and P.O. Box, if any)City W A S H I N G T O N State D C Zip Code 2 0 5 0 0Birth Place C H I C A G O I L L Birth Date 0 5 0 4 5 1Year of First Admission 1 5 7 7 State of First Admission N E W Y O R K

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1. College attended D A R T M O U T H C O L L E G ELocation H A M P T O N N H Degree B A Year 1 9 7 3
(City and State)2. Law School attended H A R V A R DLocation C A M B R I D G E M A Degree J D Year 1 9 7 7
(City and State)Former Locations and firm connections, if any N Y C P a n / U e i s s R i f k i n d

Membership in Bar Associations _____

Signature [Signature] Sean Date 0 7 1 4 5 5

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(Street or Building and P.O. Box, if any)

City W A S H I N G T O N State D C Zip Code 2 0 5 0 0Birth Place C H I C A G O I L L Birth Date 0 5 0 4 5 1Year of First Admission 1 5 7 7 State of First Admission N E W Y O R K

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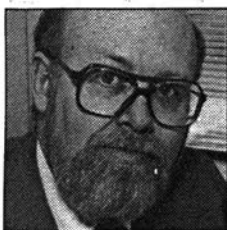
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(City and State)

Former Locations and firm connections, if any N Y C P a u l U e i s s R i f k i n d

Membership in Bar Associations _____

Signature Joe Stern Date 0 7 1 1 4 5 5



ERNEST DUMAS

The truth about Whitewater

The Wall Street Journal, which has reported on the Whitewater affair more accurately and editorialized on it more wildly than any other major newspaper, carried a small item on the central matter in its back pages Monday.

"Clintons Are Vindicated in New Report on Collapse of Madison Guaranty S&L," the headline said.

It reported that a \$3.6 million investigation of Madison Guaranty and the Whitewater Development Corp. directed by a former Republican United States attorney with an ax for the Clintons had concluded that the Clintons had accurately accounted for their dealings with Whitewater and Madison and that they did nothing illegal. The report was prepared for the Resolution Trust Corporation by the law firm of Pillsbury Madison & Sutro and directed by Jay Stephens, a harsh critic of Clinton.

The appointment of a certifiable enemy with an unconcealed vendetta against the Clintons to conduct an impartial investigation of their private dealings in the '70s and early '80s had nettled the Clintons. It was one reason that the Clintons developed a paranoia about Whitewater, which was fed by a succession of similar appointments of Republican partisans to look into his administration and its government past.

Remember that it was an ominous article in The New York Times about the Whitewater Development Corp. and Madison Guaranty that unloosed the manifold investigations of Arkansas that fall under the "Whitewater" rubric.

And it turns out that all the scrambling at the White House in the summer, fall and winter of 1993 after the suicide of Deputy White House Counsel Vince Foster and the Republican cries of "coverup" was over this: The Clintons were passive partners in Whitewater and were not involved in the financial transactions of the little mountain real estate development until 1986, when Jim McDougal, the president of Whitewater and Madison, fell ill. Then Hillary Clinton tried to file delinquent tax returns and took other steps to get its finances in order.

Only once did money from the thrift go into a Whitewater account—the central issue in the Whitewater affair—and that was when McDougal paid himself a \$30,000 bonus at Madison, deposited it in Whitewater and applied it to one of his debts that was unrelated to the Clintons' investment in Whitewater.

These, the Journal reported, are the conclusions of Stephens' encyclopedic report on Madison and Whitewater.

And one other thing: The Clintons had

reported losing \$46,635 on their investment in Whitewater, and Stephens' investigation, according to the Journal, concluded that within a few cents they were correct.

Stephens' investigation was to help the RTC, which took over the assets of Madison after its failure in 1989, determine civil liability. The RTC bailout of Madison, one of the smallest savings and loan flops in the country, is to cost the taxpayers \$45 million or more.

What triggered the investigations of Whitewater was the suggestion in The New York Times that the Clinton administration at Little Rock in the mid-1980s took official actions to shield Madison from federal or state regulation that might have protected investors and taxpayers. The official record suggests just the opposite—the Bush administration was the one that was slow to act—and the Journal did not report whether Stephens found anything different.

The criminal investigation of Whitewater, conducted by Special Prosecutor Kenneth Starr, is still going and will rack up taxpayer costs far beyond Stephens' \$3.6 million. It may get a Grand Jury to indict McDougal again—he was acquitted of fraud at Madison after a trial in 1990—but Starr has moved on to even smaller matters far removed from Whitewater and the Clintons.

Bill Clinton has much to account for, as governor and president, but the least of it is his personal financial history. He may have less to account for there than any previous president or, indeed, any sitting member of Congress.

Few Washington scandals have been so destructive yet so inconsequential. History should record it as a symbol of the times.

cost \$65.

We ate in our hotel room some nights, buying provisions from friendly Koreans who ran an excellent delicatessen across the street.

ROBERT S. MCCORD

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THE PRESIDENT HAS SEEN
7-17-95

Enrich / Secrecy / Lulu / Spring
This is weird and good
ROZ

13 July 95

MEMORANDUM

TO: The President

FROM: Guy L. Smith

SUBJ: **Communications: The Third Part**

Mr. President:

The move towards the center is important. The move towards more civility in public discourse is important. Both are being effectively communicated. But they are not enough to overcome the deep frustration and sense of futility that so many people feel about government in general and Washington (all of Washington) in particular. You need one more element for an effective communications strategy.

Back in January and February at our meetings I emphasized the need to demonstrate very clearly to the American people that many of the cuts then being proposed, now being passed, by the Republicans were the wrong way to fix government. Yes it's broken, but it should not be torn down, simply repaired (reinvented).

I urge you to begin to play hardball with the Republicans. Demonstrate with highly visible activities, and passion (such as you displayed at the base closings press conference), how the actions of the Republicans will hurt Americans. **Pick out specifics from various pieces of legislation now moving through the House, the especially egregious ones, and then go the clinic that will be closed, go to the police department that has lost an officer to an assault weapon...that takes the reality of these cuts right into the living rooms of middle America.**

The people, and the media, respond to and understand specifics that they can see. Show them.

All this can be done in a very civil manner (don't call the Republicans names, but make it clear with emotion and passion that you will not stand by and let them do things that hurt people, low income people and middle class people). You've got to be loud and you've got to be dramatic. Harry Truman was frequently very dramatic, but he was always civil (well, almost always).

Page Two

Do not let Speaker Gingrich bait you

Do not respond to his speech in Philadelphia. You will no doubt receive counsel to come back at him. Don't. It just raises his awareness and lowers the Presidency. Instead, take him and all the extremist Republicans on by pointing up the fallacy of running the government the way they're trying to. That makes it your agenda, not theirs.

And, as we discussed at our earlier meetings, **use the veto** (as you already have). They will rarely have the votes to override you, so you have a very potent weapon.

I believe that a three part strategy, 1) move towards the center; 2) calls for civil discourse; and 3) playing hardball with specific outrageous actions by the Republicans will serve you well and greatly aid in getting your message effectively and convincingly communicated to the American people.

If I can be of any help, just let me know.

Sincerely,

Guy

*Leon/Sullivan/Kenn/Laura
we need to discuss
this - pretty good argument
PS*

THE PRESIDENT HAS SEEN
7-17-95

95 JUN 19 P1:52

FAX COVER SHEET

OFFICE OF THE DEPUTY ASSISTANT TO THE PRESIDENT FOR ECONOMIC POLICY
SECOND FLOOR, WEST WING
THE WHITE HOUSE
WASHINGTON, DC 20500
(202) 456-5804
(202) 456-2878 FAX

TO: Todd Stern

ORGANIZATION: _____

FROM: ELENA MCCOY

NUMBER OF PAGES (including cover sheet): 6

COMMENTS: This sending you this per
theo Lubke

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WALKER / POTTER ASSOCIATES

1730 PENNSYLVANIA AVENUE, N.W.

WASHINGTON, D.C. 20006-4787

TELEPHONE (202) 383-4781

FAX (202)

DETERMINED TO BE AN ADMINISTRATIVE

MARKING INITIALS: MI DATE: 7/12/94

2019-0774-5

May 1, 1995

~~CONFIDENTIAL~~

The Honorable Robert S. Strauss
Akin, Gump, Strauss, Hauer & Feld
1333 New Hampshire Avenue, N.W.
Washington, DC 20036

Dear Bob:

The type of major tax restructuring that you, Ken Lay and I have been discussing for several years has finally captured the attention of politicians, the press, and even the general public. The next several months will probably be confined to further analysis and debate. But action could follow not too long after.

The question you asked me to ponder is how the Administration should "play" the issue during this discussion period, assuming that the President is serious in his pro-restructuring statements both to Ken Lay and you as well as the press. As early as the summer of 1993, he told FORTUNE that we should take a hard look at restructuring through VAT, emphasizing that any such plan should be revenue-neutral.

Bill Archer has promised hearings on tax restructuring in June; he favors substitution of a broad-based consumption tax completely for the income tax, as does Sam Gibbons. Packwood has already held hearings on the flat tax and has promised hearings on the Nunn-Domenici proposal to substitute what is essentially a "subtraction VAT" for the corporate income tax and part of the payroll tax, while exempting all saving, individual and business, from taxation. Some "sacred cow" individual deductions (e.g. mortgage interest and charitable contributions) would be retained. A number of nongovernment think tanks, including our Center for Policy Research at the American Council for Capital Formation (remember: you're a board member) will also analyze the proposals.

If the President wants to significantly affect the outcome of this debate, he can be neither inactive nor simply reactive. He could press his aides to come forth with a restructuring plan within the near future, but I think that is unnecessary and in fact would be a bad mistake. But if he fails to enter the fray with his own plan, how can he be a real player and significantly affect the ultimate outcome?

Simply by clearly setting forth -- preferably in May, before Hill hearings get underway -- a few basic principles that any tax restructuring plan will have to meet to gain his support and final approval. He should do this personally and with considerable fanfare. Then if he wants to send a witness (such as Rubin) up for a given set of hearings, comments can be confined to how the plans under consideration measure up to the principles -- not in terms of drawing a veto line in the sand, but statements of Presidential views that will help keep the debate within bounds and, hopefully, within the confines of the principles he has laid out.

Here are the principles I would set down.

- (1) The new tax system must be perceived by the "typical" taxpayer as fair, both in terms of the ability to pay criterion and the taxpayer's conviction that the tax code does not contain loads of provisions that let better informed taxpayers (not just the rich) get special treatment.

The word "perceived" here is very, very important. For example, the soak-the-rich crowd will argue for relatively steep progressivity in rates. But many low- and middle-income taxpayers may prefer a system in which they can file their returns on a postcard (as Hall-Rabushka claims to be the case with their flat tax) than one that socks it to David Rockefeller, corporate CEOs, and the like.

Although the President or his aides do not have to make it explicit at the outset, somehow or other it should be made clear early on that the Administration will not let itself get trapped into using so-called "burden tables" as the end-all and be-all in measuring fairness of proposed tax changes.

Such tables measure "fairness" only in assumed before-and-after "tax burdens," thus leaving out the impact of tax changes on jobs and growth, surely two very important factors in fairness of taxes from the payer's point of view.

Some burden tables also involve rather bizarre assumptions. For a cut in the capital gains tax rate, for example, the Treasury assumes that Joe Moneybags will realize, say, \$1 million in capital gains in 1995. If the rate is cut in half, Treasury assumes that his capital gains tax burden has been cut in half -- even if he realizes no capital gains or if he realizes more than Treasury assumes, which he probably will. Try convincing a reasonably intelligent college freshman of the logic of this position.

2) The new system must go a long way toward eliminating the bias in the existing system in favor of consumption and against saving and investment. This will do much to level the playing field for economic decisions (on saving and investment) that affect resource allocation over time -- something that is highly important to future growth in output and good jobs. This tilt of the playing field against saving and investment is widely recognized among economists.

All of the plans now under consideration move in this direction (Nunn-Domenici moves the farthest). "Economists" and publicists who argue that this will not raise the U.S. saving rate are completely out of step with mainstream public finance economists who believe just the opposite. (Larry Summers is one of those "mainstream economists.")

- ✓ (3) Due regard and respect should be given to our Federal system of government and the fact that the states and localities have individual tax systems that may be affected -- sometimes very significantly -- by changes in the Federal system. Violation of what state and local leaders view as their fiscal rights could result in extremely difficult political and substantive problems.
- ✓ (4) Recognizing the growth of multinational businesses and the rapidly expanding trade and financial activities across national boundaries, the new tax system should be designed to help maximize efficiency in the world economy, eliminate double taxation, reduce the huge expense of compliance, and in general be designed to serve business goals rather than complicate them. In particular, intensive study should be given to making all national tax systems "territorial" -- that is, only the income earned in a multinational's headquarters' nation would be taxed there.
- (5) Although greater simplicity in filing should always be a major goal, as should reduction of administrative costs, pursuit of these goals cannot be allowed to be overriding. The principles enunciated above should come first.

CONCLUSION

It is suggested that strong Presidential endorsement of principles such as these could help make the Administration part of the tax restructuring debate but still insulate it from much of the nitty-gritty discussion of the plans. For example, the principle relating to state and local governments could, if it seemed desirable, be used to pour some cold water on ideas to substitute a national sales tax for the Federal income tax -- an idea that is almost anathema to state and local leaders.

✓ One final observation: Most tax restructuring debate thus far has been relative to the substance of the changes, not the politics. Some of the plans (as in the national sales tax proposal) face significant political problems. Thus the internal Administration analysis and discussion that takes place while the existing plans are being dissected should pay special attention to political aspects of restructuring.

✓ Indeed, I am not at all sure but that the plan which Ken Lay, you and I have been hawking for some time -- and which plays heavy attention to politics without giving up on the basic

principles stated above -- will be much closer to the final outcome than any of the plans now under discussion.

The President should stay in the game but keep his powder dry.

Sincerely,

A handwritten signature in dark ink, appearing to read "Charles E. Walker", written in a cursive style.

Charles E. Walker

Handwritten: Pam → Podesta Revid. Tuey 5/8

AKIN, GUMP, STRAUSS, HAUER & FELD, L.L.P.

ATTORNEYS AT LAW

DALLAS, TEXAS
AUSTIN, TEXAS
SAN ANTONIO, TEXAS
HOUSTON, TEXAS
NEW YORK, NEW YORK

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INCLUDING PROFESSIONAL CORPORATIONS
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SUITE 400
WASHINGTON, D.C. 20036
(202) 887-4000
FAX (202) 887-4288

BRUSSELS, BELGIUM
MOSCOW, RUSSIA

WRITER'S DIRECT DIAL NUMBER (202) 887-4190

May 3, 1995

HAND DELIVERED

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

Dear Mr. President:

I am sending herewith a self-explanatory letter prepared by Dr. Charles Walker, who represents a different point of view than you and I might share with respect to tax policy. Nevertheless, he is a responsible and thoughtful fellow who has worked with Democrats and Republicans alike for a long time and has credibility.

While I certainly don't agree with a good deal of the principles he sets forth, this does follow up on the dialogue you and I had on "new and big ideas." Walker's letter grew out of a discussion he and I had about the necessity for you to have a significant role in this entire debate, and still "keep your powder dry" for the time being. Not let them draw you in too early. The use of endorsement of principles by you with strong, appealing language, would seem to me to give you a forum in the debate and keep you from having to move with specificity before you are ready.

I am taking the liberty of also sharing a copy with Bob Rubin and Laura Tyson.

I wish you well on your trip, and would appreciate your extending my warm regards to Yeltsin, if the opportunity arises. While I was in Russia, he and I developed a good personal relationship that continues to this day.

Sincerely,

Handwritten signature: Bob
Robert S. Strauss

cc: Honorable Robert E. Rubin
Honorable Laura D'Andrea Tyson

- ① Origin
- ② Per WHO
- ③ 94 → 100 records
- ④ She has never put GOP in there
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Haul 300+

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(CBO)

THE PRESIDENT HAS SEEN
7-17-95

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- Econ
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May 25, 1995

TO: MIKE McCURRY

FR: HAYNES JOHNSON AND DAVID S. BRODER

Mike:

About our interview with the President Tuesday, May 30, for our book, The System:

To reiterate what we said earlier, this conversation with the President comes after hundreds over more than two years with virtually all the leading players in the health reform battle: Republican and Democratic leaders of Congress and heads of operative committees, major opposing lobbyists, administration members from Cabinet to First Lady, governors and others outside the Beltway. As you'll remember, we're using the health care fight to illuminate a greater issue: How, and whether, the political/governmental system works--or doesn't--and to draw large lessons from that experience.

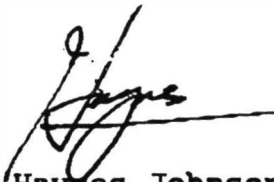
What we most want--and need--is to get the unique perspective of Bill Clinton himself. We want to be able to let all readers understand what it was like for the President as he went through the critical junctures of that experience--what surprised him, what heartened him, what dismayed him, what personal and political lessons he draws from it.

We have no hidden agenda in this conversation. We do have a number of areas we'd like to explore. Among them: the choice of who to head the task force and Ira to manage it; the role of

the interest groups and the Democratic Party upon whom the administration counted to win the fight; the impact of Whitewater, talk radio, and the Gingrich GOP; the veto threat in the 1994 State of the Union address; the final difficult decision to pull the plug last fall; the role the health care fight played in the Republican takeover of Congress and what part health care will play in the 1996 presidential campaign. And, finally, but crucially, his thoughts about the presidency, the system, and the American future.

Our goal is to make sure we reflect the President's thinking, and his voice, in what we believe became a defining issue for the two parties and the country--and a story that is far from over.

We appreciate all your help, Mike, and look forward to this conversation.



Haynes Johnson



David S. Broder