

DATE: 8/14/95

TO: Carol Rasco

FROM: Staff Secretary

We need to finalize by Wednesday 8/16.

Todd Stern

C-
copy to
Rasco
that we need
to finalize by
Wednesday
T.

THE WHITE HOUSE
WASHINGTON

August 14, 1995

MR. ~~PRESIDENT~~:

Secretary Riley has been nominated to receive the Heinz Award, named for the late Senator from Pennsylvania, in the Public Policy category. The Heinz Foundation has asked you to comment on his nomination; Counsel has approved you doing so. The award carries a \$250,000 cash prize.

The attached letter was drafted by Billy Webster.

The Foundation asks that you keep confidential your knowledge that the Secretary has been nominated, especially when talking with him.

Todd Stern
Phil Caplan

*am Charles
of them is wrong
about his writing
a few sec - would say
a lot more exp.
- must have rep
- Ent
- character in*

THE WHITE HOUSE

WASHINGTON

August 14, 1995

Mr. Joseph E. Haviland
Awards Program Officer
The Heinz Foundation
3200 CNG Tower
Pittsburgh, Pennsylvania 1522

Dear Mr. Haviland:

Thank you for your letter. I am delighted to have the opportunity to comment on Secretary Riley's nomination to receive the esteemed Heinz Award. This award is a fitting tribute to Senator Heinz' extraordinary commitment to celebrating the best in American society.

I know of no more committed, compassionate, and effective public servant than Dick Riley. Dick and I served together as governors, and he is a long-time friend and colleague of mine. As President, it has been my pleasure to have Dick as my Secretary of Education. His unwavering commitment to public education has benefited this nation immeasurably, and I am deeply grateful for his service.

When Dick was elected Governor of South Carolina in 1976, his state was ranked almost last -- one of the few states worse off than Arkansas -- in virtually every category of education achievement. Student performance was low, teacher morale and salaries were lagging, and overall public support for education was negligible. Over the course of the next eight years, then-Governor Riley made striving for excellence in public education the hallmark of his administration. He and his wife, Tunky, worked thousands of hours, attended hundreds of PTA and other school meetings, and forged a new partnership with the private sector. The result was the passage of South Carolina's Education Improvement Act, which is still considered to be one of the most comprehensive, far-reaching examples of school reform legislation ever passed in this country.

As a former southern Governor myself, I cannot overstate what an enormous risk -- and hence enormous achievement -- this school reform legislation represented. Dick staked his entire political reputation on the idea that for South Carolina to succeed, all of the State's

children must receive a world class education. The results of that vision speak for themselves -- SAT scores in South Carolina have realized the largest increases in the nation; access for all students, particularly those living in poor and rural communities, has improved; teacher pay and morale have gone up, and the business community remains the most vocal and ardent supporter of continued state financial support for public education. In my estimation, Dick's efforts in South Carolina launched the drive for true education reform in America.

Secretary Riley has brought his characteristic vision, vigor, and optimism to education policy at the federal level. Together we succeeded in passing the Goals 2000 Act in 1994, establishing world class academic standards for core subjects and creating a partnership among government, states, communities, parents, and students to reinvent education at the grassroots level. Despite heavy opposition in Congress, Dick shepherded this legislation through. America's children will be the beneficiaries.

Throughout his career in public service, Dick Riley has consistently put aside personal and professional gain to advance the cause of American students, even resigning from the prestigious Duke Endowment to join this Administration.

Aside from his countless successes in public life, Dick remains one of the most humble, self-effacing people I have ever known. His tireless work, personal integrity, and quiet optimism have inspired people across America. I am proud to count myself among them and to highly recommend Dick Riley for the Heinz Award.

Sincerely,

A handwritten signature in cursive script, reading "Bill Clinton". The signature is written in dark ink on a white background.

THE
HEINZ
AWARDS

Staff Secy
asop

DETERMINED TO BE AN ADMINISTRATIVE

MARKING INITIALS: RB DATE: 7/2/95

PERSONAL AND ~~CONFIDENTIAL~~

July 18, 1995

The Honorable William J. Clinton
President
The White House
1600 Pennsylvania Avenue, NW
Washington, DC 20500

Dear Mr. President:

I am writing on a matter of some sensitivity and hope that you can provide some insight. Richard Wilson Riley, Secretary of the Department of Education, has been nominated for a Heinz Award. In order to properly assess the merits of his nomination, I am contacting a small number of people who may be familiar with Secretary Riley's work.

The Heinz Awards have been recognized as among the nation's largest and most prestigious awards programs. Created by the Heinz Family Foundation as a tribute to the late U.S. Senator John Heinz, the Heinz Awards recognize individuals whose spirit, vision, and achievements have made a significant difference in one of five areas: Arts and Humanities, the Environment, Public Policy, Technology and the Economy, and the Human Condition. As many as five awards are given annually, one in each category, and each includes a cash prize of \$250,000.

Last year's recipients were documentary film producer Henry Hampton, environmentalists Paul and Anne Ehrlich, child welfare advocate Geoffrey Canada, nuclear arms negotiator James Goodby, and computer pioneer Andrew Grove. As demonstrated by the spirit and actions of the individuals honored in 1994, the Heinz Awards are designed to spotlight the continuing power of caring individuals to advance the state of knowledge and to improve the lives of others. In each category, the Awards recognize tangible accomplishments with application elsewhere.

But they are also intended to reward intangible qualities of spirit, such as vision, joy, optimism, intellectual curiosity, an informed willingness to take risks, and the determination to make the world a better place. These qualities are extremely difficult to measure, except by those with personal knowledge of the individual.

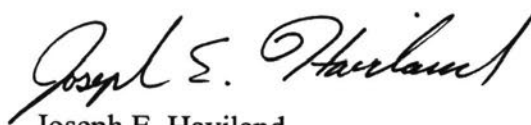
Page -2-

That's why we need your help. Secretary Riley has been nominated in the category of Public Policy. We are asking you for a one to three page letter which includes your frank assessment of his accomplishments and a description of the spirit that inspires and guides him.

Finally, we ask that you keep this request and your response to it confidential, and that you not discuss it with the nominee. We expect many qualified nominees and do not wish to raise expectations for anyone unnecessarily. Since nominations remain eligible for three years, we would request your confidentiality for that extended period of time. Let us also assure you that your response will be entirely confidential as well.

It would be helpful to hear from you by August 11. We have enclosed a return envelope for your convenience. If you have any questions about the Heinz Awards program, don't hesitate to contact me at the Heinz Family Foundation at (412) 497-5775. We are grateful for your assistance.

Sincerely,

A handwritten signature in cursive script, reading "Joseph E. Haviland".

Joseph E. Haviland
Awards Program Officer

TO: CHR

FROM: Bill Galston

SUBJ: Additional material for the Riley letter - COLLECTED VERSION

I would recommend the following addition, to be inserted after the Goals 2000 paragraph.

"As important as it is, Goals 2000 is only a part of Secretary Riley's extraordinary record of legislative accomplishment. He spearheaded the most sweeping reform and reauthorization of the Elementary and Secondary Education Act since its initial passage 30 years ago. He bolstered support for charter schools, our best chance to catalyze local participation and innovation in our public school system. He overcame intense special-interest opposition to push through a new student loan plan that means a more affordable college education for millions of our young people. And he collaborated with Secretary of Labor Bob Reich to create the legislative framework for the first national system of youth apprenticeships in our history. No wonder editorial boards around the country have saluted his leadership, which helped bring about the most sweeping agenda of education reform in a generation.

Dick Riley has offered the nation, not just legislative leadership, but moral leadership as well. He has offered practical steps for restoring safety and discipline in our schools. He has mounted a relentless campaign to get parents more closely engaged in their children's education. He has supported the cause of character education in every possible way. And he has led the search for common ground among religious faiths in their relationship to public education. Indeed, in my judgment, no American has done more to show how respect for religious conviction and free exercise can be combined with our constitutional traditions and our increasingly diverse society.

Copy to
Dick Riley

(+ 1 for me)

THE WHITE HOUSE
WASHINGTON

OFFICE OF THE STAFF SECRETARY

Fax Transmittal Sheet

TO: The Honorable Robert Reich

Fax Number: 219-7659

Phone Number: 219-8274

FROM: Todd Stern

SUBJECT: Presidential Note

DATE: August 16, 1995

NUMBER OF PAGES (including cover sheet): 2

MESSAGE: "cc Bob Reich
he's a good man
who can help
you should call him

BC"

If all pages are not received, please call 202/456-2702

The document accompanying this facsimile transmittal sheet is intended only for the use of the individual or entity to whom it is addressed. This message contains information which may be privileged, confidential or exempt from disclosure under applicable law. If the reader of this message is not the intended recipient, or the employee or agent responsible for delivering the message to the intended recipient, you are hereby notified that any disclosure, dissemination, copying or distribution, or the taking of any action in reliance on the contents of this communication is strictly prohibited.

THE PRESIDENT HAS SEEN
8-14-95

STEVEN RATTNER
ONE ROCKEFELLER PLAZA
NEW YORK, N.Y. 10020

cc Bob Rieck

He's a good man
who can help
you move forward
Bo

August 1, 1995

Mr. R.W. Apple, Jr.
Washington Bureau Chief
The New York Times
1627 I Street, NW
Washington, DC 20006

Dear Johnny:

Thanks very much for a lovely lunch and a wonderful chance to catch up. It's great to hear how well you and Betsey and the kids are doing. Since logistics confine us to the East Coast, I was particularly envious of all the traveling you are able to do.

Seeing David Sanger's Q-hed in The Times the next day reminded me of our discussion of income inequality, which he touches on in a couple of places. As I mentioned at lunch, I think this is an extraordinarily important economic trend that cannot be written about too often. The statistics are staggering: A young male worker with only a high school education was paid 30% less in 1993 than in 1973, the average CEO now earns 150 times the average workers (up from 35 times in 1974) and on and on. The implications of these and many other similar statistics must be obvious and profound.

While this has been much debated and written about in economic circles, I have seen less discussion of the policy and political side. How, from a Washington point of view, do we address the problem? What have the Republicans and the Democrats each had to say about how they would solve it? Whose approach makes more sense? Interestingly, my impression is that the Republicans (either individually or collectively) have managed to make their recent gains while utterly failing to articulate any coherent approach to the problem. It would be interesting to see a reporter address these questions.

I do hope that we can get our respective families together soon. It would be great to spend some more time.

Best wishes.

Sincerely,



TRANSMIT CONFIRMATION REPORT

NO.	:	001	
RECEIVER	:		DOL
TRANSMITTER	:		
DATE	:	AUG 16'95	7:33
DURATION	:	01'03	
MODE	:	STD	
PAGES	:	02	
RESULT	:	OK	

To: Voce Valley

I think this
is OK

THE WHITE HOUSE
THE PRESIDENT HAS SEEN
WASHINGTON
2-15-95

August 12, 1995

Mr. President:

This is obviously optional. If
you don't wish to do this, just
send Kennedy's note back to me.

Todd Stern



THE WHITE HOUSE

WASHINGTON

8/15/95

True excellence requires a
worthy dream, a good idea of
how to realize it, and the
the courage to risk failure to
achieve it.

Bill Clinton



CONGRESS OF THE UNITED STATES
HOUSE OF REPRESENTATIVES
WASHINGTON, D. C. 20515

PATRICK KENNEDY
RHODE ISLAND

June 30, 1995

05 JUL 7
A10:40

President Bill Clinton
The White House
1600 Pennsylvania Avenue
Washington, DC

Dear Mr. President,

I am co-editing a book along with a friend, Lorne A. Adrain, called "Thoughts on Excellence," a collection of handwritten thoughts from people whom we admire for their lifetime achievements. I would greatly appreciate if you could contribute a handwritten, signed thought for the book.

We have received many wonderful contributions to date from a diverse group which includes Mikael Gorbechev, Elie Wiesel, David Packard, Jack Lemmon, Rosalynn Carter and Bob Mathias, to name just a few. Your contribution would make the project even more exceptional.

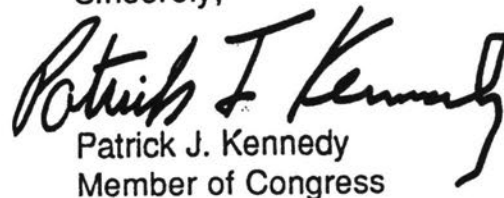
The proceeds of the book will establish and fund a foundation with which we will recognize and support individual and organizational excellence in Rhode Island. It is also my hope that the thoughts shared in the book will serve as an inspiration for all, especially young people, encouraging each of us to do our best.

Please take a moment to write a thought on excellence that has been particularly meaningful in your life and send it to me at P.O. Box 1356, Providence, RI 02901.

Thank you for assisting in this project. It is important to me and to Rhode Island.

With personal best wishes,

Sincerely,


Patrick J. Kennedy
Member of Congress

1 - Wes / Brewster
we should get
the AGS involved
in this!! good
to bring them up
TX

As you
requested

Caj

(E) **Congressional Correspondence.** 1) John Lewis and Maxine Waters praise your Affirmative Action speech. Lewis was "deeply moved" when you mentioned him in the speech and feels "you are definitely 'Keeping Your Eyes on the Prize.'" 2) Rep. Sherwood Boehlert (R-NY), thanks you for the golf invitation last weekend. He declined because of family commitments -- but asked for a rain check.

(F) **Note from member of Y.P.O.** Alexis forwards a note from Alkis Macropolis of Mozambique who participated in the Young President's Organization (YPO) conference. Macropolis says you "made many friends that day" and that his fellow YPs were "amazed at your grasp of the many issues" you tackle each day. He is very grateful for the time you spent with the group.

(G) **North Carolina clips.** From your trip this week.

We have also received the following recent information items:

• **Cutter memo on CAFE for light trucks.** At Pat Griffin's request. According to statute, new CAFE standards must be published by DOT for model 1998 light trucks by April 1996. In April 1994, we raised standards to 20.7 miles per gallon (mpg), an increase of .1 mpg. Until recently, NHTSA engineers believed industry submissions would support an increase of .1 mpg, but a late submission may cause them to revise downward. NHTSA will complete work on the late submission after Labor Day. The House DOT appropriations bill contains a rider prohibiting any increase, although the Senate bill has no rider. Congressman Dingell is interested in a two-year CAFE proposal, which would include no increase in '98 and a .1 mpg increase in '99.

• **Medicare:** A recent poll shows that those few people (16%) who believe you will cut Medicare have an *unfavorable* impression of you (31% favorable-65% unfavorable), while those who believe you are opposed to Medicare cuts have a *favorable* impression of you (60%-37%). Those who aren't sure of your position have an unfavorable impression (41%-54%).

• **Call from Mississippi Attorney General Mike Moore on tobacco.** Via John Hart. Moore says your tobacco announcement was a "100% win" for Mississippi. He notes that a right-wing radio show awarded you the "Attaboy of the Week Award" and that one caller said "you really proved your manhood on this one." One of the right-wing radio show hosts said, "I hate to agree with him, but I have to on this one."

• **Attorneys General Report on Tobacco Sales to Minors.** From Maryland AG Joe Curran, via Ab Mikva. Report endorses strict measures to prevent illegal tobacco sales to minors including many elements of your proposal: banning vending machines, keeping tobacco products behind the counter, banning gimmicks such as one-cigarette sales, requiring proof-of-age and removing in-store displays and promotional items. Curran urges you not accept a voluntary deal with the tobacco companies

Don't
need to
stay on
top of them

Give me
this

Heckles
might want
to bring this
to AG General
in his report
tell him
I will

J. JOSEPH CURRAN, JR.
Attorney General



NORMAN E. PARKER, JR.
RALPH S. TYLER
Deputy Attorneys General

576-7003

STATE OF MARYLAND
OFFICE OF THE ATTORNEY GENERAL

576-6312

TELECOPIER No.

WRITER'S DIRECT DIAL No.

August 4, 1995

William J. Clinton
The President
The White House
Washington, DC 20500

Dear Mr. President:

I write to urge that you give favorable consideration to the Food and Drug Administration's proposal to regulate the sale of tobacco products to minors.

Maryland has among the highest cancer rates in the country. Each day, 3000 more children in our country begin smoking. 50 to 60 of those children live in Maryland. In the years to come those children will become part of another statistic -- each day 18 Marylanders die prematurely from tobacco-related illnesses. Nationally, 1,100 of our fellow citizens die prematurely of these illnesses each day.

As the Attorney General of a state with such a serious general and pediatric health problem, I wanted to find out if there were any steps that could be taken to protect our children from the health hazards posed by tobacco. I participated in a Task Force of twelve state attorneys general that studied why children smoke despite warnings regarding health hazards, why retailers sell tobacco products to children, and what we can do to reduce children's access to tobacco products in the marketplace.

After fully reviewing the issue, the Task Force, joined by the attorneys general of sixteen other states, issued a report that outlined ten specific legislative steps that the states could take to curb the tobacco epidemic among children. The report -- "No Sale: Youth, Tobacco and Responsible Retailing" -- was published in December of 1994. A copy is enclosed and it is on the Internet, via the WEB at: http://sailor.lib.md.us/topics/no_sale_toc.html

Earlier this year, I proposed legislation containing most of the steps proposed by the Task Force. The tobacco lobby vehemently opposed the legislation and it was killed in committee in March of 1995.

August 4, 1995

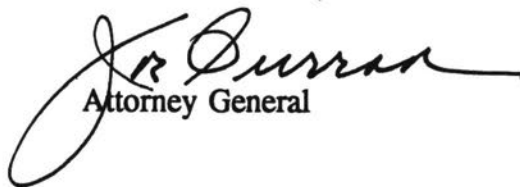
Page 2

I do not believe that a voluntary program on the part of the tobacco industry will be successful in stemming the tide of our children's use of tobacco products. Up until this point in time, the tobacco industry has opposed any legislative steps introduced that attempted to limit children's access to tobacco products. Their interest and position on this issue is not surprising since 90% of their current customers began smoking when they were teenagers. As an industry it is in its best interest to attract new customers. Simply because of this conflict, it is not in the best interest of our children to allow this industry to take "voluntary" steps to curb our children's use of tobacco.

There is another reason why the voluntary approach is not adequate, in my opinion. The only way to get children to seriously pay attention to the health hazards posed by the use of tobacco is to show them that we are seriously paying attention to those hazards. If we allow the tobacco companies to self-regulate themselves regarding tobacco sales to children, I believe that most children will conclude that we don't think it is a really serious problem. It is imperative that we send the message to our children now that the use of tobacco poses a serious health hazard. If we can help them make the decision not to start smoking, we will, in all likelihood, be helping them to make the single most important health care decision of their lives.

Thank you for considering my thoughts on this serious issue. Please let me know if I can help in anyway.

Very truly yours,



Attorney General

pev/wp:JJC.8-4



OFFICES OF
THE ATTORNEY GENERAL
TWO HUNDRED SAINT PAUL PLACE
BALTIMORE, MARYLAND 21202

J. JOSEPH CURRAN, JR.
ATTORNEY GENERAL

August 4, 1995

Dear Judge Mikva,

*I hope that the
President can see the
enclosed material.*

*Thanks
Joe Curran*

NO SALE:

Youth, Tobacco and Responsible Retailing



Developing Responsible Retail Sales Practices and
Legislation to Reduce Illegal Tobacco Sales to Minors

Findings and Recommendations of a Working Group
of State Attorneys General

THE PRESIDENT HAS SEEN

THE WHITE HOUSE

WASHINGTON

8/14/95

August 14, 1995

*There was
no memo*

MR. PRESIDENT:

The attached memo from Counsel's Office concerns the Deputy AG's recommendation that you grant a commutation to an inmate (Johnny Palacios) who was sentenced to 71 months in prison for his role in a marijuana and cocaine distribution organization. He was convicted of possession with intent to distribute, and conspiracy to do the same.

The basis for the recommendation, which Counsel's Office supports, is that Palacios cooperated with the government "at great personal risk," helping to secure 12 convictions for drug trafficking and public corruption. The U.S. Attorney filed a motion seeking reduction of sentence from 71 to 30 months, but it was denied on the ground that it was not timely filed.

The U.S. Attorney now seeks commutation to the time Palacios has served (some 46 months) as the only remaining way to reward his cooperation.

George concurs. Rahm disagrees and would deny the petition.

Approve ☒ Disapprove ☐ Discuss ☐

Todd
Todd Stern

THE WHITE HOUSE
WASHINGTON
July 27, 1995

THE PRESIDENT HAS SEEN

8/14/95

95 AUG 4 P4:28

MEMORANDUM FOR THE PRESIDENT

THROUGH: LEON E. PANETTA
CHIEF OF STAFF

FROM: ABNER J. MIKVA
COUNSEL TO THE PRESIDENT

CHERYL MILLS
ASSOCIATE COUNSEL TO THE PRESIDENT

VICKI DIVOLL
OFFICE OF COUNSEL TO THE PRESIDENT

SUBJECT: Recommended Grant of Commutation of Sentence
to Johnny Palacios

ACTION-FORCING EVENT

The Deputy Attorney General, for the first time in your Administration, has recommended favorable action on a commutation of sentence petition, and we join in the recommendation. If you grant the petition, this would be your third commutation. You previously granted the petitions of Ernest Krikava and Jackie Trautman without a favorable recommendation from Justice.

BACKGROUND

In April 1991, Mr. Johnny Palacios was found guilty by a jury in the United States District Court for the Middle District of Florida of conspiracy to possess with intent to distribute, and possession with intent to distribute, marijuana. His offenses involved his joining an on-going marijuana and cocaine distribution organization. Along with two codefendants, Mr. Palacios agreed to buy 1,000 pounds of marijuana every two weeks from an undercover agent. In addition, he inspected 500 pounds of marijuana and agreed to purchase it for \$300,000.

Mr. Palacios was sentenced to 71 months in prison, above the five-year mandatory minimum, followed by four years of supervised release. After the verdict and sentencing, Mr. Palacios began cooperating with the government in the investigations of drug trafficking and public corruption. The government promised Mr. Palacios that, if his assistance was deemed "substantial", the government would file a motion for reduction of sentence under Fed. R. Crim. Proc. 35(b).

The United States Attorney's Office determined that Mr. Palacios' assistance was, indeed, substantial. According to the government, Mr. Palacios cooperated "at great personal risk to himself and to his family," "responded to difficult and often dangerous assignments without hesitation," and "his testimony in the courtroom was truthful and highly effective." Mr. Palacios' substantial assistance was instrumental in the government's ability to obtain 12 convictions for drug trafficking and public corruption, including the conviction of an assistant state attorney in Florida. Consequently, the U.S. Attorney filed a Rule 35(b) motion requesting that the District court reduce Mr. Palacios' sentence from 71 to 30 months.

Unfortunately, the government's motion for reduction of sentence was denied by the District Court on the ground that it was not timely filed. Having exhausted all other avenues for fulfilling the government's promise to Mr. Palacios, the U.S. Attorney now seeks, on petitioner's behalf, a commutation of his sentence to time served. The Pardon Attorney and the Deputy Attorney General at the Department of Justice support the petition as the only remaining means to reward Mr. Palacios' extensive cooperation with law enforcement.

RECOMMENDATION

We agree with the Deputy Attorney General's recommendation that you grant Mr. Palacios' commutation request. Mr. Palacios already has served 46 months of his 71-month term -- 16 months longer than the government sought from the court with its untimely motion. A commutation to time served would result in a 25-month reduction in his sentence. The Deputy Attorney General believes that a "sentence reduction in this case is warranted both as a matter of fairness to petitioner and in the interest of future law enforcement efforts to obtain cooperation."

DECISION

- ☒) Grant the commutation petition: Commute Mr. Palacios' sentence to time served and leave intact the four years of supervised release.

(sign) William J. Clinton

- () Deny the petition.

(sign) _____

- () Let's discuss.

THE WHITE HOUSE
WASHINGTON

August 15, 1995

TO: Cheryl Mills
FROM: Todd Stern

CL

*Collected
by counsel
no letter
it says*

*2 letters
Eisner
+ Murphy
letter
JPD*

THE PRESIDENT HAS SEEN
Eisner 8-15-95

*This is bad
Boon have suppressed
can't let
can them?
Re*

THE WHITE HOUSE
WASHINGTON

August 14, 1995

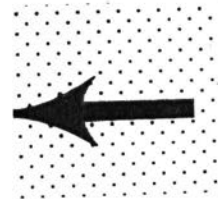
Mr. Thomas S. Murphy
Chairman and
Chief Executive Officer
Capital Cities/ABC, Inc.
77 West 66th Street
New York, New York 10023

Dear Tom:

Thank you for your letter and the information concerning the merger between Capital Cities/ABC, Inc., and the Walt Disney Company.

As you know, I am not in a position to comment on any regulatory issues, but I appreciate your keeping me informed of developments and look forward to hearing from you again.

Sincerely,



**SIGN
HERE**

THE WHITE HOUSE
WASHINGTON

August 14, 1995

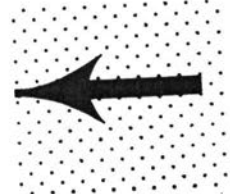
Mr. Michael D. Eisner
Chairman & Chief Executive Officer
Walt Disney Company
500 South Buena Vista Street
Burbank, California 91521

Dear Michael:

Thank you for your letter and the information concerning the merger between Capital Cities/ABC, Inc., and the Walt Disney Company.

As you know, I am not in a position to comment on any regulatory issues, but I appreciate your keeping me informed of developments and look forward to hearing from you again.

Sincerely,



**SIGN
HERE**

file
President Clinton
White House
Washington D.C. 20500

Dear Mr. President:

Today we announced that our two organizations, Capital Cities/ABC, Inc. and the Walt Disney Company, have agreed to merge our businesses. Capital Cities/ABC, Inc. has long enjoyed a well-deserved reputation for serving the public interest as a broadcaster, licensee, and network operator. The Walt Disney Company is a world leader in the production and distribution of programming. Combined, the two companies will provide synergies leading to an even more diverse source of production, programming and distribution of entertainment and news to the public, with outstanding opportunities for domestic and international growth.

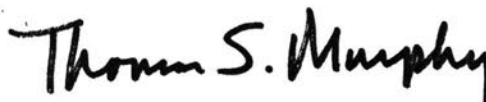
We are confident that this exciting transaction serves the best interests of both companies, our shareholders, viewers, those with whom we do business and the communities we serve. Because our businesses are complementary, we expect the merger to create increased job growth within our organizations.

One or both of us will be calling on you shortly to discuss the transaction with you personally. Until then, we wanted to make sure that you were aware of the transaction and to that end have enclosed relevant information on the transaction and our two companies.

Sincerely,



Michael D. Eisner, Chairman
and Chief Executive Officer
The Walt Disney Company



Thomas S. Murphy, Chairman
and Chief Executive Officer
Capital Cities/ABC, Inc.

Contact:	<u>Capital Cities/ABC Inc.</u>	<u>The Walt Disney Company</u>
	Patricia J. Matson, Media	John Dreyer, Media
	212-456-7325	818-560-5300
	Julie Hoover, Media	Tom Deegan, Media
	212-456-6641	818-560-1572
	Joseph M. Fitzgerald, Investors	Winifred Markus Webb, Investors
	212-456-7008	818-560-5758

For Immediate Release

DISNEY, CAPITAL CITIES/ABC AGREE TO MERGE

**-- \$19 Billion Transaction Will Enhance Shareholder Values
By Creating World's Leading Entertainment And Communications Company --**

BURBANK, CA, AND NEW YORK, JULY 31, 1995 -- The Walt Disney Company (NYSE: DIS) and Capital Cities/ABC Inc. (NYSE: CCB), two of the world's leading entertainment and media companies, today announced that they have agreed to merge. The combined enterprise will have a unique ability in creating, packaging and delivering entertainment, news, and sports -- all of which will generate significant new opportunities for domestic and international growth.

Under terms of the agreement, which has been approved by the Board of Directors of each company, Capital Cities/ABC shareholders will have the right to receive one share of Disney common stock and \$65 in cash for each of their shares. At current share prices, the value of the transaction is approximately \$19 billion.

In a joint statement, Michael D. Eisner and Thomas S. Murphy, chairman and chief executive officer of Disney and Capital Cities/ABC, respectively, said: "The combined company will become a vital and dynamic force in the entertainment and media business, reaching family audiences worldwide and providing them with unparalleled news, information and entertainment both inside and outside the home.

"Disney and Capital Cities/ABC have created some of the most recognized and respected brands in the world. The merger will create tremendous value for the shareholders of each company by taking full advantage of the complementary strengths of each organization. The combined enterprise will be better equipped to grow, to provide valuable services for our viewers, listeners, readers, sports fans and vacationers, and to capture the imagination of future generations."

As a result of the merger, Capital Cities/ABC Inc. will become a wholly-owned subsidiary of Disney. The combined enterprise, which will be known as The Walt Disney Company, will be led by Mr. Eisner, who will continue as chairman and CEO. Mr. Murphy, chairman and CEO of Capital Cities/ABC, will relinquish his current titles on the effective date of the merger and join Disney's Board of Directors. Robert A. Iger will continue in his role as president of Capital Cities/ABC. The companies had combined annual revenues in 1994 of approximately \$16.5 billion.

"This transaction is a once-in-a-lifetime opportunity to create an outstanding entertainment and media company," Mr. Eisner said. "The merger positions us for substantial growth worldwide and puts us in a strong competitive position in an industry which, by this transaction, we are helping to define. The Walt Disney Company will now have more global outlets to provide the highest quality entertainment, news and sports programming."

"We sought a merger with Capital Cities/ABC in particular because of our tremendous respect for the management team Tom Murphy has assembled and the outstanding collection of broadcasting and publishing assets they have built," Mr. Eisner said.

Mr. Murphy said, "This is a terrific opportunity for our shareholders and employees and will result in a world-class organization dedicated to providing the finest in information, entertainment and news. The dynamism of Disney, under the leadership of Michael Eisner, combined with the experience and energy of our operations under Bob Iger, makes this the most exciting new business venture in many years."

Mr. Iger said, "I have always had tremendous respect for The Walt Disney Company and its excellent management. Our assets and reach can help increase the scope of what is already a world-wide enterprise; but it will be our enthusiasm and spirit, added to theirs, that will give this combination a special dimension. I am very excited to be a part of this new venture and to have the opportunity to help build a unique force in international media."

Under terms of the merger, any shareholder of Capital Cities/ABC can elect to receive proportionally more cash or common stock than provided for in the exchange ratio, subject to proration if either the stock or cash portion is oversubscribed, and subject to the option of Disney to increase the cash portion if requested by Capital Cities/ABC shareholders.

The transaction, which is subject to regulatory review and approval of the shareholders of each company, is expected to be completed by early 1996. The companies noted that because their businesses are complementary, they do not expect staff reductions as a result of the combination.

The Walt Disney Company is a worldwide leader in motion pictures and television production, theme parks and consumer products. Its film division, led by the success of animated titles like *Pocahontas*, *The Lion King*, and *Aladdin*, has been either first or second at the domestic theatrical box office over the past five years.

In television, Disney offers more than 58 hours a week of network and syndicated shows in the U.S. Two of its top network shows, *Home Improvement* and *Ellen*, run on the ABC network. Disney will establish a new record with the launch of 9 new shows in syndication during the 1995 season. In addition, Disney's international television programming is seen by audiences on every continent.

The Disney Channel, with 14 million U.S. subscribers, is currently extending its reach overseas. It made its foreign debut in Taiwan this spring and will debut in the U.K. this fall. Disney recently launched Super RTL as a joint-venture channel in Germany with a significant amount of Disney programming.

In addition to its film and television activities, Disney owns and operates theme parks in California (Disneyland) and Florida (Walt Disney World). The company also receives royalties from Tokyo Disneyland and owns 39% of Disneyland Paris. Disney also licenses its characters to manufacturers worldwide, operates 400 Disney Stores around the world, and publishes books, magazines and music.

In addition to the ABC Television Network, which consists of 225 affiliated stations reaching 99.9 percent of the nation's television households, Capital Cities/ABC owns and operates 8 television stations, with plans to purchase two others in August, reaching about 25 percent of the U.S. market.

Capital Cities/ABC also has a significant and rapidly expanding international operation - one of the most aggressive of any U.S. media company. These holdings include significant equity interests in Tele-Munchen and RTL2, Munich; Scandinavian Broadcasting Systems, Luxembourg; Hamster Productions and Eurosport, Paris; and The Japan Sports Channel, Tokyo.

Capital Cities/ABC also owns:

- o 80 percent of ESPN, Inc., which includes ESPN, its U.S. flagship sports channel which reaches 67 million households and, through its international program services, over 100 million households overseas; as well as ESPN2, serving 22 million households;
- o 21 radio stations and radio networks serving more than 3,400 radio stations;
- o 50 percent of Lifetime Television, serving 58 million U.S. households;

- o 37.5 percent of A&E Television Networks, reaching 56 million domestic households;
- o a large publishing group, with 7 daily newspapers, weekly newspapers and shopping guides, various specialty and business periodicals and books; and
- o a multimedia group which develops and manages business opportunities in new and emerging media technologies.

#

THE WALT DISNEY COMPANY

FACT SHEET

The Walt Disney Company, headquartered in Burbank, California, is a family entertainment company engaged in animated and live-action film and television production; cable and broadcast television; theme parks and resorts; character merchandise licensing, consumer product retailing, and book and music publishing. The Company also owns the Mighty Ducks of Anaheim hockey franchise,

In 1994, Disney achieved record-breaking revenue, operating income and net income. The Company's total revenues were \$10.1 billion, or 18% higher than 1993 revenues of \$8.5 billion. Total 1994 revenues can be broken down as follows: 48% Filmed Entertainment, 34% Theme Parks and Resorts and 18% Consumer Products. Operating income was \$2.0 billion dollars, a 14% increase from 1993 levels of \$1.7 billion. This figure breaks down as follows: 43% Filmed Entertainment, 35% Theme Parks and Resorts and 22% Consumer Products.

The Company's net income in 1994 was \$1.1 billion, or 25% higher than 1993 net income of \$890 million (before cumulative effect of accounting changes and a charge associated with the Company's investment in Euro Disney).

Michael Eisner joined Disney in 1984 as Chairman/CEO. Since that time, Disney's revenues have grown by a factor of seven, and net income has grown eleven-fold. Roy E. Disney, son of co-founder Roy O. Disney, is the Vice Chairman of the Board of Directors. Sanford Litvack serves as the Company's Chief of Corporate Operations. Disney's CFO, Steve Bollenbach, joined Disney in May, 1995 from Host Marriott Corp., where he served as CEO. Mr. Eisner, Mr. Litvack and Mr. Bollenbach are all members of Disney's Board of Directors.

The Walt Disney Company was founded by brothers Walter E. Disney and Roy O. Disney in 1923 in a partnership titled The Disney Brothers Studio to produce a series of animated short subjects called the Alice Comedies. In 1928, Mickey Mouse made his debut appearance in *Steamboat Willie*. In 1937, Disney release *Snow White and the Seven Dwarfs*, the first full-length animated film. The Company's 33rd animated feature film, *Pocahontas*, was released in the U.S. on June 23, 1995.

THE COMPANY'S THREE OPERATING GROUPS

Filmed Entertainment: Disney produces animated and live-action features for worldwide theatrical, television and home video distribution. In addition, the Filmed Entertainment segment creates original network television programming and manages Disney's broadcast, cable, pay and syndication television businesses.

Major businesses include: Feature Animation; the Motion Pictures Group encompassing four film banners (Walt Disney Pictures, Touchstone Pictures, Hollywood Pictures, Miramax Films), Buena Vista Distribution, Buena Vista International, Disney Theatrical Productions, and Hollywood Records; and Disney Television and Telecommunications encompassing The Disney Channel, KCAL-TV Los Angeles, Walt Disney Television, Touchstone Television and Buena Vista Home Video International, and Disney Interactive. In addition, the Company recently reached an agreement with Ameritech, SBC and BellSouth to form a partnership to provide video programming and interactive services to millions of American households.

Theme Parks and Resorts: Disney owns and operates theme parks and resorts in California (Disneyland) and Florida (Walt Disney World). The Company also receives royalties from Tokyo Disneyland and owns 39% of Disneyland Paris.

Major businesses include: Disneyland and the Disneyland Hotel in Anaheim, California; Walt Disney World, which encompasses three theme parks (the Magic Kingdom, Epcot, and Disney-MG Studios), 21 hotels, three water parks (River Country, Typhoon Lagoon and Blizzard Beach), conference facilities, campgrounds, golf courses, retail complexes, and The Walt Disney Vacation Club.

Consumer Products: Disney licenses its name, animated characters, literary properties and music around the world and operates a chain of specialty retailing stores in the U.S. and abroad. The segment also publishes books, magazines and records and jointly oversees Disney Interactive with the Television and Telecommunications division of Filmed Entertainment.

Major businesses include: Disney Licensing; The Disney Store and The Disney Gallery; Walt Disney Records; Walt Disney Publishing, which encompasses four book imprints (Disney Press, Hyperion, Hyperion Books for Children, and Mouse Works) and four magazines (*Disney Adventures*, *Discover*, *FamilyFun*, and *Family PC*); Disney Art Editions; direct marketing catalogues, "Disney on Ice" shows.

CAPITAL CITIES/ABC, INC.

FACT SHEET

Capital Cities/ABC, Inc. is a broad-based communications company with significant businesses in television, radio, cable and publishing, and rapidly expanding operations overseas.

With overall revenues last year of nearly \$6.4 billion, the Company's signature property is the ABC Television Network. It also owns eight stations, with plans to purchase two others in August, reaching 25 percent of US homes. It owns 21 radio stations and radio networks serving more than 3400 radio stations. As a cable programmer, it has the majority interest in ESPN and ESPN2 and partial ownership of A&E television Networks and Lifetime Television.

Capital Cities/ABC, Inc. also has a large publishing group, with seven daily newspapers, weekly newspapers and shopping guides, various specialty and business periodicals and books. Overseas, the Company licenses, produces and distributes programming world-wide for all media and has built a significant international division over the past five years. It is also developing opportunities in the new and emerging media technologies.

Thomas S. Murphy, 70, was the first employee of the original company and serves as the Company's Chairman and Chief Executive Officer. He was named President at age 39 in 1964 and was elevated to Chairman and CEO two years later. Robert A. Iger, 44, was named President and Chief Operating Officer in September, 1994 after 20 years in various ABC operations.

1994 -- the Company's 40th anniversary -- was an exceptional one for the Company. Earnings per share were \$4.42, an increase of 55 percent from the prior year. Revenues increased 12 percent to \$6.379 billion, and operating income grew 44 percent to \$1.239 billion. Each of these figures represented a record for the Company. Shares outstanding at year-end 1994: 153,890,000.

Capital Cities/ABC, Inc. was formed in January, 1986, when Capital Cities Communications, Inc. merged with American Broadcasting Companies, Inc. Capital Cities had been formed in 1954 as the Hudson Valley Broadcasting Company, with a UHF television station and an AM radio station in Albany, N.Y. and 29-year-old Tom Murphy as its first manager. American Broadcasting Companies, Inc. was founded in February, 1953, when Leonard H. Goldenson engineered the merger of United Paramount Theaters and ABC, a fledgling broadcasting company that had been spun off from RCA's Blue Network a decade earlier. Today, Mr. Goldenson, now 89, serves as Chairman of the Executive Committee of Capital Cities/ABC, Inc.

- more -

THE COMPANY'S FIVE OPERATING GROUPS

ABC Television Network Group

The ABC Television Network distributes programming to 225 affiliate stations through ABC News, ABC Sports, ABC Entertainment, ABC Daytime and ABC Children's Programming. ABC posted record revenues in 1994 of just over \$3 billion and improved its operating income by more than 80 percent to \$340 million, also a record. Also, in 1994-95, ABC's prime time schedule ranked number one among adults 18-49 for the third consecutive season and won the household ratings race for the first time since 1979.

Capital Cities/ABC Broadcasting Group

In August, the Company's complement of television stations will total ten, with six located in the nation's top ten markets. The outlets are the nation's most profitable station group, with 1994 revenue and profits achieving record levels. The Company also owns 21 radio stations -- 11 AM and 10 FM -- and operates the largest radio network in the U.S., reaching almost 100 million persons a week.

Television Stations

WABC-TV, New York, NY
WLS-TV, Chicago, IL
WPVI-TV, Philadelphia, PA
WTVD, Durham-Raleigh, NC
KABC-TV, Los Angeles, CA
KFSN-TV, Fresno, CA
KGO-TV, San Francisco, CA
KTRK-TV, Houston, TX
WJRT-TV*, Flint, MI
KTVG*, Toledo, OH

Radio Stations

WABC-AM, New York, NY
WPLJ-FM, New York, NY
KABC-AM, Los Angeles, CA
KLOS-FM, Los Angeles, CA
KMPC-AM, Los Angeles, CA
WLS-AM, Chicago, IL
WLS-FM, Chicago, IL
KGO-AM, San Francisco, CA
KSFO-AM, San Francisco, CA
WJR-AM, Detroit, MI

WHYT-FM Detroit, MI
WBAP-AM, Fort Worth-Dallas, TX
KSCS-FM, Fort Worth-Dallas, TX
WMAL-AM, Washington D.C.
WRQX-FM, Washington D.C.
WKHX-AM, Atlanta, GA
WKHX-FM, Atlanta, GA
WYAY-FM, Atlanta, GA
KQRS-AM Minneapolis-St. Paul, MN
KQRS-FM, Minneapolis-St. Paul, MN
KEGE-FM, Minneapolis-St. Paul, MN

ABC Cable and International Broadcast Group

This group's revenue and profit growth far exceeded expectations in 1994 in virtually all of its operating divisions. The Company owns 80 percent of **ESPN**, America's largest cable network, and of **ESPN2**; 37.5 percent of **A&E Television Networks**; and 50 percent of **Lifetime Television**. All services reported an excellent year in 1994.

The Company has pursued a very aggressive strategy in overseas expansion -- one of the most aggressive of any U.S. media company -- and now has significant interests in international broadcast, cable and satellite delivered ventures around the globe. CC/ABC has financed nearly \$350 million in new business opportunities since 1990, mostly in international joint ventures, with \$100 Million in 1994 alone.

International investments:

- ▶ TELE-MUCHEN (50%), Munich, Germany -- German television production and distribution company.
- ▶ HAMSTER PRODUCTIONS (33%), Paris, France -- French independent television production company.
- ▶ SCANDINAVIAN BROADCASTING SYSTEM, SA (23%), Luxembourg -- Operates television services in Denmark, Norway, Sweden and Belgium and radio stations in Denmark, Finland and Sweden.
- ▶ EUROSPORT (33.3%), London, England -- Pan-European cable sports programming service (ownership through ESPN).
- ▶ TV SPORT (10%), Paris, France -- Eurosport's French Affiliate (ownership through ESPN)
- ▶ THE JAPAN SPORTS CHANNEL (20%), Tokyo, Japan -- Cable sports programming service jointly owned (through ESPN) with several Japanese companies.
- ▶ RTL-2 (20%), Munich, Germany -- German general entertainment broadcasting and cable programming service (ownership through Tele-Munich).

CC/ABC Publishing Group

Publishing revenues in 1994 reached \$1.1 billion for publications that reach more than 10 million households or business users. The diverse group includes Fairchild Publications, with *"W"* and *Women's Wear Daily*, and such daily newspapers as the *Ft. Worth Star-Telegram*, *The Kansas City Star* and many weekly papers. It encompasses dozens of publications from *LA Magazine* to *Institutional Investor* to the Chilton Publications and many varied farm and business and law trade journals.

CC/ABC Multimedia Group

The Multimedia Group develops and manages business opportunities in new and emerging media technologies. These include the interactive television, pay-per-view, and video-on-demand areas; video cassette and disc-based media; on-line services; location-based entertainment; and HDTV and digital television.

Jim-

This should be 2 letters. One to Eisner
in L.A. and one to Murphy in NY.

(Murphy letter should be "Dear Tom")

Thanks -date Aug 14.

Phm

THE WHITE HOUSE

WASHINGTON

MEMORANDUM

To: The President
From: W. Bowman Cutter
Re: Phone call re: Disney/ABC merger
Date: August 4, 1995

Attached is a draft response to a letter you received from Michael Eisner and Thomas Murphy concerning the merger between Walt Disney and Capital Cities/ABC.

Per Counsel offices
~~Although you should avoid discussing any of the regulatory approvals that will be required for the merger, it is not anticipated that there will be any major problems.~~

The other issue that you may wish to raise with them is the V-chip. To date, the broadcasters have been active in attempting to eliminate or weaken proposals for the V-chip. A House vote on the Markey amendment on the V-chip is expected today.

As do separately

*No memo
per Diane &
J. Cunningham*

MURPHY, THOMAS, S...Mr../.Capital.Cities-ABC../.Head.of.1.....
77 West 66th Street New York NY 10023

2410453

THE PRESIDENT HAS SEEN
8-15-95

THE WHITE HOUSE
WASHINGTON

August 15, 1995

MEMORANDUM FOR THE PRESIDENT

FROM: TODD STERN *TDS*

SUBJECT: Coercive Family Planning Practices and Asylum

The attached Lake/Rasco/Mikva memo on coercive family planning practices in China responds to your note in early July suggesting that such practices should be considered political persecution for asylum purposes.

Background. Under current asylum law, which Justice has defended, victims of repressive practices not targeted at political or religious belief don't qualify for asylum. However, you have previously approved an administrative regime -- outside the asylum context -- which protects applicants who were victims of coercive family planning practices in the past or have a well-founded fear that they would suffer if returned. Out of 638 cases, 46 applicants have been protected from return, although they do not get the legal benefits of asylum such as permanent resident status.

Options. The memo opposes: changing our legal position since this could encourage new smuggling, require a flip-flop of our legal position, and, in the opinion of State and Justice, isn't necessary given administrative protections. The memo recommends: (i) enhancing administrative protections (e.g., by affording review of cases where relief was denied); (ii) maintaining current legal position on asylum; and (iii) supporting legislation to give the AG discretion to provide protection and legal status for those who face severe mistreatment -- such as bride-burning, genital mutilation, servitude or coercive family planning -- but are not eligible for asylum. George concurs.

Approve ☒

Disapprove ☐

Discuss ☐

*→ good idea
- can get interesting
coalition involved in
legislation - let put
it together*

THE WHITE HOUSE

WASHINGTON

August 14, 1995

95 AUG 14 P4: 07

ACTION

MEMORANDUM FOR THE PRESIDENT

FROM:

ANTHONY LAKE *AL*CAROL RASCO *CR*ABNER MIKVA *AM*

SUBJECT: Coercive Family Planning Practices and Asylum

Purpose

To review current Administration policy on asylum claims based on coercive family planning practices and, in light of your recent inquiry on this issue, to obtain your guidance on future action.

Background

In a recent note to us (Tab A), you suggested that coercive family planning practices in China should be considered political persecution and thus ought to be grounds for political asylum.

Coercive family planning practices in China

Physical compulsion to submit to abortion or sterilization is not formally authorized by central authorities in China but abuses do occur and have included forced abortion and sterilization as well as detention of family members as hostages and destruction of homes of those who resist.

The law on asylum

Coercive family planning practices are not generally grounds for asylum under U.S. law.

The Justice Department has deferred to the view of its Board of Immigration Appeals (BIA): that persons fleeing coercive family planning practices are eligible for asylum only if they show they were targeted because of their political views, religious beliefs, nationality, race or membership in a particular social group (the five criteria listed in the Refugee Protocol and incorporated into U.S. law).

Under this view, victims of repressive practices that are not directed at political opinion or religious belief do not qualify

cc: Vice President
Chief of Staff

for asylum. Three different federal circuit courts of appeal have endorsed this position, which has been defended by DOJ.

**Protection for those fleeing coercive family planning:
balancing humanitarian and law enforcement concerns**

Despite the limits on relief through the asylum statute, all agencies agreed last year that we should provide protection from return to applicants who risked severe mistreatment because of opposition to abortion or sterilization. At the same time, State and Justice were concerned that the vast majority of Chinese migrants smuggled into the United States are motivated primarily by economic considerations and not by fear of return to coercive practices, but could invoke these grounds if they were available.

You approved an administrative regime -- outside the asylum context -- that protects from return applicants who have suffered severe mistreatment related to coercive family planning practices or who, based on difficulties they have encountered in the past, have well-founded fears of return to severe mistreatment.

Thus far, INS has reviewed 638 cases in which the applicant has made a claim of fear of return due to coercive family planning practices. Of the 638, INS has provided administrative protection from return to 46 individuals.

OTHER OPTIONS FOR PROTECTION

Option 1. Changing our legal position

The Attorney General could direct the Justice Department to reverse its legal position and maintain that coercive family planning practices are grounds for asylum. There is some basis for arguing that such practices are acts of political repression and/or that resisters constitute a "social group."

This option would have two advantages for applicants. First, it might result in a somewhat higher percentage being granted protection than is currently the case. This is because the asylum process -- unlike our administrative scheme -- involves immigration judges (who are not under INS authority) and judicial review. Second, by becoming eligible for the formal asylum process, those who merit humanitarian protection from return would obtain benefits (in particular, permanent resident status) that are not guaranteed to those protected under our current administrative regime.

The main downside to changing our legal position is the risk of an increase in boat smuggling resulting in higher interdiction, detention and law enforcement expenses. According to State, smugglers would see a changed legal position as a strong signal that we were relaxing restrictions on entry and they would increase their activities significantly, instructing migrants to

make fraudulent claims based on coercive family planning. For the migrant populations involved -- largely rural peasants -- such claims are probably easier to make credibly than claims of political or religious persecution.

In addition, an Administration legal reversal of this magnitude would be embarrassing, although the politics of this issue are ambiguous and have been played out primarily within the Republican Party. We would be criticized by Senator Simpson and those in favor of limiting illegal entry. On the other hand, pro-life legislators would applaud such a reversal.

Finally, State and Justice believe that the current administrative regime already protects those who have good reason to fear return. Moreover, it was implemented with little fanfare and is not subject to the delays that accompany judicial review. Thus it probably has not had a substantial magnet effect.

Option 2. Endorsing legislation that makes coercive family planning practices grounds for asylum

The benefits and drawbacks of this approach are similar to those associated with option 1, although option 2 would not require us to reverse DOJ's interpretation of current law. On the one hand, applicants who merit protection would be entitled to a range of benefits accorded to asylees. On the other hand, endorsement of such a legislative change could act as even more of a magnet than option 1.

Option 3. Staying the course: maintaining the current administrative regime

State and Justice argue that the current administrative regime provides adequate humanitarian safeguards. INS believes that the numbers of persons we are currently protecting from return roughly approximates the numbers who would be protected if coercive family planning practices were grounds for asylum.

Option 4. Enhancing administrative protections

Under current circumstances, there is no review of cases that have been denied administrative relief. We could require such reviews as well as take other measures to ensure the fairness of the administrative regime (such as providing INS trial attorneys with interpretive guidance to ensure they provide protection from return in a uniform and generous manner).

EVALUATION

We believe we are providing adequate protection through administrative means and can enhance those protections through modifications suggested in option 4. Moreover, we share the

concern that including coercive family planning in the asylum context could serve as a powerful magnet for illegal entry.

At the same time, we believe that the Attorney General should have additional statutory authority -- outside the asylum context -- to provide protection and legal status, on a discretionary basis, for those who might not qualify for asylum but merit protection from return.

The legislation, which would not refer to coercive family planning as such, would be used in cases in which the victim risked severe mistreatment, trauma or similar hardship upon return but might not be eligible for asylum. In addition to victims of coercive family planning practices, we might, for example, protect those who have suffered abusive cultural practices such as bride-burning, genital mutilation or servitude. We expect such cases would number no more than several hundred per year.

INS and Justice support such a provision, versions of which have been adopted in other countries such as Canada and Australia. State also concurs and adds that we should couple such a proposal with greater efforts to enact "expedited exclusion", an Administration proposal that would streamline the asylum process generally. (In fact, we are now exploring ways to facilitate prompt enactment of expedited exclusion.)

In summary, we believe we should take the following actions:

- Enhance the administrative protections we are currently providing.
- Maintain our current legal position on asylum.
- Oppose legislation adding coercive family planning to the asylum statute but strongly support legislation giving the Attorney General authority to provide legal status to those who merit protection but who do not qualify for asylum.

RECOMMENDATION

That you approve this course of action.

Approve _____

Disapprove _____

Attachment

Tab A Previous Memorandum With Note From You on This Issue

Original NSC memo and all unsigned letters are being held in Staff Secretary's Office.

THE PRESIDENT HAS SEEN

3284

7-6-95

THE WHITE HOUSE

WASHINGTON

June 30, 1995 95 JUN 30 P1:21

ACTION

MEMORANDUM FOR THE PRESIDENT

FROM:

ANTHONY LAKI
PATRICK GRIFFIN
CAROL RASCO

SUBJECT: Letters on Abusive Family Planning Practices in China

Purpose

To respond to letters received from Representatives Arme, Solomon and Vucanovich, as well as from Archbishop Mahony of Los Angeles.

Background

You have received letters from Representatives Arme, Solomon, and Vucanovich expressing opposition to repatriation of asylum seekers who claim they have fled coercive population control policies in China. The three letters have 19 congressional co-signers, including Reps. Hyde and Livingston. You also received a similar letter from Cardinal Roger Mahony, the Archbishop of Los Angeles.

Abusive Family Planning Practices and Asylum

Abusive family planning practices in China are usually practices of general application and are not normally directed at individuals because of their political beliefs, religion or other criteria for asylum. This means that those who have been victims of abusive family planning and merit humanitarian protection from return to China might not, as a matter of law, be granted asylum.

For this reason, last year you directed the Justice Department to provide additional humanitarian protection -- outside the asylum context -- for those applicants who have suffered severe mistreatment related to abusive family planning practices or who, based on difficulties they have encountered in the past, have credible fears of return to abusive family planning practices.

cc: Vice President
Chief of Staff

The Current Case and Proposed Letter of Response

We received the four attached letters following reports that the INS intended to deport some 15-20 Chinese women who had been denied asylum recently.

Each suggested response first describes your policy on humanitarian protection of those who fear return to abusive family planning practices. It then indicates that you are referring the letter to the Justice Department with a request that the Department take any further action that might be necessary to ensure application of your guidance in cases where abusive family planning practices may be at issue.

INS Action on the Current Case

For your information, INS is already conducting a special review of the particular cases raised in the letters from the Representatives and the Archbishop. We believe, however, that any description of that review should come from the agency itself and not from your office.

RECOMMENDATION

That you sign the letters at Tab A.

Attachments

Tab A Letters to Representatives and Cardinal Roger Mahony
Tab B Incoming Correspondence

THE WHITE HOUSE

WASHINGTON

Dear Mr. Chairman:

Thank you for your letter regarding abusive family planning practices in China.

First, let me assure you that we deplore forced abortion, involuntary sterilization and other abusive family planning practices that have been applied in parts of China. This issue is a regular and important subject of our discussions with Chinese officials.

Let me also emphasize that Chinese in the United States have access to our asylum process, which provides protection from return to those who have well-founded fears of persecution based on race, religion, nationality, membership in a particular social group or political opinion. As you may know, I have also directed that protection from return be provided to applicants who do not meet the legal requirements for asylum but who have suffered or, due to prior difficulties they have encountered, are likely to suffer severe mistreatment due to abusive family planning practices in their country of origin.

This policy guidance is designed to address the very concerns you expressed in your letter.

Finally, I am forwarding your letter to the Department of Justice with a request that the Department take any further action that might be necessary to ensure application of the guidance in cases where abusive family planning practices may be at issue.

Sincerely,

The Honorable Gerald B. H. Solomon
House of Representatives
Washington, D.C. 20515-1703

Brick
FZ
✓

Draft Proposed Rule

THE PRESIDENT HAS SEEN
8/14/95.

It is the Administration's view that Congress never intended to give jurisdiction to the Food and Drug Administration over tobacco or tobacco products.

1. Applies to cigarettes and smokeless tobacco products, not cigars or pipe tobacco.
2. Prohibit sales to individuals under 18 years old (federalizing state law). *Enforcement authority with the Federal Trade Commission or SAMHSA. Sanctions include civil fines of up to \$___.*
3. Youth-oriented access restrictions designed to limit sales to face-to-face transactions, *e.g.*, require retailers to verify age with a photo i.d. card and prohibit (except in areas where minors are denied access, such as bars): vending machines, mail order purchases, self-service displays, coupons sent through the mail, free samples, and sale of "loosies" (single cigarettes) and "kiddie packs" (fewer than 20 cigarettes per pack. *Enforcement: Federal Trade Commission or SAMHSA.*
4. Manufacturers are obliged to inspect (whenever they routinely visit a retail site) to ensure proper labeling, advertising and distribution of their products. When they see something that violates the rule, such as a self-service display, they must remove it. *Enforcement of this provision by the Federal Trade Commission or SAMHSA. Sanctions include civil fines of up to \$___ for willful violations.*
5. Prohibit manufacturers from using the trade name of a non-tobacco product for a cigarette or smokeless tobacco product, *e.g.*, Harley Davidson, Cartier and Ritz cigarettes. These latter three names, along with any other brands already named after a non-tobacco product, will be exempted (grandfathered) from the rule. *Enforcement: FTC.*
6. Permit sponsorship of events in corporate name only, *e.g.*, the Philip Morris, rather than the Virginia Slims, Tennis Tournament. This provision does not include teams or entries in events, *e.g.*, stockcars and their crews, which are treated as "reminder advertising." *(Language unclear. Assumes "reminder advertising" still permitted? Need definition of "reminder advertising.")* Any corporate names used for these purposes must have been in existence as of January 1, 1995. *Enforcement: FTC.*
7. Ban outdoor advertising within 1000 feet of schools and playgrounds. This includes outdoor but not indoor signs at buildings within 1000 feet of schools. *This provision does not include billboards on interstate highways facing away from and not clearly visible from the school or playground. Enforcement: FTC.*
8. See attached Review Board proposal.

9. No advertising in publications with youth readership *exceeding* 15% or more than 2 million, whichever is less, but no restrictions would be imposed on print advertising below that threshold. *Enforcement: see attached Review Board proposal.*
10. All cigarette advertising (but not smokeless tobacco advertising) that is not on a package label, e.g., billboards, print ads, and direct mail, but not reminder ads such as those on stockcars and crews and other similar event participants, must include *the following statement: "Government Health Warning--CIGARETTES* x *CONTAIN NICOTINE."* The label must be readable, clear, conspicuous and prominently displayed and must be contiguous with the Surgeon General's warning. *Enforcement: FTC.*
11. Ban sale or giveaways of caps, shirts, gym bags and other "trinkets" which carry a tobacco brand name or other tobacco product identification. Ban lotteries or other contests where the "entry fee" is a cigarette purchase. Ban the distribution of non-tobacco items in exchange for proof of purchase of tobacco products; this provision of the rule eliminates the "Camel Cash" and "Marlboro Miles" programs in which gifts are purchased using credits gained by buying tobacco products. ~~*Enforcement: FTC.*~~
12. Create a \$___ million per year industry-funded educational program. Each company would pay the portion of \$___ million each year equal to its share of the total advertising and promotional expenditures of the industry. *Enforcement: See attached Review Board proposal.*
14. More restrictive state laws are not preempted by this rule. States and localities may request an advisory opinion from the SAMHSA as to whether state or local requirements are preempted.
15. General reporting such as sending copies of ads and labels to the *FTC* is required.
16. As with other *products regulated by the FTC*, advertising cannot be false or misleading.

Review Board

Establish a new Tobacco Advertising Review Unit ("TARU") within the National Advertising Division/National Advertising Review Board ("NAD/NARB") structure that has been administered by the Council of Better Business Bureau since 1971.

TARU would consist of five Commissioners, two of whom would be designated by the President, two of whom would be designated by the tobacco industry, and one of whom would be designated by the other four and serve as Chairman.

TARU would independently administer a code through a complaint receipt/dispute resolution mechanism substantially similar to that which currently governs proceedings before the NAD/NARB.

Complaints would be initiated by TARU and be accompanied by evidence which, if not controverted, would tend to prove the complaint.

TARU would:

- Research and maintain a list of all periodicals whose youth readership exceeds 15 percent or more than 2 million.
- Research and maintain maps showing the locations of all billboards in the United States on which tobacco advertising would be permitted.
- Investigate and issue reports regarding complaints that:
 - tobacco advertising appears in a periodical not on TARU's list;
 - tobacco advertising appears on a billboard not on TARU's map;
 - new tobacco advertising violates one or more provisions of an agreed upon set of standards.
 - other issues to be agreed upon.

Enforcement

1. Companies would sign individual contracts requiring compliance with "TARU" which would stipulate appropriate and legally enforceable penalties for noncompliance.

OR

2. Noncompliance with the TARU "code" would ultimately be enforceable under existing Federal Trade Commission authority to regulate unfair and deceptive advertising practices.

Mauf-Fyl
R
R

THE PRESIDENT HAS SEEN
8-15-95



INSIDER VIEW OF PEOPLE AND POLICY

ARKANSAS POLITICAL REPORT

24
July
1996
NUMBER 148

Partnership Creates Southern Strategy Group

Sheila Galbraith Bronfman and Ron Oliver have formed an official partnership creating Southern Strategy Group. Oliver has become a partner in Bronfman's Creative Exchange and they have changed the name to Southern Strategy Group.

Creative Exchange has operated since 1986 as a full-service governmental and political consulting firm. "Changing the name of the company to the Southern Strategy Group reflects the direction we are headed in terms of expanding our client base regionally," Bronfman said. "In addition to pursuing opportunities outside Arkansas, we are looking forward to growth within the state. Arkansas will continue to be our primary focus."

Dustin B. Brighton has joined the firm as an associate. Previously, he was director of the Arkansas Grocers and Retail Merchants Association. Brighton is a past vice president of the Pulaski County Young Democrats.

Oliver, who served as Pulaski County Coordinator for Governor Jim Guy Tucker's 1994 campaign, is a member of the Executive Committee of the Democratic Party of Arkansas, treasurer of the Pulaski County Democratic Committee and chairman of the Pulaski County Election Commission. He is, also, the Democratic host of "Partisan Politics" each Sunday afternoon on KARN.

"Bringing on talent like Ron Oliver and Dustin Brighton will enable us to better serve our existing clients, as well as take on new work," Bronfman said. "Our hands-on ap-

proach to managing the campaigns of our clients involves taking an extremely personal interest in our candidates, both personally and professionally. This commitment will continue to be important to us."

Currently, the Southern Strategy Group represents the Arkansas Counseling Association, the Arkansas Podiatric Medical Association, the Arkansas Occupational Therapy Association and the Arkansas Chapter of the American Institute of Architects.

Campaigns the Southern Strategy Group will be managing for the 1996 elections include: Judge Annabelle Clinton Imber for Supreme Court, Prosecuting Attorney Mark Stodola for Congress and the re-election campaigns of Sheriff Randy Johnson and Judge Vann Smith, among others.

For more information on Southern Strategy Group contact Sheila Galbraith Bronfman at (501) 663-8600.

Women's Action Fund Seeks Women Candidates Now

by Mary Dillard

The Arkansas Women's Action Fund, a political action committee organized in May 1992, supports progressive women for public office. The fund has, also, in its short history, supported men who were considered supportive of women's issues and endorsed two issue campaigns.

In its initial year the fund supported seven candidates and endorsed Amendment 3, the amendment which allowed local communities to provide increased support to public libraries. In 1993, the fund endorsed and made a \$500 contribution to Nate Coulter's race for Lt. Governor. In the last election cycle, the fund provided \$13,000 in contributions to fourteen candidates plus the Committee to Preserve the Medicaid Trust Fund. Of the fourteen candidates who received endorse-

ments, eight won election.

Why do Arkansas women want more women in the legislature? Even though the House of Representatives has an all-time high of sixteen women members, that is still only 16% of the membership. The Arkansas Senate has only one member and has had only three women members in its entire history.

Women legislators make a difference on women's issues. Women in Congress fought for the Equal Pay Act of 1963, tax deductions for child care, displaced-homemakers legislation, rules of evidence in rape trials, prohibitions against sex discrimination, and the Family and Medical Leave Act. A freshman legislator in Missouri passed a much needed rape bill which had failed in previous sessions. She succeeded where male

(continued on page 2)

Arkansan to be Named to Nuclear Regulatory Commission

It is the intention of President Clinton to nominate Arkansan Greta Joy Dicus to serve as a Commissioner of the Nuclear Regulatory Commission.

Ms. Dicus is the Director of the Division of Radiation Control and Emergency Management at the Arkansas Department of Health. She was appointed by the President and confirmed by the Senate in February, 1994, as a Member of the Board of the United States Enrichment Corporation. Ms. Dicus also currently serves as Arkansas State Liaison to the Nuclear Regulatory Commission.

The Nuclear Regulatory Commission is responsible for ensuring adequate protection of the public health and safety, the common defense and security, and the environment with respect to the use of nuclear materials for civilian purposes in the

United States.

Activities licensed and regulated by the Commission include commercial nuclear power reactors, non-power research, test and training re-

actors, fuel cycle facilities, medical, academic and industrial uses of nuclear materials, and the transportation, storage and disposal of nuclear materials and waste.

Tucker Appoints McCollum to Game and Fish Commission

Governor Jim Guy Tucker recently appointed Marion T. McCollum of Stuttgart to the Arkansas Game and Fish Commission. He currently serves as State Secretary of the Arkansas Wildlife Federation, Director of the Grand Prairie Chapter of the National Wild Turkey Federation and is a member of numerous other wildlife organizations.

McCollum is a graduate of Stuttgart High School and attended Arkansas State Teachers College - now UCA. He is actively involved in civic and community affairs as well as various sportsmen's organizations.

He replaces Pat Stephens of Stuttgart, whose term expired. McCollum's appointment began July 1 and he will serve until July 1, 2002.

Don't Miss a Single Issue!

To Subscribe:

- ☎ Call (501)868-4400.
- ① FAX your name and address to (501)868-4844, and we'll bill you.
- ✉ Fill out this coupon and mail with your check to:

The Arkansas Political Report

PO Box 3595
Little Rock, AR 72203
Rate: \$90/year - 24 issues.

name _____

address _____

city _____ state _____ zip _____

Women's Action Fund (continued from page 1)

sponsors failed because she cared and wouldn't give up.

Among the current legislators who have received support are Representatives Becky Lynn, Sue Madison, Lisa Ferrell, Marion Owens, Irma Hunter Brown, Josetta Wilkins and Senator Vic Snyder. Even though the

fund is primarily concerned with the Arkansas Legislature, the committee is also interested in encouraging women to run for non-traditional positions. The fund also supported Secretary of State Sharon Priest in her campaign last year in both the primary and general elections.

The Arkansas Women's Action Fund was organized to provide financial support through its endorsements to progressive women and men who were especially strong on women's issues. The organization meets infrequently, usually only when an election is coming up and endorsements are recommended. An endorsement committee interviews candidates by phone and makes recommendations to the membership.

Dues for the fund are \$200 per election cycle or \$100 per year.

The current president of the fund is Joan R. Campbell of Little Rock. For more information, write AWAF, P.O. Box 251107, Little Rock, AR, 72225.

ARKANSAS POLITICAL REPORT

Insider view of people and policy

PUBLISHERS

Rose Crane
William F. Rector, Jr.

MANAGING EDITOR

Rose Crane

CONTRIBUTING EDITORS

Mary Dillard
Tom McRae

PRODUCTION CIRCULATION

Ralph S. Mann Jennifer A. Falls

If you have questions or comments,
please call (501) 868-4400.

APPOINTMENTS		FROM	COMMISSION
Betty Pickett	Conway	Board of Education & Board of Vocational Education	6/30/96
replaces Nancy Wood of Little Rock whose term expired			
Luke Gordy	Van Buren	Board of Education & Board of Vocational Education (new position)	6/30/98
replaces of			
Larry Patterson	England	Board of Examiners in Psychology	12/31/97
replaces Evelyn C Bryan of Russellville who resigned			
Walter "Walt" Priest	Beebe	Burial Association Board	12/31/97
replaces David Powell of Bald Knob whose term expired			
Albert Roy Hart	Little Rock	Child Support Commission	2/25/98
replaces Kenny Whitlock of Little Rock who resigned			
Andrea M Stewart	Little Rock	Child Support Commission	2/25/98
replaces Relita Moore of Earle whose term expired			
T. J. Hiveley	Batesville	Crime Laboratory Board	1/14/99
replaces David Clinger of Bentonville who resigned			
Steven Brian Jones	Earle	Educational Television Commission	3/23/03
replaces James A. Ross, Jr of Monticello whose term expired			
Lee Bodenhamer	Little Rock	Educational Television Commission	3/23/99
replaces Lillian Springer of Little Rock who resigned			
Claude B Carpenter	Little Rock	Governor's Commission on Veterans Affairs	10/15/95
replaces Marty McQuain of Fort Smith who resigned			
Suzie Yielding	Cabot	Health Services Commission	4/9/97
replaces Barbara Gillman of Little Rock whose term expired			
Becky Pryor	Little Rock	Home Health Care Service Agency Advisory Council	
replaces Martha Jones of Berryville whose term expired			
Pat Solomon	Little Rock	Home Health Care Service Agency Advisory Council	
replaces Sue Gaines of Little Rock whose term expired			
John Selig	Benton	Home Health Care Service Agency Advisory Council	
replaces Clay Parton of Little Rock whose term expired			
Mayor Gary Hughes	Caldwell	Home Health Care Service Agency Advisory Council	
replaces Becky Pryor of Little Rock whose term expired			
Don Anderson	Hindsville	Liquefied Petroleum Gas Board	1/14/97
replaces Don Winston of Sheridan whose term expired			
Mayor Joanne Bush	Lake Village	Local Police and Fire RETirement System Board	1/1/97
replaces Merlin Hendricks of Des Arc who resigned			
Irene Holcomb	Pine Bluff	Martin Luther King, Jr Commission	8/13/96
replaces Janice Davis Kearney of Pine Bluff who resigned			
Sadie Mitchell	Little Rock	Martin Luther King, Jr Commission	8/13/95
replaces Sharon Priest of Little Rock who resigned			
Travis A Miles	Fort Smith	Martin Luther King, Jr Commission	8/13/98
replaces Cheryl Tyson of Springdale who resigned			
Gladys Wright	Earle	Museum Services Review Panel	1/14/97
replaces Sharon Stanley of Augusta whose term expired			
Phyllis Tims Holmes	Newport	Museum Services Review Panel	1/14/97
replaces Gladys Wright of Earle whose term expired			
Bobbie Graves	Little Rock	Museum Services Review Panel	1/14/97
replaces Deborah Buford of Little Rock whose term expired			
Shelby Frost	Parks	Museum Services Review Panel	1/14/97
replaces Peggy McClain of Springdale whose term expired			
Mayor David Evans	Searcy	Police and Fire Pension Review Board	1/1/96
replaces The Honorable Martin Chaffin of Marianna who resigned			
Fred Allen	Little Rock	Post Prison Transfer Board	1/14/98
replaces James Handley of Jonesboro who resigned			

Sheriff Don Smith replaces Sheriff Larry Emison of Jonesboro who resigned	Arkansas City	Professional Bail Bond Company & Bondsman Licensing Board	9/30/98
Mary Gunter	Siloam Springs	Governor's Partnership Council for Children and Families	
Jeri Brewer	Dumas	Governor's Partnership Council for Children and Families	
Ray Blakely	Nashville	Governor's Partnership Council for Children and Families	
Youvarn H Anderson	Pine Bluff	Governor's Partnership Council for Children and Families	
Betty Raiford	Pine Bluff	Governor's Partnership Council for Children and Families	
Beverly Rivers	Osceola	Governor's Partnership Council for Children and Families	
Representative Judy Smith	Camden	Governor's Partnership Council for Children and Families	
Judge Wiley Branton	Little Rock	Governor's Partnership Council for Children and Families	
Don Carary	Little Rock	Governor's Partnership Council for Children and Families	
Herman Davenport	Little Rock	Governor's Partnership Council for Children and Families	
Carol Freebaim	Little Rock	Governor's Partnership Council for Children and Families	
Bishop Kenneth W Hicks (retired)	Little Rock	Governor's Partnership Council for Children and Families	
F Mike Stormes	Little Rock	Governor's Partnership Council for Children and Families	
Dr W Curtis "Curt" Patton	Forrest City	Governor's Partnership Council for Children and Families	
Senator David R Malone	Fayetteville	Governor's Partnership Council for Children and Families	
Ralph Shelby replaces Leon Williams of Little Rock whose term expired	Little Rock	Real Estate Commission	12/31/97
Ramona Sloan Roberts replaces Marj Hohmbaum of North Little Rock whose term expired	Fort Smith	Real Estate Commission	12/31/97
Tom Ed Hays, III replaces Gerald Hendrix of Antoine who resigned	Hope	Soil and Water Conservation Commission	1/14/01
Sarah E Lodge replaces Nell Henry of Searcy who is deceased	Little Rock	State Library Board	10/18/01

REAPPOINTMENTS**FROM****COMMISSION**

Danny Wasson	Siloam Springs	Burial Association Board	12/31/97
Effie Clay	Forrest City	Burial Association Board	12/31/97
Senator Morris Harriman	Van Buren	Child Support Commission	2/25/98
James B Barnhill	Little Rock	Child Support Commission	2/25/98
Steve Sipes	Little Rock	Child Support Commission	2/25/98
Senator Nick Wilson	Pocahontas	Child Support Commission	2/25/98
Alfonzo Dixon III	McGehee	Crime Laboratory Board	1/14/02
Amber Reed	West Memphis	Health Services Commission	4/9/98
Rich Howell	Little Rock	Health Services Commission	4/9/98
Betty Bradshaw	Pine Bluff	Home Health Care Service Agency Advisory Council	
James McDonald	Fayetteville	Home Health Care Service Agency Advisory Council	
Charles George	Morrilton	Liquefied Petroleum Gas Board	1/14/01
Stribling P "Strib" Boynton	Fort Smith	Local Police and Fire REtirement System Board	1/14/99
William Stanton	Eudora	Museum Services Review Panel	1/14/97
Barbara A Davis	West Helena	Pollution Control and Ecology Commission	3/29/99
Dorothy Hanby	Springdale	Pollution Control and Ecology Commission	3/29/99

Identifying some organizations' agendas is difficult

It is often difficult to identify an organization's agenda from its name. This seems to be especially true of some of the religious right organizations. Who's doing what:

AMERICAN CENTER FOR LAW AND JUSTICE

Virginia Beach, Virginia

They have offices in Virginia, Washington, D.C., Atlanta, Phoenix, Mobile and New Hope, Kentucky. They have a \$10 million budget and share Pat Robertson's facility. They are the leading organization in the graduation prayer movement and represent Operation Rescue. ACLJ calls the constitutional wall separating church and state the "wall of hostility and bigotry" against believers.

THE CHRISTIAN COALITION

Virginia Beach, Virginia

Grassroots organization with chapters in every state. Works with ACLJ,

under the direction of Pat Robertson. Often credited with electing the right-wing majority to congress. They submitted a legislative agenda to congress demanding constitutional amendment to allow prayer in public schools and other public places.

THE RUTHERFORD INSTITUTE

Charlottesville, Virginia

Nationwide network of legal volunteers serving 2,000 clients a month...free of charge...who have problems related to "religious freedom." Defends anti-abortion activists.

CHRISTIAN EDUCATORS ASSOCIATION

Pasadena, California

Has 3,400 members...85% teach in public schools. It appears to encourage teachers to introduce religion into classroom discussions with seminars like "How to Share Judeo-Christian Perspective Without Being Sued."

AMERICAN FAMILY ASSOCIATION LAW CENTER

Tupelo, Mississippi

Seeks to ban "spiritually incorrect" textbooks.

Arkansas is one of the states targeted for a School Prayer law and for Operation Rescue efforts (which we saw in Little Rock last week).

Political Potpourri (continued from page 6)

charitable contributions made in excess of \$1,000. The bill would also remove charitable contributions from what is known as the three percent floor. The three percent floor was part of the 1990 tax bill and was intended to reduce the amount of itemized deductions for those earning in excess of \$100,000. For those tax payers, itemized deductions are reduced by three percent of adjusted gross income in excess of the threshold amount. By taking charitable contributions out of this formula, it will offer individuals in this category a greater incentive to give to charities.

The House of Representatives recently approved a Budget Resolution that would cut \$282 billion from the Medicare program and \$184 billion from the Medicaid program during a period of seven years. The plan transforms Medicaid into a block grant program...shifting the burden to the State. The House and Senate Budget Resolutions are not binding, but the resolutions lay out the total levels of spending and revenues that are sent to the Appropriations and Authorizing Committees. The House Ways and Means and Commerce Committees would have to report legislative changes in the Medicare program by September 14.

Government Put On-line for Business

President Clinton and Vice President Gore recently announced a new on-line service directly linking the federal government to American business.

The U.S. Business Advisor was developed by the Vice President's National Performance Review in cooperation with federal agencies, the Department of Commerce and the Small Business Administration.

It will provide users with "one stop" electronic access to more than 60 different organizations which assist or regulate business when fully operational. Initially, only the Regulatory Assistance Center will be available. Yet to come is information on labor, trade, finance and selling to the government. Once in full operation, the Advisor will provide an interac-

tive environment where businesses can retrieve timely information, ask questions, find out about best practices, get the names and phone numbers of regulators and electronically file documents with the government.



ther developing the U.S. Business Advisor. They are to report back in six months with a design concept, action plan and timetable.

President Clinton named David Barram, Deputy Secretary of Commerce, and Phil Lader, head of Small Business Administration, to lead a task force that will work with the business community in fur-

POLITICAL POTPOURRI

With the decision of the Arkansas Supreme Court to rehear the Jefferson County sales tax case, the Court continues to find itself in the heat of the Arkansas political kitchen. This decision was prompted by numerous objections to the basis for previous ruling. Additional to the direct impact on the multiple lawsuits spawned by the previous decision, this rehearing ruling comes just in time for any anti-tax forces (which might be lurking about) to try and use it as an issue in the River Project campaign. All of this added to the number of seats to be filled in the 1996 elections apparently will keep this once "back burner" branch of state government on the political hot plate.

Recently a new graduate of Pulaski Academy won an essay contest. The young woman won a trip to the nation's capital as a portion of the prize. She was excited as were her counterparts from other States. She buddied up with another girl from Connecticut who, according to our essayist, was more aggressive than she. The two of them were walking between two office buildings on "the Hill" when the Connecticut girl spied Newt Gingrich. Being a political science major and a

tad aggressive she determined this was her opportunity to meet the Speaker of the House. She increased her stride to a mild run toward the speaker...waving and shouting, "Mr. Gingrich...Mr. Gingrich!" Newt Gingrich turned, saw the young woman and broke into a dead run in the opposite direction. Walking back to her buddy, the young woman remarked, "Boy, does that make my voting decision easier in '96."

June unemployment fell to 5.6% nationally. The U.S. Labor Department reported that 215,000 jobs were added last month bringing total job growth under President Clinton to 7 million...92% in the private sector.

We heard that when Newt Gingrich went to the Trover bookshop on the Hill to sign copies of his new book, he was met with a crowd of protesters asking him to sign their copy of the Ethics Manual. He had his 9-man security detail in tow.

Democrats in the Iowa House scored a special election victory with the election of Todd Taylor to House District 54. Taylor defeated Republican insurance businessman Steve Buhr. This race has been touted as the beginning of the 1996 campaign sea-

son in Iowa. District 54, which includes Cedar Rapids, is considered a hotbed of Radical Right political activity.

Conservative icon and former Arizona Senator Barry Goldwater, commenting on the 1996 presidential campaign, said, "We're not going to have an easy time beating Clinton. This guy makes a hell of a good speech. He's a good thinker."

The United States Equal Employment Opportunity Commission (EEOC) has released the Compliance Manual Section 902: Definition of the term disability. This manual provides information and instructions for determining whether an individual has a disability as defined by the ADA. For more information, call the EEOC at (202) 663-4519.

Bi-partisan legislation was introduced by Representatives Philip M. Crane (R-Il.), Charles B. Rangel (D-NY) and Christopher Cox (R-Ca) to encourage charitable giving through two changes in the tax code. If passed, the legislation would permit taxpayers not itemizing deductions on their returns a deduction for

(continued on page 5)

ARKANSAS POLITICAL REPORT

PO Box 3595

Little Rock, Arkansas 72203

501-868-4400 • Fax 501-868-4844



INSIDER VIEW OF PEOPLE AND POLICY

ARKANSAS POLITICAL REPORT

Published 24 times yearly

GOVERNMENT ON-LINE

WOMAN'S ACTION FUND

SOUTHERN STRATEGY GROUP

- **Sixth Circuit Affirms Remedy In Michigan Mental Health Case:** On August 7, 1995, the Sixth Circuit issued its opinion in *United States v. Michigan*, affirming various district court orders requiring Michigan to remedy violations of the Civil Rights of Institutionalized Person Act in its mental health facilities.

U.S. TRADE REPRESENTATIVE

- **Tobacco Imports:** USTR completed negotiations on tobacco with Argentina and signed a formal Memoranda of Understanding (MOUs) with both Argentina and Brazil. The MOUs conclude the negotiation of a new "tariff rate quota" to govern U.S. tobacco imports, settling a long-standing dispute. Settlement of this issue has been a major priority for tobacco-state Members. Ambassador Kantor is now exploring the possibility of providing tobacco quotas for Malawi, Thailand, Chile and Philippines.
- **Wheat Import Policy:** Ambassador Kantor met with Senators Dorgan, Baucus, Conrad, and Wellstone to discuss wheat imports from Canada and get their input on the Administration's wheat import policy once the current tariff-rate quotas expire on September 11, 1995.
- **Conversation with Chilean Finance Minister:** Ambassador Kantor spoke with Chilean Finance Minister Eduardo Aninat regarding the Ways & Means Trade Subcommittee's visit to Chile, the current status of fast track, and next steps in the NAFTA accession negotiations. He also spoke with a number of U.S. CEOs to ask for support in USTR efforts to gain fast track negotiating authority. The negotiators for the U.S., Canada, Mexico, and Chile have agreed to meet on August 22 in Mexico City to develop the negotiating schedule for this fall.
- **Aviation Negotiating Strategy and Federal Express by Air:** Ambassador Kantor met with Bob Crandall, CEO of American Airlines, to review international civil aviation negotiating strategies and recent bilateral CivAir agreements. He also met with Fred Smith, CEO of Federal Express, to discuss the future of air transport negotiations with Japan, specifically, obtaining the Japanese government's approval for FedEx to fly air cargo routes beyond Japan to Asian destinations.

DEPARTMENT OF HEALTH AND HUMAN SERVICES

- **HHS to Publish Notification of Expedited Waiver Process:** HHS expects to announce within the next two weeks the expedited waiver initiative for state welfare reform projects that you announced at the NGA conference in Vermont. The notice advises that HHS will approve applications that comply with the demonstration components within 30 days of receipt.
- **HHS May Approve Welfare Proposals for Wisconsin and Maryland in the Next Few Weeks:** WI submitted two proposals: *Self-sufficiency First*, a statewide proposal, would require most adult applicants to examine alternatives to welfare with a financial planning resource specialist prior to completing an application. The other proposal, *Pay for Performance*, also a statewide proposal, would require adult recipients to participate in JOBS up to 40 hours per week. MD's proposal, *The Family Investment Program*, has a statewide component requiring minors to reside with a guardian and eliminates increased AFDC benefits for additional children conceived while receiving AFDC.

- **Presidential Mission on Sustainable Development to the Republic of South Africa:** As a follow up to your meetings with President Mandela, and prior to the first meeting of the Gore-Mbecki Commission, Secretary O'Leary will lead the U.S. delegation to South Africa. She will be accompanied by approximately 50 private sector leaders and representatives from non-government organizations. The trip will focus on initiating assistance to South Africa in support of President Mandela's goal to electrify 2.5 million schools, clinics, and houses by 2000. Secretary O'Leary will probably meet with President Mandela and South African officials. At USTR's request, DOE will raise issues affecting trade relations between our two nations. The mission comes at a time of slightly strained relations between our two nations. Secretary O'Leary will also travel to Mozambique to provide support to a U.S. gas firm seeking to complete an \$800 million gas project.

UNITED STATES INFORMATION AGENCY

- **Consolidation of USIA into State Department:** The status of S.908, which would consolidate USIA into the State Department, is unclear. The Administration continues to oppose any measure which would mandate consolidation of USIA or other foreign affairs agencies into the State Department, and continues to oppose a significant number of the resource-reduction and policy measures currently contained in S.908.
- **Mayors to Visit South Africa:** Mayors from 9 U.S. cities will leave this week on a USIA-funded, Sister Cities International-organized economic development and cultural exchange to South Africa. The cities represented include: Albuquerque, NM; North Little Rock, AR; East Orange, NJ; Toledo, OH; Winston-Salem, NC; Rochester, NY; Newark, NJ; Galveston, TX; and Rockford, IL. The mayors will be accompanied by corporate community leaders, as well as chamber of commerce and economic development representatives.

GENERAL SERVICES ADMINISTRATION

- **FTS 2000 Savings:** Administrator Johnson announced this week that by using common-sense business practices, GSA's FTS 2000 telecommunications program has achieved record savings of \$2.3 billion for American taxpayers through FY 1994.
- **Outreach to Minority Businesses:** GSA continues to reach out to America's small, minority and women-owned businesses to emphasize your position on affirmative action in the minority business community. On August 24, the Office of Enterprise Development will sponsor a Small and Minority Business Networking Session and on August 29 it will host an Open House Forum for Alaska's small businesses interested in procurement opportunities with the Federal Government (sponsored in conjunction with the SBA and other Federal agencies).

UP

is this true?
if so, shouldn't
it be part of our
annual report?
BC

• **The Census Bureau will Release the Following Reports:**

Manufacturing and Trade; Inventories and Sales for June 1995	August 14
Housing Starts and Building Permits for July 1995	August 16
Durable Goods for July 1995	August 24
New One Family Houses Sold and For Sale for July 1995	August 29
Manufacturers' Shipments, Inventories and Orders for July 1995	August 31
Value of New Construction Put in Place for July 1995	September 1.

• **Bureau of Economic Analysis will Release the Following:**

State Per Capita Personal Income for 1994 (revised)	August 23
Gross Domestic Product for 2nd Quarter (preliminary)	August 30
Corporate Profits for 2nd Quarter (preliminary)	August 30
Personal Income and Outlays for July 1995	August 31
Composite Indexes of Leading, Coincident and Lagging Indicators for July 1995	September 1.

- **Policy on National Telecommunications:** National Telecommunications and Information Administration (NTIA) officials continue to meet with the White House to discuss policy options for restructuring Intelsat, and with DOJ's Antitrust Division to assess Intelsat's status as a dominant carrier. NTIA also is doing research pertaining to the FCC's notice of proposed rulemaking to explore ways of providing minorities and women with greater opportunities to enter the mass media market.

- **Spectrum Allocation for Unlicensed Wireless Networks:** Apple Computer and WINForum (an association of companies interested in wireless equipment manufacturing that includes AT&T and Motorola) have submitted separate petitions to the FCC requesting spectrum allocations for advanced unlicensed wireless communications in the 5GHz band. Such networks could be particularly useful for schools, hospitals and offices, and thus would be an important component of the NII. Allocating spectrum for such networks may not be compatible with Federal use of the requested band, now used by the FAA and DOD, among other federal agencies. Commerce's NTIA is reviewing the petitions and comments to determine whether it will formally comment in this proceeding.

- **Executive Order on Interagency Review of License Applications:** A draft Executive Order on interagency review of export license applications is awaiting your signature. Under the order, referral agencies will have expanded access to export license applications filed with BXA. In exchange, the agencies will commit to tight time frames for review.

- **Upcoming Commerce Calendar:** Commerce's National Teleconference on Sustainable Communities will take place in September. DOC will release its Patent and Trademark White Paper on Intellectual Property and the NII, roll-out the new National Export Strategy report with field hearings, hold the National Medal of Technology Awards Ceremony, release the Competitiveness Section 206 report, and hold its annual Minority Business Development Conference.

SMALL BUSINESS ADMINISTRATION

- **Opening of US Export Assistance Center:** On Monday, August 14, the SBA, along with the Commerce Department and the Export-Import Bank, will open a U.S. Export Assistance Center (USEAC) in Dallas, TX. USEACs are scheduled to open on August 21 in Denver, CO and on August 23 in St. Louis, MO. USEACs provide easy access to export promotion and trade finance services particularly for small and medium-sized businesses.
- **Disaster Update:** Since the start of FY95, SBA has approved 41,807 new disaster loans for \$1.139 billion which resulted in \$1.245 billion in obligated funds after cancellations, increases, and decreases. SBA continues to work with FEMA on the assessment and various declarations as a result of Hurricane Erin.

DEPARTMENT OF JUSTICE

- **New Border Patrol Agents Graduate From Academy:** On August 14, 47 new border patrol agents will graduate from basic training. They will be assigned to duty stations in Laredo, TX.
- **Violent Crime Control Act Anniversary:** September 13 is the one year anniversary of the signing of the Violent Crime Control and Law Enforcement Act. DOJ is planning activities around this anniversary.
- **District Court Asks for Further Briefing re. Joinder of State of Nevada in Nye County Lawsuit:** In *United States v. Nye County*, (D. Nev.), an action in which Nye County, Nevada has challenged the authority of the United States to own and manage the federal lands, the court issued an order on August 4, 1995, requiring the parties to submit further briefing on the issue of whether the state of Nevada claims an interest in the federal lands and thus should be joined in the lawsuit. The U.S. will file its brief on August 24, 1995.
- **Challenge to Salmon Harvest Filed:** In *Confederated Tribes and Bands of the Yakama Indian Nation v. Baldrige*, (W.D. Wash.), eight treaty Indian tribes in the Pacific Northwest filed a motion for a temporary restraining order on August 4, 1995. The tribes are dissatisfied with the lack of progress in developing a salmon rebuilding program under the treaty and now seek to enjoin the Alaska chinook salmon harvest. They allege that the Alaska harvest will prevent the United States from meeting both its international treaty obligations with Canada and its domestic treaty obligations to the tribes. Canada has indicated that it will file an *amicus curiae* brief supporting the tribes.
- **U.S. to File Appellant Brief in Texas Congressional Redistricting Case:** On August 14, 1995, the Solicitor General will file an appellant brief in *United States v. Vera*, No. 94-988 (S. Ct.), a challenge to the 1991 Texas congressional district plan under *Shaw v. Reno*. A district court held that three districts in the plan -- majority-black districts in Dallas and Harris Counties, and a majority-Hispanic district in Harris County -- separated voters into different districts on the basis of race without sufficient justification. The United States joined Texas at trial in defending the districts and in this appeal.

THE PRESIDENT HAS SEEN
8-15-95

August 11, 1995

MEMORANDUM

To: THE PRESIDENT
From: Jonathan Friebert
Re: James Lyons Memo

Jack (Nancy)
Interesting, Advise
BK

Mr. Lyons wrote a memo concerning your upcoming visit to Northern Ireland. His thesis is the root cause of turmoil in Northern Ireland is "open and pervasive discrimination, particularly in employment, education, and housing." Although not acknowledged by the U.S., the British government has assisted in opening these sectors of society to the Catholic minority.

Mr. Lyons believes that you could discuss the American experience of combating discrimination, particularly focusing on "constitutional and statutory protections." He thinks U.S. provisions for minority groups provide a good design for Irish lawmakers to follow. To make these resources available, Lyons thinks you should announce "the establishment of a permanent library and conference facility to be located in Northern Ireland" called the "United States Center for Peace in Northern Ireland" or "America House." He reasons this would not only "represent a permanent and valuable U.S. contribution," but would also symbolize your personal commitment to peace.

He has discussed this idea with Jack Quinn and the NSC staff. He will be in Ireland the week of August 21st and could begin conversations with key people. Please let him know through Jack Quinn or Nancy Soderberg how he should proceed.

MEMORANDUM

To: POTUS

From: James M. Lyons

Re: Presidential visit to Northern Ireland
("American Peace Center")

Date: August 10, 1995

I. BACKGROUND.

The principal causes of the years of unrest and violence in Northern Ireland are not religious differences or poor economic conditions, although both of these factors have contributed to the situation. Rather, the underlying source of unrest, distrust, and instability has been open and pervasive discrimination, particularly in employment, education, and housing.

Since the institution of direct rule of Northern Ireland by the British government over 20 years ago, a number of programs have been instituted by the British to address discrimination in these areas.¹

- ° Public housing in Northern Ireland is generally of the four-plex multi-family townhouse style located in well-landscaped areas with common amenities such as parks and open space. This housing is available to both Catholics and Protestants alike, and frankly is significantly superior to that found in most U.S. cities. Public housing is regulated by a government agency and is intended to be provided on a non-sectarian and need-determined basis.
- ° Employment laws barring discrimination have also been put in place and are theoretically enforced on a non-discriminatory basis through detailed and comprehensive reporting which is required of companies and businesses which are subject to the applicable laws.
- ° Public education, particularly at the college and university level, has successfully been opened to the Catholic minority in Northern Ireland. The result over the years has been that Catholics now outnumber

¹ Parenthetically, I would note that the British government has never received enough credit or recognition from the U.S. for these efforts. You may wish to address or acknowledge this in some way while you're in London.

Protestants at Queen's University in Belfast, which is the largest university in the province.

The four major churches in Northern Ireland (Catholic, Presbyterian, Anglican and Methodist), and private philanthropic or community organizations such as the Flax Trust have played an important role at the community or district council level in bringing people together in common purpose, encouraging dialogue, and promoting reconciliation between the two religious traditions. Governmental agencies of the British government and the European community as well as organizations like the International Fund for Ireland have also played substantial roles in promoting economic development through job creation and establishing mechanisms at the community level for tolerance and understanding.

Nevertheless, much remains to be done if peace is to become permanent and a political solution developed which will allow the people of Northern Ireland and the Republic of Ireland to achieve lasting harmony without outside intervention. The Hume-Adams talks, the Downing Street Declaration, the IRA ceasefire in August, 1994, and the Protestant/paramilitary ceasefire in the fall of 1994 have all created a true "window of opportunity" for meaningful political dialogue to take place. Nevertheless, as time goes by without substantial and significant progress, momentum could be lost and extremists could disrupt the fragile status quo for their own long-term purposes. In short, the window of "peace opportunity" may already be closing.

II. ADDRESSING THE ROOT CAUSE OF DISCRIMINATION.

You know first-hand as a "son of the new south" the tangible and constructive role played by the federal government over the last 25 years in combating racial discrimination in the U.S. (Similarly, federal law has played an important role in addressing the problems of age, gender, and ethnic discrimination.) The Civil Rights Act of 1964 and the Voting Rights Act of 1965 (both the result of the leadership of another southern president), as well as equal or fair employment, housing and education laws have created a body of experience and jurisprudence which over a generation or more has significantly improved the lives of literally millions of Americans while strengthening the social fabric and economic vitality of affected regions, particularly the south.

In Northern Ireland, the thoughtful and moderate Unionists (mostly but not exclusively Protestant) sensed the inevitability of a Catholic majority in the province and some type of political arrangement, if not union, with the Republic. This group is increasingly mindful of their likely minority status in the future

and is looking to legal or constitutional protections such as our Bill of Rights to protect them when this day comes.

The combination of American anti-discrimination experience and our written constitutional and statutory protections of political minorities is a powerful model and resource which we can provide to Northern Ireland as a practical, lasting, and significant contribution in support of political talks and efforts to achieve a permanent peace. In order to make this American experience and resource available, I propose that, during your Ireland visit, you announce the establishment of a permanent library and conference facility to be located in Northern Ireland (probably in Belfast) to provide a resource to be used by all parties to the peace process.

The facility (working title: United States Center for Peace in Northern Ireland or "America House") would include:

- °A full legal and academic library, including Westlaw and Lexis databases, focusing on anti-discrimination jurisprudence and constitutional scholarship, particularly in the area of individual and political rights. Eventually, the facility could possibly be computer linked to one or more major American law schools and/or the Library of Congress.

- °The facility would include seminar and meeting rooms for use in conferences and programs as well as for use by participants in the ongoing peace process and the New Ireland Forum.²

- °Office facilities for staff, fellows, and visiting scholars such as senior federal judges to provide personal, hands-on assistance at little or no additional cost to the facility or the United States (federal judges are appointed for life, as you well know, and continue to receive compensation upon senior status or retirement).

Ideally, the facility would be located in an area such as Springvale in West Belfast, where a major new branch campus of the University of Ulster is already under consideration at a site which is centrally located between the principal Protestant and Catholic

²The New Ireland Forum is an organization of political parties (North and South) which meets regularly to consult on the manner in which peace and stability can be achieved in a "New Ireland" through the democratic process and to explore structures through which this objective can be achieved. Membership is open to all democratic parties which have rejected violence and have elected or appointed members to the Dial or the Northern Ireland Assembly. Tanaiste (Deputy Prime Minister) Dick Spring and John Hume are both members of the Forum.

enclaves in this part of the city. Alternatively, the facility could be located at or adjacent to Queen's University.

Depending on the size and scope of the facility, a capital budget would need to be developed and funding sources identified. In this regard, the IFI has already pledged five million pounds to the Springvale Campus of Ulster University; this money could be earmarked for America House. Assuming this concept meets with your preliminary approval, we would need to solicit the views (and hopefully financial support) of the British government, the EC, and the Republic of Ireland. Additional funds through private Irish-American organizations and the United States could also be solicited.

I believe this concept outlines a project which could represent a permanent and valuable U.S. contribution to the peace process and is a project worthy of a Presidential announcement during your visit this fall. Certainly, given the role which you have personally played in advancing the cause of peace in Northern Ireland, such a project would be a fitting symbol of your contribution to peace and the centerpiece of your visit to Belfast.

I have preliminarily discussed this concept with several members of the White House and NSC staff and have reviewed it with Jack Quinn, who is enthusiastic.

Please let me know (through Jack Quinn or Nancy Soderberg) if you would like me to proceed to develop the details and support for such a project. I plan to be in Ireland the week of August 21, and could begin discussions with the necessary players and decision makers.

JML:kw

cc: Jack Quinn
Nancy Quinn

Stuart Eizenstat- Thanks for including him in the dinner during the U.S.-E.U. Summit. He is happy with your dedication to the E.U. and increased European integration. The summit produced major initiatives, particularly the "development of a senior level group." He hopes for a major speech by you around the theme of a "post-Cold War Atlantic Charter."

UNITED STATES REPRESENTATIVE
TO THE
EUROPEAN UNION

June 24, 1995

~~PERSONAL & CONFIDENTIAL~~

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

Dear Mr. President and First Lady:

I would like to tell you how much I enjoyed seeing you on June 14 during the U.S.-EU Summit with President Chirac and President Santer.

It was gracious of you to include me in the dinner of that night and to have had all the guests in the private quarters. You have done a wonderful job in beautifying the private quarters from the days I last saw it.

The dedication you have shown to the European Union and to European integration and the encouragement you have provided to stronger links between the United States and Europe are felt vividly here on this side of the Atlantic.

The Summit produced major initiatives, particularly the development of a senior level group to fill in the substance of a Transatlantic agenda for the 21st century, which Secretary Christopher began to outline in his June 2 Madrid speech. I am hopeful that this can be finalized at the end of the year at the next U.S.-EU Summit by a major announcement by you, perhaps in the form of a post-Cold War Atlantic Charter. It would cap all the efforts you have made over the past two and a half years in Europe.

DETERMINED TO BE AN ADMINISTRATIVE

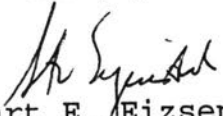
MARKING INITIALS: DB DATE: 7/2/95

(Sandy Berger - USC)

president Bill Clinton
June 24, 1995
Page 2

Mrs. Clinton, I also want to personally thank you for the time you gave to Commissioner Emma Bonino at my request. She is most grateful and I know it will enhance our relationships with her. I also enjoyed our chat on health care and other social issues.

Very truly yours,


Stuart E. Eizenstat
Ambassador

✓ GS Fyl-B
ERNEST DUMAS

New Congress, same old sleaze



No respecter of parties, sleaze clings as stubbornly to Republicans in Congress as to Democrats. The only difference, we're finding out, is that the disciplined Republicans are better at keeping the lid on.

Investigations of the peccadilloes of the House speaker and a leading Republican senator won't get the airing that charges against Democratic members stood to get when their party was in charge. Even in power, Democrats were wimps when it came to standing up to public pressure.

But even Republican discipline was not enough to keep the lid on altogether in the Senate last week. At long last, the Senate voted to regulate the gifts and favors that senators get from lobbyists, businesses and trade and professional groups with interests in legislation. The sweeping rule will ban free dinners, vacations and gifts that people beseeching favors from Congress bestow on members of the Senate.

It was not the new Republican leadership in the Senate that did it. Majority Leader Robert Dole, Assistant Leader Trent Lott and Mitch McConnell, the Ethics Committee chairman, didn't get the message from the elections last year. They think the voters were mad at Congress because it hadn't given rich investors a tax break on their capital gains.

Dole, Lott, McConnell and their older brethren connived to sabotage the reform, but they hadn't counted on Sen. John McCain, the Arizona Republican who discovered in a POW camp that life was too short for such unprincipled games. McCain, with several Republican freshmen in tow, worked with the Democrats to adopt the comprehensive rules.

Now if they could only regulate the real sleaze pipeline: the heavy political action committee gifts and the giant "soft money" bundles to congressional campaigns. Dole and his men blocked that reform before the election last year and they won't let it get close again.

But matched against the House of Representatives, the Senate has been on a binge of unbridled idealism.

Like Dole in the Senate, Newt Gingrich last year spiked legislation banning influence-peddling gifts to members when the Democrats were trying to demonstrate a little election-year rectitude. It was not merely that he wanted to strip the Democrats of a defense against voters' anger. He enjoys the perks of power as much as anyone and invited special interests to pony up.

The speaker shook hands with President Clinton in their sugary debate in New Hampshire last month and pledged to move quickly

to control influence money in Congress. Back in Washington, he put it on the back burner.

Gingrich faces his own ethics investigation, charges by Democrats that he abused his powers for financial and political aggrandizement.

It's all a joke, Gingrich said. But the allegations differ only in the small details and, of course, in the magnitude from those against House Speaker Jim Wright, who resigned as the investigation got under way. Gingrich accused Wright of profiting from a book deal that relied indirectly on the resources of his office—that is, taxpayers' money.

That's what he's accused of doing. The principal difference is that Wright stood to gain a few score thousands of dollars on his book deal, Gingrich millions. In the firestorm that followed the announcement of his book deal, Gingrich decided to scorn the \$4 million he was to get up front from the publishing tycoon whom he was helping legislatively and to just take the cash in royalties.

It's all in the sweep of your greed. Wright looked petty, Gingrich positively majestic.

Over in the Senate, men who insist on publicly airing every act by tearful White House associates of Vince Foster in the hours after his suicide and focusing on 10-year-old private property transactions in Arkansas draw the line at public hearings on the allegations of misdeeds in office by senators. It would be damaging to the institution of the Senate, they said, to let the public hear testimony about Sen. Bob Packwood's harassment of numerous female employees.

If sleaze doesn't damage the institution, hypocrisy surely will.

WORDS



DOUG SMITH

On an old Sid Caesar television show, Sid and the regulars parodied a silent movie that was set in the early 1900s. A big pseudo-dramatic scene erupted when they saw a newspaper headline: "World War I Declared!"

I remembered this after a colleague asked "When did World War I get to be World War I? And when did World War II start, answering to World War II?"

According to Paul Dickson's "War Slang," the name *World War II* first appeared in America in the Sept. 11, 1939, issue of *Time* magazine, while the Germans were overrunning Poland and all hell was about to break loose. *World War I* showed up about a week later. By the end of the month, both *World War II* and *World War I* were in general usage Over Here. Before World War II came along, World War I was popularly known as *The Great War*.

So *World War II* is older than *World War I*. This sounds like the Woody Allen movie where Young Gregorovich was older than Old Gregorovich.

However, *World War II* didn't

CC:hu statements
to VP, Erskine

good nego
achievement



THE PRESIDENT

8/14/95

Dear Maria —

I loved your statement
at your reconfirmation hearing —

Thanks for doing such a
brilliant job

Sincerely
Bill Clinton

Get the
Sen
Jackie Clegg- Wants to let you know that Maria Haley did a great job-at her reconfirmation hearing. "Her poignant comments had Senator D'Amato near tears." (The text is included.)

JACKIE M. CLEGG

Dear Mr. President,
Maria did a great job
at her reconfirmation hearing!
Her poignant comments
had Senator D'Amato
near tears!

Sincerely, Jackie

**CONFIRMATION TESTIMONY OF
MARIA LUISA M. HALEY
COMMITTEE ON BANKING, HOUSING AND URBAN AFFAIRS
UNITED STATES SENATE**

JULY 28, 1995

Mr. Chairman and Members of the Committee:

It is my great honor to appear before you to testify on my renomination by President Clinton as a member of the Board of the Export Import Bank of the United States.

First of all, I would like to take this opportunity to thank my colleagues at Ex-Im Bank for being here to show their support - - to our leader Chairman Ken Brody, to Director Julie Belaga, and the rest of the staff who are here today.

I am also grateful and honored by the support and presence of my friends, and members of the Asian Pacific-Americans community.

I would like to make a brief oral statement and ask that my written testimony be included in the record.

17 months ago, I told you that my task would be to serve the small business community relying on my experience working with small business. I told you that my goal would be to motivate the Bank's staff and that I would be aggressively persistent and creative in connecting small and mid-size business to Ex-Im Bank programs.

Today, I can tell you that I have kept my promise.

Ex-Im Bank's small business programs are some of the most successful in the Bank. I did not do this alone. It has been a team effort led by Ken Brody.

I am proud of our excellent and hardworking staff for their commitment and dedication in following through with real results.

We recognized that the needs of small business are very different. Our goal was to provide products that are easy to access, easy to use and competitive in the market place.

First, to improve access, the Bank embarked on an

aggressive outreach campaign. We work with state and local governments, banks and trade associations. We continue to expand access through the Trade Promotion Coordinating Committee by bringing trade finance to local businesses through the Export Assistance Centers.

Second, to demystify export finance, Ex-Im Bank instituted a vastly improved Working Capital Guarantee Program. We simplified our documents, delegated authority to local banks, and harmonized our program with SBA.

All indications show that we will surpass last year's figure by 50%.

We revised our Insurance Policies. We now provide higher

levels of coverage, enhancements designed just for small business and more commissions for our brokers.

In 1994 60% of the 2400 transactions Ex-Im Bank authorized were for small business. These amounted to \$1.7 billion of U.S. exports. 1995 promises to be even better.

The law requires that 10% of total Ex-Im business must be Small Business. Our initial report for 1995 shows that small business accounts for approximately 20% of Ex-Im Bank's total business. That is almost double last year's figure.

We have just started Mr. Chairman. If confirmed, I am

committed to continuing this effort.

Before I end my statement, I would like to take a few minutes to tell you about myself. The foundation of my personal and professional life is rooted in my Philippine American background.

65 years ago my father was a political science student in Syracuse University. He was a student leader, and as I mentioned in my opening statement last year, he testified in these same halls of Congress to appeal for independence for the Philippines.

Instead of seeking his fortunes here, as a lot of his Filipino

friends did, he elected to return to the Philippines to serve his country. He became a distinguished professor of political science, and then an esteemed diplomat.

I came to this country as a bride 24 years ago and became a U.S. citizen. Although there was a certain amount of pain in relinquishing my Philippine citizenship.....and relinquishing my loyalty to the land of my birth, I have taken my U.S. citizenship and the responsibility attached to this with tremendous pride, honor and commitment.

I decided to become a public servant 16 years ago. The heritage that my father bestowed on me is the knowledge that there is no nobler task than public service and that

loyalty, dedication and integrity are values necessary to serve the community. These are the values that define me, that defined my first term as a Director of Ex-Im Bank and will continue to define me should you decide to honor me with a confirmation.

Thank you, Mr. Chairman, I will be happy to answer your questions.

THE WHITE HOUSE
WASHINGTON

THE PRESIDENT HAS SEEN
8/14/95

95 AUG 12 P12:35

Leon/Eakin
Carter Murray

August 12, 1995

MEMORANDUM FOR THE PRESIDENT

FROM: Bruce Reed
Rahm Emanuel

SUBJECT: Welfare Reform -- Recess Strategy

Over the recess, we will be working with Democratic governors and key Senate allies to prepare for the Senate debate in September. Thompson and Romer are pushing hard for an NGA compromise, which could provide an opening for a truly bipartisan bill. But we have to monitor those talks closely to make sure they don't undermine our hand in the Senate, where we were poised to get much of what we wanted if the debate had taken place this week.

I. Senate Update

Until Senate Democrats agreed to Dole's request to put the bill off until September 6, we were in relatively good shape in the Senate. A pivotal bloc of moderate Republicans is holding out for significant improvements in the Dole bill, including a maintenance of effort requirement, more money for child care, and a performance bonus for states that move people to work. Dole put off the bill not because he couldn't find the votes (as the press reported), but because he knew he would have to come our way to get them. The Democrats went along because none of them wanted to be seen filibustering the bill and some on the left were afraid the Senate was about to pass a bill you could sign.

Dole's strategy over the recess will be to keep making modest concessions to the right and to the left until he can build a majority. With help from reasonable-sounding Republican governors like Thompson and Weld, he is putting intense pressure on the moderates to settle cheap -- maintenance of effort at 75% of current levels rather than 100%, an exemption for mothers with children under one rather than additional money for child care, etc. So far, they have stood up to the pressure and refused to sign onto his bill. But time is against us, and the more time Dole has to beat up the moderates, the worse off we will be.

The Daschle-Breaux-Mikulski bill has 30 cosponsors, and all the Democrats should vote for it except Baucus, who has signed onto Dole's bill. But moderate Republicans have decided to improve the Dole bill rather than cross over and support the Democratic substitute. If moderate Republicans succeed in getting sufficient improvements, between 10 and 20 Democrats (moderates as well as some liberals who are up for re-election in '96) will probably join them in supporting the Dole bill.

II. Governors

Thompson has been pressing for a bipartisan NGA agreement on welfare reform since he took over as chair last month. In Vermont, he appointed a welfare reform committee that includes Democrats Carper, Romer, Chiles, Bayh, Bob Miller, and Dean, and Republicans Thompson, Engler, Weld, Allen, Branstad, and Sundquist. This week, Thompson told Dole that if the debate were delayed until next month, he could deliver the Democratic governors' support for something close to the Dole bill.

By most accounts, Thompson is eager to strike a deal in order to strengthen the NGA and boost his own profile on welfare reform. In initial discussions with Democratic governors this week, for example, he hinted that he would be willing to accept some provision on maintenance of effort. But Thompson will be under pressure from Dole (and his vice-presidential rival, Engler) to produce a deal that meets the Republicans' budget targets.

We have scheduled a conference call with Democratic governors next week to help them prepare for discussions over the recess. Their concerns are generally consistent with our SAP (attached): They intend to hold out for a substantial increase in funds for child care, a maintenance of effort requirement, and a real contingency fund that responds to population growth and economic downturn. Republican governors have resisted these provisions in the past. Our best hope is for Democratic governors to persuade their Republican colleagues to overlook Dole's budget problems and insist that Congress provide some real money. That would strengthen the welfare reform bill and strengthen the NGA's hand on the eve of the Medicaid battle.

~~Our signal to the Democratic governors~~ will be to proceed with negotiations to see if they can get a deal that's a true blend of the Dole and Daschle bills and not just modest changes to Dole. But we will also warn them not to undercut us on issues we have a good chance to win in the Senate, like maintenance of effort, and to make sure they check with us before they sign onto any deal. We have to be particularly concerned in areas where their interests may be different from ours. For example, unless we convince them otherwise, Democratic governors are likely to endorse two elements of the Dole bill we have serious reservations about -- a state option to block grant food stamps and Kassebaum's training bill with no provision for skill grants.

Let us know if you feel we should send the governors a different signal. We will keep you posted on any progress they make.

*Maintain
7/10/96
to Dole's bill*

III. Waivers

In the absence of Congressional action, we will continue to press ahead with more waivers. On Monday, HHS will grant waivers to Maryland and Wisconsin, bringing the total number of states with experiments under this Administration to 33. On Wednesday, we will send applications to all 50 states for the expedited waivers you outlined at the NGA meeting. We are also working with Democratic governors to try to interest them in applying.

→ we should do
a written press release
on this —
BE



EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF MANAGEMENT AND BUDGET
WASHINGTON, D.C. 20503

August 5, 1995
(Senate)

STATEMENT OF ADMINISTRATION POLICY

(THIS STATEMENT HAS BEEN COORDINATED BY OMB WITH THE CONCERNED AGENCIES.)

S. 1120 - Work Opportunity Act of 1995
(Dole (R) KS and 31 cosponsors)

The Administration opposes S. 1120 in its current form because it falls short of the central goal of real welfare reform -- moving people from welfare to work. The Administration strongly supports enactment of real and effective welfare reform that promotes the basic values of work and responsibility. The Administration, therefore, strongly supports S. 1117, the Daschle-Breaux-Mikulski substitute, which meets these objectives.

Over the past two and a half years, the President has been fighting for the basic principles of work and responsibility. Last year, the President proposed a sweeping welfare reform package that would: establish tough work requirements while providing child care for working people; impose tough child support enforcement measures; require teen mothers to live at home, stay in school, and identify their child's father; increase State flexibility and accountability; and provide basic protections for children. His economic plan expanded the earned income tax credit, which rewarded work over welfare and cut taxes for 15 million working families.

Last February, the President issued an Executive Order to crack down on Federal employees who owe child support. The Administration also has approved welfare reform experiments in 32 States and has pledged fast-track approval for other State demonstrations that pursue specified reform strategies. Such strategies include: (1) strengthening work requirements backed with child care; (2) limiting recipients' duration on welfare and cutting off people who refuse to work; (3) making parents pay child support or go to work; (4) requiring mothers who are minors to live at home and stay in school; and (5) using welfare and Food Stamp benefits as subsidies for employers who hire welfare recipients. The President has also directed that Federal regulations be changed to ensure that welfare recipients who refuse to work do not receive increased Food Stamp benefits to offset the decreases made in their welfare checks.

The welfare reform debate has come a long way in certain key areas since this Congress first took up the issue. Not so long ago, some in Congress were promoting orphanages as the solution to out-of-wedlock teen births. Now, S. 1120 includes provisions from the President's proposal requiring mothers who are minors to live at home and stay in school. Earlier this year, some in Congress wanted to exclude child support enforcement from the welfare reform debate. Now, there is bipartisan agreement on the toughest child support enforcement proposal ever, and both the House-passed H.R. 4 and S. 1120 include the President's major child support enforcement provisions. In addition, S. 1120 adopts the Administration's position that child protection programs for abused children must be protected and includes an important provision from the President's welfare reform plan requiring welfare recipients to sign personal responsibility contracts as a condition of assistance.

The key to successful welfare reform is moving people from welfare to work. S. 1120, however, does not put work first. It does not provide the level of child care resources necessary to support the imposition of tough work requirements. Indeed, it repeals critical child care programs now serving 640,000 children. It does not provide incentives for States to promote work. Instead, by allowing States to no longer contribute any of their own resources, the bill gives States an incentive to throw people off the welfare rolls rather than put them to work. It further undermines the goal of requiring work by shifting an enormous cost burden to States and localities and putting them at even greater risk during an economic downturn. No safeguards are provided for children whose families lose assistance through no fault of their own. More families may have to make do with less food on the table, if States opt for a Food Stamp block grant and then spend Food Stamp block grant funds on other programs. Finally, House and Senate Republican plans cut low-income programs too deeply, compromising their ability to protect children and promote work. The Administration supports real reform that saves taxpayer dollars by promoting independence -- moving people off welfare rolls and into work -- not by simply sending the welfare problem to the States with more mandates and less money.

The Administration's most significant concerns are discussed below. As the Administration continues its review of S. 1120, it may identify other troublesome issues and will work with Congress to address those concerns as well.

Moving People from Welfare to Work

Welfare reform will succeed only if its central goal is work. Work has always been at the heart of the President's approach to welfare reform. Work has provided the foundation for the welfare reform waivers the Administration has granted, including

innovative welfare-to-work programs in Oregon, Iowa, and dozens of other States. If a welfare system is to provide work-based incentives for States and welfare recipients, adequate resources for child care, training, and work must be available. State bureaucracies have to be rewarded for getting people into the workforce or preparing them to enter the workforce -- not for cutting them from the rolls.

Unlike the Daschle-Breaux-Mikulski substitute (S. 1117), which the Administration strongly supports, the Republican leadership bill would not end welfare as we know it by moving people from welfare to work. To promote work, the bill should be changed to:

- Require States to maintain their stake in moving people from welfare to work. S. 1120 would neither require nor encourage States to contribute resources to welfare reform. Many States could be expected to withdraw their own funds, cut benefits, purge large numbers of current recipients from the rolls, and avoid the burden of helping people become self-sufficient. In sum, there is a real danger that States would "race to the bottom" to save State dollars or to deter migrants from other States.
- Provide child care to move people from welfare to work and to keep people from going on welfare in the first place. It makes no sense to deny child care to people trying to leave welfare and to working people who are trying to stay off welfare. By aggregating funding for cash benefits, child care, and employment assistance into one block grant and cutting it across-the-board, S. 1120 provides no guarantee that States will put any money into child care and work programs that move people off welfare. The Administration recommends that the bill be modified to: (1) fund employment and child care for welfare recipients separately from cash benefits; and (2) ensure that people who can work, do so, and have the child care when they do.
- Provide incentives that reward States for putting more people to work, not for cutting them off. S. 1120 gives States an incentive to save money by throwing people off the rolls. To change the culture of welfare, the bill should be modified to reward success instead of the status quo. The Administration supports a performance bonus that would focus the welfare bureaucracy and recipients on the central goal of moving from welfare to work.
- Protect States and families in the event of economic downturn, so that welfare reform does not shift a huge burden onto State and local taxpayers, and States can afford to put people to work instead of putting poor families at risk. In contrast to current funding mechanisms, funding for temporary assistance to needy families under S. 1120

would not adjust adequately to cushion the impact of unemployment and economic stagnation. States in recession would encounter reduced revenues and increased caseloads. S. 1120 would provide a "rainy day" loan fund that would allow States to borrow additional money during economic downturns. In addition, extra funding would be available to States projected to have high population growth that meet certain criteria. There is no guarantee, however, that the finite amount that such States receive will be adequate. And if there is population growth in a majority of States, each will get a diminished share of the fixed dollars. The Administration recommends that the bill be changed to adjust for shifts in economic condition and population.

Training People for the Future

The training provisions in S. 1120 include the consolidation of approximately 90 training programs. Given the need to build a comprehensive workforce development system to serve all Americans and the concerns expressed below, the Administration believes it is inappropriate to consider these provisions in the context of welfare reform legislation. Of paramount concern is the bill's insufficient funding for the consolidated programs. While the President's FY 1996 budget proposes to increase funding for training by \$1 billion over FY 1995, S. 1120 would cut funding by 15 percent. Not only is the plan's funding insufficient for the Nation's workforce needs as a whole, the consolidation of these programs means that billions of dollars less will be available to help people stay off welfare and to help others transition from welfare to work.

In addition, S. 1120 would not ensure proper accountability for \$8.2 billion in Federal training and vocational education funds. If the bill were adopted, the Federal Government could not assure taxpayers that States were spending Federal funds to achieve the national goals of improving workers' skills, facilitating individuals' transition from school to work, and helping severely disadvantaged people enter the education and work mainstream.

Unlike the President's job training proposal, S. 1120 would not require the use of skill grants for adult training. Thus, there would be no guarantee that training resources would be put directly into the hands of dislocated workers and low-income adults, so that they could make informed training choices. Other concerns about S. 1120 include its: (1) failure to target resources on those most in need; (2) devolution of the successful Job Corps program to the States; (3) elimination of the Summer Jobs, Trade Adjustment Assistance (TAA and NAFTA-TAA) training, Employment Service, and Senior Community Service Employment programs; (4) failure to assure permanent local workforce development boards with authority for local decision-making; (5) failure to provide a national reserve to aid victims of mass

layoffs and national disasters and for other purposes; and (6) creation of a complex new bureaucracy under the direction of a part-time board with uncertain accountability as the Federal governance structure.

In addition, the Administration supports the deletion of the provision in S. 1120 that modifies Davis-Bacon labor standards protections. Overall, Davis-Bacon reform is the appropriate avenue for addressing what changes should be made to Davis-Bacon requirements.

Protecting Children

Reduced spending for low-income programs is possible while still protecting the most vulnerable. The Administration has proposed \$38 billion in carefully tailored cuts for certain welfare programs over seven years; however, the magnitude of the cuts assumed in the congressional budget resolution -- approximately \$110 billion over seven years -- compromises the ability of these programs to protect children and promote work. This is exacerbated by the absence of maintenance-of-effort requirements on the States. It is not realistic to expect the States to compensate for the reduced Federal spending from their own revenues. Many will ultimately pass on the drastic cuts to children and families, who will endure future cuts or even losses in benefit eligibility. The proposal also eliminates benefits for approximately four million children even if their parents have done everything possible to find work.

The Administration supports the retention of Supplemental Security Income (SSI) cash benefits for eligible children provided by S. 1120. The plan, however, would apparently deny SSI benefits to more than 370,000 disabled children over the next five years. In addition, the bill would establish a mandatory five-year cut off of Temporary Assistance for Needy Families without regard to their circumstances. The bill would not provide any protection for children when their parents are unable to work due to illness, disability, the need to care for a disabled child, or high local unemployment. The Administration believes that such provisions are unduly harsh.

Preserving the Health and Nutrition of Adults and Children

The Administration is pleased that S. 1120 includes a number of provisions proposed by the Department of Agriculture to combat Food Stamp fraud. The Administration, however, opposes the Republican leadership plan to include an optional Food Stamp block grant. Providing the option of a Food Stamp block grant in its current form jeopardizes getting food to people who need it. It would sever the link between Food Stamps and nutrition; eliminate the program's economic responsiveness; end national eligibility and benefit standards; and ultimately divert support

away from food. The bill requires only 75 percent of the block grant funds to go to food assistance, a provision that could divert \$23 billion worth of food from children and families over the next five years. Furthermore, any State that exercises the block grant option will see its food assistance decline dramatically in the event of recession or population growth. The block grant option would threaten the national nutritional framework that has successfully narrowed the gap between the diets of low-income and other families.

The Administration is concerned about the severity of the cuts to the Food Stamp program in S. 1120. The Administration supports requiring Food Stamp recipients without children to go to work or train for work in return for their assistance. S. 1120 does not provide States with the resources to accomplish this goal. Rather than promoting work, the plan simply cuts a hole in the nutrition safety net.

Provisions Affecting Non-Citizens

S. 1120 should support fair treatment for legal immigrants. The Administration supports tightening sponsorship and eligibility rules for non-citizens and requiring sponsors of legal immigrants to bear greater responsibility for those whom they encourage to enter the United States. The Administration, however, strongly opposes the Republican leadership bill's unilateral application of new eligibility and deeming provisions to current recipients, including the disabled who are exempted under current law. ("Deeming" is the requirement that sponsors' income be counted when determining immigrants' eligibility for benefits.) The Administration also is deeply concerned about the bill's application of deeming provisions to Medicaid and other programs where deeming would adversely affect public health and welfare.

Daschle-Breaux-Mikulski Reform Proposal -- Real Welfare Reform

The Senate has the chance to enact real bi-partisan welfare reform. The Administration strongly supports S. 1117, the welfare reform proposal offered by Senators Daschle, Breaux, and Mikulski. Instead of maintaining the current welfare system -- which undermines our basic values of work, responsibility, and family -- this plan sends people to work so they can earn a paycheck, not a welfare check. Unlike S. 1120 and the House-passed H.R. 4, this proposal provides the child care for those transitioning from welfare to work and for those trying to avoid welfare in the first place. It holds State bureaucracies accountable for real results, and rewards them for putting people to work, not just removing people from the welfare rolls. It saves money by moving people to work, not by expecting the States to handle more problems with less money. It allows these programs to respond automatically to recessions, population growth, inflation, and other demographic changes. The

Administration urges Congress to agree on a bipartisan bill that addresses these critical elements of real welfare reform.

Pay-As-You-Go Scoring

S. 1120 would affect direct spending and receipts; therefore, it is subject to the pay-as-you-go requirement of the Omnibus Budget Reconciliation Act of 1990. The Office of Management and Budget's scoring estimate is currently under development.

* * * * *

217 8th Street, S.E.
Washington, D.C. 20003

THE PRESIDENT HAS SEEN

8/14/95

95 AUG 14 4:06 PM

Leon

August 14, 1995

President William J. Clinton
The White House
Washington, D.C. 20500

Dear Mr. President:

Bill

Your recent visit meant so much to me. The fact that you were willing to spend your valuable time with me was of great comfort.

As you know, on December 23, 1994, you announced that I would be appointed as Chairman of the National Bankruptcy Review Commission. Since that announcement, I, along with volunteer staff, have been working on an informal basis to procure the funding and to ensure continued support for this critical Administration initiative. These efforts were successful and on July 27, 1995 you signed P.L. 104-19 which appropriates the necessary funding for the life of the Commission.

I am anxious to formally proceed with the Commission's important work. With the appropriation approved, it would now be timely to finalize my appointment as Chairman. It appears, however, that the implementing legislation for the NBRC precludes continuing my responsibilities as Chairman of the U.S. Delegation to the World Radio Conference (WRC). While I am willing to serve you in both capacities, I believe it would be best if I resign as Chairman of the World Radio Conference. I assume that my appointment as Chairman of the NBRC would be effective on January 4, 1995 subsequent to my service in Congress. Accordingly, my resignation from WRC would thus be effective on July 30, 1995 in compliance with the implementing legislation for the NBRC.

President William J. Clinton

page two

August 14, 1995

As you may know, I am now home on an outpatient basis. I am confident that I can continue to carry out the duties of Chairman as I have been doing informally for the past eight months. I look forward to continue to serve you.

With warm regards,

Sincerely,

A handwritten signature in black ink, appearing to read "Mike", with a long horizontal flourish extending to the right.

ce L Panetta

THE WHITE HOUSE
WASHINGTON

August 10, 1995

Deane Shatz
4243 Lenore Lane, N.W.
Washington, D.C. 20008

Dear Deane:

Thanks for your letter of August 5 and for your suggestion of a bipartisan commission designed to reduce federal programs and subsidies. I have been and remain committed to rooting out waste, inefficiency, and unneeded subsidies and programs within the government. The work of the Vice President in reinventing government has resulted in the saving of millions of dollars, and we'll continue to do even more of that important work in the months ahead.

I appreciate your recommendation that I appoint a commission, similar to the Defense Base Closure and Realignment Commission, to eliminate unnecessary subsidies and programs, and I've shared your letter with Leon Panetta, Chief of Staff, for his consideration.

Thanks, as always, for your insight and for your continued support and encouragement.

Sincerely,

Bill

I like the idea - apparently the
GOP is resisting this, and it is a
potential reform commission
that takes another look at it -

Deane Shatz

4243 Lenore Lane N.W.

Washington, DC 20008

Telephone (202) 364-2929 FAX (202) 364-2929

August 5, 1995

Dear Mr. President,

Reducing the cost of government while making it more effective seems to be the American Mantra. Businesses reengineer and increase productivity. Why should we American taxpayers pay to support the bureaucracy that supports outmoded programs and subsidies? — *in addition to the programs and subsidies!*

The Republican Congress is in a slash and burn mode.....cut and who cares? A lot of people! Why can't we accomodate them by saving billions by cutting a bunch of subsidies that affect small segments of the country and programs set up over 50 years ago that are no longer needed. I am grateful for the Republican win in 1994 because we are allowed to face up to the waste and overspending we have been accumulating for the past forty years. Now will you take advantage of this opportunity?

Why don't you put together the same kind of bipartisan commission that decides on Base closures? This commission would get together and work on outdated subsidies and programs. Then it is an up or down vote for many rather than as one at a time that will never pass Congressional Courtesy. To involve and give ownership to the program you MUST involve Congress. This is the only way that I can see of ever cutting the accumulated detrius. And here we can talk of lots of billions of dollars. What fun it would be to bend Senator Helms' and Rep. Bliley's nose out of shape with the elimination of the tobacco subsidy.

What fun for the President in his righteous garb telling the American People how he is going to really cut the budget by cutting outmoded programs that benefit all the people rather than a select few. Right on Go for it! I can't understand why you haven't done it.

I know that you are the ultimate in political savvy, and I hope that you can see the advantage to the Greater Good of all the people rather than being right politically and doing nothing.

Have a wonderful vacation and come home refreshed and ready for the fray!

Sincerely,

Deane Shatz

THE WHITE HOUSE
WASHINGTON

August 15, 1995

Robert N. Shamansky
Benesch, Friedlander,
Coplan, and Aronoff
88 East Broad Street
Columbus, Ohio 43215

Dear Bob:

Thanks for your letter of August 11 and for your recommendation of N. Victor Goodman for appointment to the United States District Court for the Southern District of Ohio. I always appreciate your letting me know what you think, and I've shared your letter with Abner Mikva, Counsel to the President, to let him know of your personal recommendation.

Sincerely,

cc ✓ Radd

**BENESCH
FRIEDLANDER
COPLAN
& ARONOFF**
ATTORNEYS AT LAW

88 East Broad Street
Columbus, Ohio 43215-3506
(614) 223-9300
Fax (614) 223-9330
Writer's Direct Dial Number
(614) 223-9326

August 11, 1995

The Honorable William J. Clinton
President of the United States
The Whitehouse
Washington, D.C. 20500-2000

Dear Mr. President:

I am pleased to recommend N. Victor Goodman of Columbus, Ohio to you to fill the vacancy on the United States District Court for the Southern District of Ohio created by the recent death of Judge Carl Rubin.

I have known Victor for many years, but in addition I have had the unique opportunity to observe his exceptional abilities as a lawyer since we became partners in the law firm of Benesch, Friedlander, Coplan & Aronoff in 1984. This association has permitted me to observe at first hand both his keen legal mind and his prodigious capacity for discipline, efficient work.

In my opinion, Victor should have been appointed to the United States Court of Appeals during the Bush Administration, but was not because it was bruited about then that he was too "liberal" by virtue of his decades-long representation of building trades unions. It would be ironic, indeed, if the District Court were now denied his services, because he was too "conservative" by virtue of his being a Republican.

I, a Democrat, know Victor to be a superb lawyer. As a fellow graduate of the Harvard Law School and his law partner, I know that he is in the mainstream of American jurisprudence. I can assure you that he will bring to the bench a devotion to being the best judge anyone can be, which is the way he has lived his entire life, both personal and professional. He definitely does not want to become a judge of the District Court Circuit to implement some social or political agenda. He represents the best in American law; he is not an ideologue.

With the above in mind, I urge you to appoint my friend Victor Goodman to the United States District Court for the Southern District of Ohio.

With best wishes, I am

Respectfully yours,



Robert N. Shamansky

RNS:bmw

cc: Judge Abner J. Mikva
Counsel to the President

Cleveland Columbus Cincinnati



THE WHITE HOUSE
WASHINGTON

BC sign

August 15, 1995

The Honorable Derek Shearer
American Ambassador
Helsinki

Dear Derek:

Thanks for your note of August 10 and for
sending Mary Willis Walker's The Red Scream and
John Hands' Brutal Fantasies.

It's nice to have extra reading material for
our vacation, and Hillary and I appreciate your
thoughtfulness.

See you soon.

Sincerely,

Bm

ce Gift Unit



EMBASSY OF THE
UNITED STATES OF AMERICA

OFFICE OF THE AMBASSADOR

Bill,

Aug. 10

Your vacation reading. "Red Scare" is for Hillary. Ruth & I both loved it. "Brutal Fantasies" is your brief for N. Ireland. An old friend from England wrote it & I asked me to pass it along to you.

We had a great time with Brooke & Strobe here last week, as well as Gerald Ford.

You two should come visit us this fall.

- Duke

ce McClellan
he's a good man
good journalist

(Send
Trump
cuties)

OK
fm

WHITE HOUSE
WASHINGTON

August 15, 1995

James Merriweather
Apartment C-16
1300 South Farmview Drive
Dover, Delaware 19904

Dear James:

Thanks so much for your electronic mail message of July 9. It was good to hear from you and to get an update on where you are and what you're doing. I was sorry to learn of your recent health problems and hope you're doing better now.

I really appreciate your words of encouragement and support. We've got a lot of work to do in the next year-and-a-half, but I think we're on the right track.

Thanks, again, for letting me hear from you. If I'm ever in your neighborhood, I hope you'll come see me.

Sincerely,

Bill

I'm glad to know where
you are and what state capitol
you're haunting! Come by and see
us if you're down in DC — My regards
to Tom Capper

Root " *8/11*
From MrMajyk@aol.com Sun Jul 9 00:47:33 1995
Received: by WhiteHouse.Gov (5.65/fma/mjr-120691);
id AA03867; Sun, 9 Jul 95 00:47:33 -0400
Received: from storm.eop.gov/198.137.241.51 via smap
Received: from DIRECTORY-DAEMON by STORM.EOP.GOV (PMDF V4.3-12 #6879)
id <01HSNBFSE3A0000D92@STORM.EOP.GOV>; Sun, 09 Jul 1995 00:46:03 -0700 (MST)
Received: from mail04.mail.aol.com by STORM.EOP.GOV (PMDF V4.3-12 #6879)
id <01HSNBFQ7UXS000D90@STORM.EOP.GOV>; Sun, 09 Jul 1995 00:46:01 -0700 (MST)
Received: by mail04.mail.aol.com (1.37.109.11/16.2) id AA104835195; Sun,
9 Jul 1995 00:46:35 -0400
Date: Sun, 09 Jul 1995 00:46:35 -0400
From: MrMajyk@aol.com
Subject: White House Forum E-Mail
To: president
Message-Id: <950709004633_28707688@aol.com>
Mime-Version: 1.0
Content-Type: TEXT/PLAIN; CHARSET=US-ASCII
Content-Transfer-Encoding: 7BIT

Field 1 = 1300 s. farmview dr., c-16 dover, de. 19904

Field 2 = Good day, Mr. President,
I don't know if you remember me, but my name is James Merriweather and I now
work for The News Journal in Wilmington, DE. (actually, I cover state
government and politics out of the capitol bureau in dover). at any rate,
i've continued to follow your career since leaving Little Rock in February
1992 after the Gazette was shut down. I've encountered major health problems
since I last spoke to you, right up to the point of being evaluated as a
potential heart transplant candidate. But enough about me. Best hopes for you
and Mrs. Clinton in 1996. regards, james merriweather

8/11
per your
conversation
w/ Ray Goodwin

Reid Tug
8/14

Todd

Maybe a little much,
but ok

cc Phil Lader

THE WHITE HOUSE
WASHINGTON

August 11, 1995

Dennis Bakke
2811 24th Street North
Arlington, Virginia 22207

Dear Dennis:

Congratulations on the great story about you
and AES in the Wall Street Journal!

What Roger and you, and your entire AES team,
have accomplished constitutes remarkable
personal achievements and industry
breakthroughs. In addition, as the article
emphasizes, you've been a model for a new
approach to the work organization. Your
accomplishments truly reflect the team's
innovation and dedication.

As you know, I applaud your commitment to the
values of "integrity, fairness, social
responsibility, and fun." I'm especially glad
that your success in "spreading responsibility
across the workforce" is being prominently
noted.

Sincerely,

Bill

Mr. Dennis Bakke
2811 24th Street North
Arlington, VA 22207

DRAFT

Dear Dennis:

Congratulations on the terrific lead-story recognition by the Wall Street Journal!

What Roger and you, and your entire AES team, have accomplished constitutes not only remarkable personal achievements and industry break-throughs. As the article emphasizes, you have been a model for a new approach to the work organization. Your accomplishments truly reflect the team's innovation and dedication.

As you know, I applaud your commitment to the values of "integrity, fairness, social responsibility, and fun." And I am glad that your success in "spreading responsibility across the workforce" is being prominently noted.

Sincerely,

BC

*Nancy ~
Thought you might
want to send some version of
this letter to Dennis, a friend and
big (Republican) supporter of the
President's.
Paul*

U.S. SMALL BUSINESS ADMINISTRATION
WASHINGTON, D.C. 20416

ADMINISTRATOR

1 Aug 95

Mr. President ~

Thought you might want to
acknowledge this Page One WDC St. Journal
story on Dennis Barker & his company.

Pen

Team Approach

A Power Producer Is Intent on Giving Power to Its People

Groups of AES Employees Do Complex Tasks Ranging From Hiring to Investing Making Sure Work Is 'Fun'

By ALEX MARKELS

Staff Reporter of THE WALL STREET JOURNAL

MONTVILLE, Conn. — His hands still blackened from coal he has just unloaded from a barge, Jeff Hatch picks up the phone and calls his favorite broker.

"What kind of rate can you give me for \$10 million at 30 days?" he asks the agent, who handles Treasury bills. "Only 6.09? But I just got a 6.13 quote from Chase."

In another room, Joe Oddo is working on J.P. Morgan & Co. "6.15 at 30 days?" confirms Mr. Oddo, a maintenance technician at AES Corp.'s power plant here. "I'll get right back to you."

Members of an ad hoc team that manages a \$33 million plant investment fund, Messrs. Oddo and Hatch quickly confer with their associates, then close the deal. "It's like playing Monopoly," Mr. Oddo says as he heads off to fix a leaky valve in the boiler room. "Only the money's real."

Corporate Philosophy

It sounds like "empowerment" gone mad. Give workers more autonomy in their area of expertise? Sure. Open the books to employee purview? Perhaps. But what good could possibly come from handing corporate finance duties to workers whose collective borrowing experience totals a mortgage, two car loans and some paid-off credit-card debt?

Plenty of good, says AES, a maverick power producer that sells electricity to public utilities and steam to industry. "The more you increase individual responsibility, the better the chances for incremental improvements in operations," argues Dennis W. Bakke, the company's chief executive and one of its founders. He claims the team in Montville has matched, and once bettered, the returns of its corporate counterparts. "And more importantly," he says, "it makes work a lot more fun."

In the face of cynicism and outright opposition from some investors, Mr. Bakke, supported by AES co-founder and Chairman Roger W. Sant, has zealously shunned corporate convention. Although the company employs 1,500 people, has \$500 million in revenue and operates in 10 countries, during its 13 years of operation it has never formed corporate departments or assigned officers to oversee project finance, operations, purchasing, human resources or public relations.

Instead, such functions are handled at the plant level, where plant managers assign them to volunteer teams. The workers are expected to learn how to do the tasks effectively.

"It's what I call an ad-hocracy," says Robert H. Waterman Jr., co-author of "In



Dennis W. Bakke

Search of Excellence," who sits on the Arlington, Va., company's board. "People can get involved however they want, without worrying about crossing boundaries."

Until recently, there were only three levels in AES's hierarchy: workers, plant managers and corporate officers. As AES expands overseas, it has added a small fourth tier, division managers.

The structure—which AES calls a "honeycomb" for its beehive-like frenzy and seeming lack of order—stems in part from the founders' weary experience battling bureaucracy 20 years ago. They met during the mid-1970s energy crisis, when they ran a Ford administration energy-conservation office. Mr. Bakke, a devoted Christian who had never worked in the private sector but dreamed of "making a difference," found a kindred spirit in Mr. Sant, a committed environmentalist and former Stanford business professor. Together, they helped draft a law requiring utilities to buy power from independent producers, which generate energy using nontraditional means.

Core Values

A few years after leaving government, they took advantage of the new law and started AES, using mostly coal-fired plants that produce electricity and steam simultaneously in what is called cogeneration.

Since then, AES's revenue has grown an average of 23% annually. Profit last year hit \$100 million, up sixfold since 1990. But even though the company is publicly held and thus accountable to shareholders, the founders maintain that the bottom line isn't their top priority—their "core values" are. By spreading responsibility across the work force, they hope to ensure that everyone hews to those values, listed as "integrity, fairness, social responsibility and fun."

Except for "fun," a lot of companies espouse principles like this. But few take them as seriously as AES—and its empowered employees—do. In the name of "social responsibility," for instance, employees in the late 1980s calculated how much carbon dioxide the Montville plant would produce over its useful life—then

Please Turn to Page A11, Column 1

Team Approach: At Power Producer AES Corp., The Corporate Goals Include Having Fun on the Job

Continued From First Page

planted thousands of trees in Guatemala to counterbalance the emissions. The cost was \$2 million, equal to the company's annual profit at the time.

As for the "fun" goal, it goes to the heart of AES's corporate philosophy. Starting with a simple statement that employees should have "fun in their work" and be able to "enjoy the time" they spend there, Messrs. Bakke and Sant have fashioned a free-wheeling organization that defiantly snubs many of the checks and controls that typify large corporations.

By fun, "we're not talking about Friday-afternoon beer busts," says Mr. Sant, the chairman. "Fun is when you're intellectually excited and you are interacting with each other. . . . It's the struggle, and even the failures that go with it, that makes work fun."

Plant technicians are given authority to budget for and purchase supplies ranging from mops to turbines, confident that management will support them most of the time. Engineers are delegated the authority to arrange financings for new plants and sometimes even to negotiate multimillion-dollar contracts. And before plant employees are hired, ad hoc teams of a dozen or more workers, from pipe fitters to accountants, evaluate applicants, including their ability to fit the AES mold.

It seems to work. Turnover is below 1% a year, the company says. The downside, however, is a reluctance to fire people who don't end up fitting in. "If we do have a weakness, it's that we're very slow to make corrections," says Buster Jarrell, a team leader of an AES plant near Houston. "It's hell to get them out."

Centralizing functions such as purchasing and hiring, Mr. Bakke contends, would mean that the majority of workers would feel less accountable and would be less well informed on corporate issues that he wants everyone to think about. "As soon as you have a specialist who's very good, then everyone else quits thinking," he says. "The better that person is, the worse it is for the organization. The information goes through the specialist, so all the education is to the person who knows the most."

Is giving coal handlers investment responsibility risky? Mr. Bakke thinks not. He notes that the volunteer team in Montville does have a financial adviser, and it works within a narrow range of investment choices; they aren't exactly buying derivatives. What the CEO likes about the arrangement is that "they're changed people by this experience. They've learned so much about the total aspect of the business, they'll never be the same."



Roger W. Sant

Paul Burdick, a mechanical engineer, was asked to handle a \$1 billion coal purchase after he had been at AES only a few months. "I'd never negotiated anything before, save for a used car," says Mr. Burdick, who pestered a more experienced colleague with questions until the man begged him off. "I was afraid to make some of the decisions."

He says the trial-by-fire was both invigorating and broadening. It also generated "tremendous peer pressure" to succeed. "That's the flip side," he says. "You're given a lot of leeway and a lot of rope. You can use it to climb or you can hang yourself."

Plenty of mistakes get made. Ann Murtlow, a chemical engineer with no experience in pollution abatement, was given the task of buying air-pollution credits, which industrial plants may trade to gain flexibility in meeting emissions rules. She spent \$10,000 to buy an option for \$1 million of the credits, only to discover that they were the wrong kind and were worthless to the AES plant.

"I felt pretty stupid," says Ms. Murtlow. Determined not to err twice, she educated herself and now is a company expert on air-pollution permitting. Major suppliers who are used to dealing with chief executives often find themselves negotiating with young AES project leaders like Ms. Murtlow.

But the AES system can create tensions with contractors. "I know of engineering and consulting companies who say they won't provide services to AES because of the way they solicit and manage the services such suppliers provide," says James E. Huston, a principal at Gemini Consulting Inc. who specializes in the power industry. They object in part because AES likes to have suppliers work on a contingency basis and assume some risk. But Mr. Huston says suppliers also complain that AES has "a lot of people in the project structure doing things the way they want to. They don't have any corporate policy around procurement."

Mr. Sant says, "Outside parties clearly are frustrated at having to deal with people who have more ultimate authority than top management. So many people want to come to the CEO, but we generally back off and say, 'It's up to these guys. You've just got to work these relationships.'"

Without conventional managers at the helm, blue-collar workers can find the freedom unnerving. After the opening of the Shady Point, Okla., plant, one worker had nightmares of being chastised for things he couldn't control. "I'd been blaming others for not getting the job done," he says. "I suddenly realized that there would be no one else to blame anymore." Jeff Hamburg, a former AES executive, notes that "if the company is successful, everyone takes ownership, but if things go badly they take it terribly personally."

That is what happened after seven workers falsified water-discharge reports at Shady Point in 1992. The violation,

which managers uncovered and reported to federal regulators, brought a \$125,000 fine. Asked why they perpetrated the deceit, the workers told executives they had feared for their jobs if management learned about excess emissions. "It was really a shock," says Mr. Jarrell, who helped hire employees at the Shady Point plant. "They didn't trust our values, and we didn't fully understand their situation. They just didn't believe we'd stick to them."

Messrs. Bakke and Sant blamed themselves — for not indoctrinating the workers well enough. They took 85% and 65% bonus reductions, respectively, and reeled off a public apology.

But the statement—devoid of protective "spin control"—apparently caused many investors to lose confidence in management. The stock lost half its value in a day. Shareholders sued. Morale fell. Directors called for a corporate reorganization.

Messrs. Bakke and Sant refused. "Mistakes are inevitable," Mr. Bakke says. "But that doesn't mean we abandon our values. The fact is, I feel strongly about principles and I'm not going to compromise them just to satisfy AES's stakeholders."

People, he adds, "will say that whatever happens, it's because of AES's loose, 'unconventional' management approach. There will be intense pressure to make shifts and change. But we want to live this way. And we're going to continue to strive even though we're going to fail sometimes."

He will get little argument from the Montville investment team. "Who would have thought I'd be reading The Wall Street Journal every day and second-guessing Alan Greenspan?" says Mr. Hatch, the coal handler. "It definitely makes it a lot more fun to show up for work every day."

as
cc: D. Dunn
for support on file

WHITE HOUSE
WASHINGTON

August 15, 1995

Patti Cassidy Dunn
2706 Hollywood Drive
Newport, Arkansas 72112

Dear Patti:

Thanks for your letter of July 31. It was great to hear from you and to receive the photographs you sent of my grandparents and mother. They're wonderful, and I really appreciate your sharing them with me.

Thanks, too, for what you said about the job I'm doing. I especially appreciate your thoughts about Medicare and your continued support of our efforts here. Your encouragement means a lot to Hillary and me, and we hope to see you soon.

Sincerely,

Bill Clinton

July 31, 1995

Thank you so much for your prompt response to my letter. I know how very busy you are and I appreciate your taking the time to write. Please tell Hillary that we find her weekly newspaper column very informative and look forward to reading them. Also, I would like for you to tell Chelsea that I find it hard to reconcile the young lady she is becoming with the very little girl who sat on my lap at a reception for you during one of your campaigns for governor. My how time flies. She appears to be so grown up now.

I am a secretary for Miller-Newell Engineers, Ltd. here in Newport and my boss, Albert H. Miller is a committed supporter of you and your programs. I know that those of us in this office will again do anything we can to help in your coming campaign for re-election.

My husband, James, and I visited over the week-end with my Dad in Pine Bluff and he gave me some pictures of your grandparents and your mother. He had found these in some old pictures that belonged to my mother and grandmother and he wanted you to have them before they become lost. They are:

- #1 Your grandparents just before they were married.
- #2 Your grandfather (probably after your mother was born, but Dad was not sure of the time frame).
- #3 Your grandparents and your mother and again Dad wasn't sure of the time frame, but thought Virginia was about 3 years old.

My Dad is 87 and thinks he is still in his "prime". We are most grateful for his good health and activity as he is now planning to go to Hope for the Watermelon Festival. He tells me that this is like a really big "family reunion" when everyone comes home for the festival.

I talked with Floris last week and she was busy as usual....this is what keeps her going....being active and interested in everyone and everything.

One of the areas of greatest concern here are continued adequate health coverage for all senior citizens, i.e. Medicare. As we see the growth in numbers of older people I think we have to be concerned that they are able to maintain a quality of life and not just exist. From the vantage point of having turned 60 this year, I am beginning to see this more clearly. James and I are fortunate in that we have access to a quality medical plan to supplement Medicare through the company he retired from, but when I look around at the people who are not so fortunate, I see that we must continue with a program such as Medicare. As to welfare

reform....I am not smart enough to know what needs to be done...(although I think you may be on the right track)....but I know something must be done to halt the abuses so that we will be able to care for those in real need. I really believe that given the proper venue, the private sector could and would take on more of the burden of caring for those in real need. We are certainly happy with the improved economy, although Jackson County is not exactly booming, there are signs of improvement, with unemployment down and new small businesses being established. I have worked all of my adult life and I appreciate the fact that there was never a time when I was not able to find a job. James worked for one company all of his adult life and there has always been stability for us. For this we are grateful and this stability and quality of life is what we would like to see for our children and grandchildren. I BELIEVE WE ARE ON THE RIGHT TRACK.

Thanks for listening.

A handwritten signature in cursive script that reads "Patti".

Patti Cassidy Dunn
2706 Hollywood Drive
Newport, Arkansas 72112

THE WHITE HOUSE
WASHINGTON

August 15, 1995

Woody Bassett
Post Office Box 3618
Fayetteville, Arkansas 72702

Dear Woody:

Thanks for your letter of August 9. It was good to hear from you and to hear about your recent meeting with Ginger and Bob Kraemer. I appreciate your telling me about their support of our efforts here.

I hope you're well, and I look forward to seeing you soon.

Sincerely,

Bill

cc Bill
D. Deen
for support
Let's go
Supp
on
cc
Key
on
pm

BASSETT LAW FIRM
ATTORNEYS AT LAW
P.O. Box 3618
FAYETTEVILLE, ARKANSAS 72702-3618

W. W. (BILL) BASSETT
WOODY BASSETT
TOD C. BASSETT
WM. ROBERT STILL, JR.
WALKER DALE GARRETT
CURTIS L. NEBBEN
EARL BUDDY CHADICK, P.A.
ANGELA M. DOSS
GARY V. WEEKS
J. DAVID WALL*
SHAWN D. TWING*
VINCENT O. CHADICK*
MICHAEL W. LANGLEY*

221 NORTH COLLEGE AVENUE

TELEPHONE (501) 521-9996

TELECOPIER (501) 521-9600

*ALSO LICENSED

IN OKLAHOMA

August 9, 1995

Re: Bob Kraemer

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

Dear Mr. President:

Last weekend I attended my 25 year Fayetteville High School reunion. During the evening, I had a nice visit with Bob Kraemer, and his wife, Ginger. Bob and I graduated together back in 1970 and he is a Professor at Southeastern Louisiana University in Hammond, Louisiana. I wanted you to know you have two friends in Hammond. Bob and Ginger are very supportive of the efforts you and Hillary have made to move our country in the right direction.

I know both Bob and Ginger will do all they can to help get you re-elected in 1996. Keep the faith!

Best Regards,



Woody Bassett

WB:dmq

cc: Bob and Ginger Kraemer
211 Woodbridge Blvd.
Hammond, LA 70401

Woody Bassett
Post Office Box 3618
Fayetteville, Arkansas 72702

CC: Boorstin

Phil

THE WHITE HOUSE
WASHINGTON

August 15, 1995

Sylvia Chase
Correspondent
PrimeTime Live
ABC News
147 Columbus Avenue
New York, New York 10023

Dear Sylvia:

Thanks for your letter of August 2 and for sending the videotape of your excellent story about Bob Boorstin. I'm grateful to you for the good work you did in presenting the story in such a provocative way, paying tribute to the struggle so many Americans face each day.

I was touched by what you said in your letter. Bob's a remarkable young man, and I think we're very fortunate to have him here.

Sincerely,



Primetime
LIVE

President Bill Clinton
The White House
1600 Pennsylvania Avenue
Washington, D.C.

August 2, 1995

Dear Mr. President:

Enclosed, with our thanks, is a VHS copy of our story about Bob Boorstin, which aired July 19 on PrimeTime Live. As you may know from all those calls to the White House switchboard, millions of Americans were inspired by the way Bob has fought his manic depression.

We're enormously grateful to you. Grateful because you gave Bob permission to tell his story, and because you gave our cameras the kind of access we needed to do it justice. But most of all, we're pleased that you took a chance on a different kind of White House story--the kind we think Washington, and PrimeTime, could use more of.

Our mail about the story keeps coming. "My hat is off to President Clinton for having him in his employ," reads a typical letter.

Our hats are off to you, too.

Sincerely,

Sylvia Chase
Correspondent

Chris Whipple
Producer



THE WHITE HOUSE
WASHINGTON

August 15, 1995

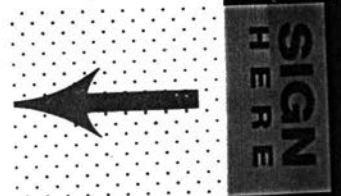
Chris Whipple
Producer
PrimeTime Live
ABC News
147 Columbus Avenue
New York, New York 10023

Dear Chris:

Thanks for your letter of August 2 and for sending the videotape of your excellent story about Bob Boorstin. I'm grateful to you for the good work you did in presenting the story in such a provocative way, paying tribute to the struggle so many Americans face each day.

I was touched by what you said in your letter. Bob's a remarkable young man, and I think we're very fortunate to have him here.

Sincerely,



THE PRESIDENT HAS SEEN
8-14-95

STEVEN RATTNER
ONE ROCKEFELLER PLAZA
NEW YORK, N.Y. 10020

cc: H. Miller
T. McHugh
(send to Mr. Miller
B. Miller)

August 1, 1995

President Bill Clinton
The White House
1600 Pennsylvania Avenue, NW
Washington, DC 20500

Dear President Clinton:

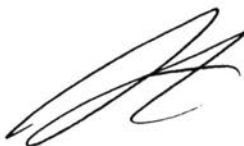
Many thanks for your hospitality at the White House last week. As I'm sure others have described more eloquently, staying in the Lincoln Bedroom and having the run of the White House was an extraordinary experience for Maureen and me. The proverbial icing on the cake was your relaxed hospitality and the chance to hear you talk about Bosnia and the other important issues of the day.

I intend to do whatever I can to support your Presidency and your reelection. I have agreed to be one of the organizers of your finance effort in New York. And I will continue to write Op-Ed pieces on topics that are supportive to you. Enclosed is a note that I sent to Johnny Apple, a close friend and former colleague. (Please keep it to yourself.)

Thanks again. Good luck in the coming months.

Best wishes.

Sincerely,



Enclosure

STEVEN RATTNER
ONE ROCKEFELLER PLAZA
NEW YORK, N.Y. 10020

August 1, 1995

cc Bob Rieck
He's a good man
who can help
you understand
Bo

Mr. R.W. Apple, Jr.
Washington Bureau Chief
The New York Times
1627 I Street, NW
Washington, DC 20006

Dear Johnny:

Thanks very much for a lovely lunch and a wonderful chance to catch up. It's great to hear how well you and Betsey and the kids are doing. Since logistics confine us to the East Coast, I was particularly envious of all the traveling you are able to do.

Seeing David Sanger's Q-hed in The Times the next day reminded me of our discussion of income inequality, which he touches on in a couple of places. As I mentioned at lunch, I think this is an extraordinarily important economic trend that cannot be written about too often. The statistics are staggering: A young male worker with only a high school education was paid 30% less in 1993 than in 1973, the average CEO now earns 150 times the average workers (up from 35 times in 1974) and on and on. The implications of these and many other similar statistics must be obvious and profound.

While this has been much debated and written about in economic circles, I have seen less discussion of the policy and political side. How, from a Washington point of view, do we address the problem? What have the Republicans and the Democrats each had to say about how they would solve it? Whose approach makes more sense? Interestingly, my impression is that the Republicans (either individually or collectively) have managed to make their recent gains while utterly failing to articulate any coherent approach to the problem. It would be interesting to see a reporter address these questions.

I do hope that we can get our respective families together soon. It would be great to spend some more time.

Best wishes.

Sincerely,



Let
Su

Maureen and Steven Rattner- They enjoyed their visit and stay in the Lincoln Bedroom. He will support your re-election in anyway he can and will continue to write supportive Op-Ed pieces.

(E) **Congressional Correspondence.** 1) John Lewis and Maxine Waters praise your Affirmative Action speech. Lewis was "deeply moved" when you mentioned him in the speech and feels "you are definitely 'Keeping Your Eyes on the Prize.'" 2) Rep. Sherwood Boehlert (R-NY), thanks you for the golf invitation last weekend. He declined because of family commitments -- but asked for a rain check.

Send sign
copy to Maxine

(F) **Note from member of Y.P.O.** Alexis forwards a note from Alkis Macropolus of Mozambique who participated in the Young President's Organization (YPO) conference. Macropolus says you "made many friends that day" and that his fellow YPs were "amazed at your grasp of the many issues" you tackle each day. He is very grateful for the time you spent with the group.

(G) **North Carolina clips.** From your trip this week.

We have also received the following recent information items:

• **Cutter memo on CAFE for light trucks.** At Pat Griffin's request. According to statute, new CAFE standards must be published by DOT for model 1998 light trucks by April 1996. In April 1994, we raised standards to 20.7 miles per gallon (mpg), an increase of .1 mpg. Until recently, NHTSA engineers believed industry submissions would support an increase of .1 mpg, but a late submission may cause them to revise downward. NHTSA will complete work on the late submission after Labor Day. The House DOT appropriations bill contains a rider prohibiting any increase, although the Senate bill has no rider. Congressman Dingell is interested in a two-year CAFE proposal, which would include no increase in '98 and a .1 mpg increase in '99.

Don't
need to
stay on
top of this

• **Medicare:** A recent poll shows that those few people (16%) who believe you will cut Medicare have an *unfavorable* impression of you (31% favorable-65% unfavorable), while those who believe you are opposed to Medicare cuts have a *favorable* impression of you (60%-37%). Those who aren't sure of your position have an unfavorable impression (41%-54%).

Give me
this

• **Call from Mississippi Attorney General Mike Moore on tobacco.** Via John Hart. Moore says your tobacco announcement was a "100% win" for Mississippi. He notes that a right-wing radio show awarded you the "Attaboy of the Week Award" and that one caller said "you really proved your manhood on this one." One of the right-wing radio show hosts said, "I hate to agree with him, but I have to on this one."

Heck
might want
to bring this
to AG General
in a report
tell him
LW

• **Attorneys General Report on Tobacco Sales to Minors.** From Maryland AG Joe Curran, via Ab Mikva. Report endorses strict measures to prevent illegal tobacco sales to minors including many elements of your proposal: banning vending machines, keeping tobacco products behind the counter, banning gimmicks such as one-cigarette sales, requiring proof-of-age and removing in-store displays and promotional items. Curran urges you not accept a voluntary deal with the tobacco companies

THE WHITE HOUSE
WASHINGTON

95 AUG 11 AID: 44

August 11, 1995

MEMORANDUM TO THE PRESIDENT
(via Leon Panetta)

FROM: John Hart

SUBJECT: Tobacco Announcement / Attorney General Mike Moore (D-MI)

This morning I spoke with Attorney General Mike Moore of Mississippi who wanted to convey to you that yesterday's announcement was a "100% win" in Mississippi. The true litmus test of success registered on right wing radio where the President was awarded the "Attaboy of the Week Award." One radio caller said of the President: "He really proved his manhood on this one." Summing up the views of many of the right wing announcers, "I hate to agree with him but I have to on this one."

cc: Erskine Bowles
Harold Ickes
Marcia L. Hale

Due sign
copy to
Mickie

✓ (E) **Congressional Correspondence.** 1) John Lewis and Maxine Waters praise your Affirmative Action speech. Lewis was "deeply moved" when you mentioned him in the speech and feels "you are definitely 'Keeping Your Eyes on the Prize.'" 2) Rep. Sherwood Boehlert (R-NY), thanks you for the golf invitation last weekend. He declined because of family commitments -- but asked for a rain check.

✓ (F) **Note from member of Y.P.O.** Alexis forwards a note from Alkis Macropolis of Mozambique who participated in the Young President's Organization (YPO) conference. Macropolis says you "made many friends that day" and that his fellow YPs were "amazed at your grasp of the many issues" you tackle each day. He is very grateful for the time you spent with the group.

✓ (G) **North Carolina clips.** From your trip this week.

We have also received the following recent information items:

• **Cutter memo on CAFE for light trucks.** At Pat Griffin's request. According to statute, new CAFE standards must be published by DOT for model 1998 light trucks by April 1996. In April 1994, we raised standards to 20.7 miles per gallon (mpg), an increase of .1 mpg. Until recently, NHTSA engineers believed industry submissions would support an increase of .1 mpg, but a late submission may cause them to revise downward. NHTSA will complete work on the late submission after Labor Day. The House DOT appropriations bill contains a rider prohibiting any increase, although the Senate bill has no rider. Congressman Dingell is interested in a two-year CAFE proposal, which would include no increase in '98 and a .1 mpg increase in '99.

• **Medicare:** A recent poll shows that those few people (16%) who believe you will cut Medicare have an *unfavorable* impression of you (31% favorable-65% unfavorable), while those who believe you are opposed to Medicare cuts have a *favorable* impression of you (60%-37%). Those who aren't sure of your position have an unfavorable impression (41%-54%).

• **Call from Mississippi Attorney General Mike Moore on tobacco.** Via John Hart. Moore says your tobacco announcement was a "100% win" for Mississippi. He notes that a right-wing radio show awarded you the "Attaboy of the Week Award" and that one caller said "you really proved your manhood on this one." One of the right-wing radio show hosts said, "I hate to agree with him, but I have to on this one."

• **Attorneys General Report on Tobacco Sales to Minors.** From Maryland AG Joe Curran, via Ab Mikva. Report endorses strict measures to prevent illegal tobacco sales to minors including many elements of your proposal: banning vending machines, keeping tobacco products behind the counter, banning gimmicks such as one-cigarette sales, requiring proof-of-age and removing in-store displays and promotional items. Curran urges you not accept a voluntary deal with the tobacco companies

Don-ur
need to
stay on
top of this

give me
this

Hicks
might want
to bring this
to AG's General
in a report
tell him
L. Webb

THE WHITE HOUSE
WASHINGTON

August 10, 1995

95 AUG 11 P1:27

MEMORANDUM FOR THE PRESIDENT
FROM: Bo Cutter 
SUBJECT: Light Truck CAFE

Pat Griffin asked me to send you a short memo on CAFE status.

Background

By April 1996, DOT (NHTSA) must by law publish a final rule setting Corporate Average Fuel Economy (CAFE) standards for light trucks for model year 1998, which begins in October 1998. NHTSA would normally publish a proposed rule in January 1996. The last Administration action in this area was the April 1994 establishment of a CAFE level of 20.7 miles per gallon for model years 1996 and 1997, an increase of .1 mile per gallon from the 1995 standard. This rule was accompanied by an Advance Notice of Proposed Rulemaking which raised the possibility of setting CAFE standards for 1998 through 2006, in response to manufacturers' assertions that they could not increase fuel efficiency more than about .1 mile per gallon per year because of lack of manufacturing lead time.

The House DOT Appropriations Bill contains a rider prohibiting NHTSA from changing light truck (or car) CAFE during fiscal 1996. The Senate bill does not have the rider.

Status

Until recently, NHTSA engineers believed that submissions by the auto manufacturers concerning the 1998 model year would support an increase in the standard of .1 mile per gallon, to 20.8. However, a late submission by one manufacturer, which NHTSA engineers are now evaluating, may cause them to revise their conclusion. Any revision would **reduce** the potential increase. NHTSA will complete work on the late submission after Labor Day. Further consideration of publication of a proposed rule has been delayed until the work is complete. It was also decided taking further action on the long-term proposal was likely to be counterproductive, in that it might generate support for a stronger rider.

Congressman Dingell

We understand Congressman Dingell is interested in a two-year CAFE proposal, which would include no increase for 1998 and a .1 mile per gallon increase for 1999. However, only 1998 needs be decided now. The House rider, should it pass, would in effect cover only 1998. The 1999 rule need not be published for comment until January 1997. As noted above, NHTSA analysis might well lead to a recommendation of no increase for 1998.

(E) **Congressional Correspondence.** 1) John Lewis and Maxine Waters praise your Affirmative Action speech. Lewis was "deeply moved" when you mentioned him in the speech and feels "you are definitely 'Keeping Your Eyes on the Prize.'" 2) Rep. Sherwood Boehlert (R-NY), thanks you for the golf invitation last weekend. He declined because of family commitments -- but asked for a rain check.

Send sign
copy to John
Maxine

(F) **Note from member of Y.P.O.** Alexis forwards a note from Alkis Macropolus of Mozambique who participated in the Young President's Organization (YPO) conference. Macropolus says you "made many friends that day" and that his fellow YPs were "amazed at your grasp of the many issues" you tackle each day. He is very grateful for the time you spent with the group.

(G) **North Carolina clips.** From your trip this week.

We have also received the following recent information items:

• **Cutter memo on CAFE for light trucks.** At Pat Griffin's request. According to statute, new CAFE standards must be published by DOT for model 1998 light trucks by April 1996. In April 1994, we raised standards to 20.7 miles per gallon (mpg), an increase of .1 mpg. Until recently, NHTSA engineers believed industry submissions would support an increase of .1 mpg, but a late submission may cause them to revise downward. NHTSA will complete work on the late submission after Labor Day. The House DOT appropriations bill contains a rider prohibiting any increase, although the Senate bill has no rider. Congressman Dingell is interested in a two-year CAFE proposal, which would include no increase in '98 and a .1 mpg increase in '99.

Don- we
need to
stay on
top of this

• **Medicare:** A recent poll shows that those few people (16%) who believe you will cut Medicare have an *unfavorable* impression of you (31% favorable-65% unfavorable), while those who believe you are opposed to Medicare cuts have a *favorable* impression of you (60%-37%). Those who aren't sure of your position have an unfavorable impression (41%-54%).

give me
this

• **Call from Mississippi Attorney General Mike Moore on tobacco.** Via John Hart. Moore says your tobacco announcement was a "100% win" for Mississippi. He notes that a right-wing radio show awarded you the "Attaboy of the Week Award" and that one caller said "you really proved your manhood on this one." One of the right-wing radio show hosts said, "I hate to agree with him, but I have to on this one."

Hicks
might want
to bring this
to AG General
in support
tell him
I will

• **Attorneys General Report on Tobacco Sales to Minors.** From Maryland AG Joe Curran, via Ab Mikva. Report endorses strict measures to prevent illegal tobacco sales to minors including many elements of your proposal: banning vending machines, keeping tobacco products behind the counter, banning gimmicks such as one-cigarette sales, requiring proof-of-age and removing in-store displays and promotional items. Curran urges you not accept a voluntary deal with the tobacco companies



OFFICES OF
THE ATTORNEY GENERAL
TWO HUNDRED SAINT PAUL PLACE
BALTIMORE, MARYLAND 21202

J. JOSEPH CURRAN, JR.
ATTORNEY GENERAL

August 4, 1995

Wen Judge Mikra.

I hope that the
President can see the
enclave material.

Thanks
Joe Curran

J. JOSEPH CURRAN, JR.
Attorney General



NORMAN E. PARKER, JR.
RALPH S. TYLER
Deputy Attorneys General

576-7003

STATE OF MARYLAND
OFFICE OF THE ATTORNEY GENERAL

576-6312

TELECOPIER NO.

WRITER'S DIRECT DIAL NO.

August 4, 1995

William J. Clinton
The President
The White House
Washington, DC 20500

Dear Mr. President:

I write to urge that you give favorable consideration to the Food and Drug Administration's proposal to regulate the sale of tobacco products to minors.

Maryland has among the highest cancer rates in the country. Each day, 3000 more children in our country begin smoking. 50 to 60 of those children live in Maryland. In the years to come those children will become part of another statistic -- each day 18 Marylanders die prematurely from tobacco-related illnesses. Nationally, 1,100 of our fellow citizens die prematurely of these illnesses each day.

As the Attorney General of a state with such a serious general and pediatric health problem, I wanted to find out if there were any steps that could be taken to protect our children from the health hazards posed by tobacco. I participated in a Task Force of twelve state attorneys general that studied why children smoke despite warnings regarding health hazards, why retailers sell tobacco products to children, and what we can do to reduce children's access to tobacco products in the marketplace.

After fully reviewing the issue, the Task Force, joined by the attorneys general of sixteen other states, issued a report that outlined ten specific legislative steps that the states could take to curb the tobacco epidemic among children. The report -- "No Sale: Youth, Tobacco and Responsible Retailing" -- was published in December of 1994. A copy is enclosed and it is on the Internet, via the WEB at: http://sailor.lib.md.us/topics/no_sale_toc.html

Earlier this year, I proposed legislation containing most of the steps proposed by the Task Force. The tobacco lobby vehemently opposed the legislation and it was killed in committee in March of 1995.

August 4, 1995

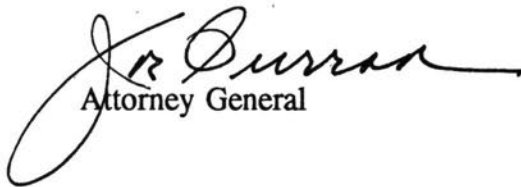
Page 2

I do not believe that a voluntary program on the part of the tobacco industry will be successful in stemming the tide of our children's use of tobacco products. Up until this point in time, the tobacco industry has opposed any legislative steps introduced that attempted to limit children's access to tobacco products. Their interest and position on this issue is not surprising since 90% of their current customers began smoking when they were teenagers. As an industry it is in its best interest to attract new customers. Simply because of this conflict, it is not in the best interest of our children to allow this industry to take "voluntary" steps to curb our children's use of tobacco.

There is another reason why the voluntary approach is not adequate, in my opinion. The only way to get children to seriously pay attention to the health hazards posed by the use of tobacco is to show them that we are seriously paying attention to those hazards. If we allow the tobacco companies to self-regulate themselves regarding tobacco sales to children, I believe that most children will conclude that we don't think it is a really serious problem. It is imperative that we send the message to our children now that the use of tobacco poses a serious health hazard. If we can help them make the decision not to start smoking, we will, in all likelihood, be helping them to make the single most important health care decision of their lives.

Thank you for considering my thoughts on this serious issue. Please let me know if I can help in anyway.

Very truly yours,


Attorney General

THE WHITE HOUSE
WASHINGTON

THE PRESIDENT HAS SEEN
8/14/95

August 10, 1995

95 AUG 10 P6:55

MEMORANDUM FOR THE PRESIDENT

FROM: Carolyn Curiel
Speechwriting

SUBJECT: Op-Ed Piece

*Let's see what
Records we can
C.O. run
draft
Bump
do*

Last night you offered a compelling historical analysis of the debate going on in Washington, drawing comparisons to the debate of nearly a century ago and the decisions that Presidents Teddy Roosevelt and Woodrow Wilson had to make.

I said that it was a shame that this thinking did not get beyond the immediate audience that hears it from you, because the news media never fail to ignore the larger picture. And I suggested an op-ed piece that could get wide readership among the people who need to hear the reassuring message that America's done the right thing before, and we can now. You agreed that this should be done.

I will begin to draft the piece, with a target of getting it published as Congress comes back to town. I would suggest the following as venues for you to choose from:

- USA Today. Perhaps the best bet for this topic. Has a readership of 6 million, largely made up of working class people. Brevity would be required, no more than 1,200 words, which should suffice.
- The New York Times. Always a good bet. The piece can run longer, but The Times has a smaller elitist readership; wider distribution would come mostly via the filter of other media and opinion leaders quoting the piece.
- News magazines. They would likely ask for a Q & A, where the message could get buried.

I will negotiate space and timing with the publication once I have your decision.

cc: Leon Panetta
Don Baer
Mike McCurry

U.S. man in Vatican is activist with opinions

By MICHAEL J. FARRELL
NCR Staff

ROME — The U.S. Embassy is "across the street from the Circus Maximus," an assistant to Ambassador Raymond Flynn said on the phone. This is the same circus where Ben Hur allegedly did his best work. Yet anyone who doesn't realize that Circus Maximus is now a nondescript field will have trouble finding Embassy Row where many of the world's great powers have representatives waiting on the pope's pleasure.

U.S. mistrust of Catholicism caused recent ambassadors to the Holy See to keep their voices low and diplomatic powder dry. But Ambassador Flynn, the activist, rambunctious former mayor of Boston, never planned to fit that mold. Thus NCR found him busy, in early summer, condemning proposed Republican legislation that would virtually shut down U.S. aid to the world's poor.

"There is a dangerous game being played in Washington that could weaken America abroad," he jumped right in. "The United States has always had humanitarian aid as a major component of its foreign policy."

The Republican moves would sabotage much of Flynn's work at the Vatican. In a March letter to Catholic leaders and others, he explained President Clinton's wish that the United States and the Vatican collaborate on social and economic justice around the world. "The Catholic church is there where the rubber meets the road," said Flynn, while the U.S. has the money — or it had until now.

In two years on the job, Flynn has taken the social justice mandate seriously, constantly visiting the world's trouble spots — he mentions Somalia, Haiti, Sudan, Rwanda, Burundi, Kenya. He has transparent admiration for the volunteers who risk and sacrifice for the poor. He mentions by name Fr. Aengus Finnucane of Project Concern, an Irish charity, working in a little village in Kenya, "ravaged by poverty and strife. I spoke in their little school. Seventy-five percent of the students had a mother, father, brother or sister who died of AIDS. I went to see the witch doctor, to see the little church. You could see those little grave markers all around you, as if much of the

at any intimation of impropriety: "If you want me to explain to you as I understand it, I'll tell you what the real story is, and I was directly involved in this."

He was asked by President Clinton to entertain then-Prime Minister Robert Malval and introduce him to Vatican officials. Malval met secretary of state Cardinal Angelo Sodano and Cardinal Roger Etchegaray, among others. "They all had good conversations and got a better understanding of what was going on."

"Following that, the president called on me to go to Haiti and meet with the religious leaders and the people working in the humanitarian areas. ... I met with everybody there in Haiti. Following that, I was asked to go to France and meet with (ousted) President Jean-Bertrand Aristide. I met with Aristide. I got a good sense of this whole thing. I just wanted to give that as a little bit of background to suggest that I knew what I was talking about."

"When the papal embassy in Port-au-Prince was ransacked, there were very hard feelings between the Catholic church and President Aristide, for good reason. Aristide had not taken over, but he had just been elected at the time this happened. They (the Vatican) were not blaming him, but they were very angry and upset with him for the humiliation that the Catholic church and the Catholic papal nuncio suffered — he was humiliated; he was thrown out of his embassy in the middle of the night in his underwear, and forced to run through the streets. So, anyway, there was a bad

relationship there.

"But, getting back to this diplomatic relationship: When the Vatican sent a papal nuncio to Haiti ... Jean-Bertrand Aristide, who was the elected president of Haiti, was not physically in Haiti. He was living in Washington, D.C. The constitution of Haiti says that you present your credentials, not to the name of the



Ambassador Raymond Flynn

—NCR photo/Michael Farrell

person but to the leader of the country who happens to be in the country, you know, occupying the seat of government."

"Now, if the president vacates that position (as Aristide was forced to do), there's a line of progression that you go to. I think it was the chief of the Supreme Court. The papal nuncio presented his credentials on behalf of the Holy Father. ... He couldn't present (them) to Aristide because that was not following the dictate of the Haiti constitution and its democratic government. That's where the thing became very, very confused."

This explanation, however, fails to

explain why the Vatican, which is known to wait long periods in other troubled diplomatic situations, and indeed had already waited a year while Aristide was in office, was now in such a hurry in this case, especially since the government of which Malval was representative had taken over by illegal coup. Why not wait, as every other country did?

"I have no way of knowing the motivation behind that," Flynn answered. "This is the story here."

Might it be that Aristide was a priest who had irritated Rome by giving up his priesthood to engage in politics?

"OK, disloyalty was one issue. Any leader of any religious organization has to maintain discipline. ... It would be very difficult for (Aristide) to speak at a church filled with the faithful and really criticizing certain policies of the Catholic church. ..."

And he did that?

"And he did that. And appealing to the masses. ... We have the same problem in the U.S.A., if you have a priest-politician getting up there, saying, you know, that this policy is inherently wrong and it goes against the teaching of the Catholic church, well, that puts the Catholic church in a very compromising position."

Flynn explained again that he has known Aristide for years: "I've had a relationship with both. I've had a great relationship with the pope. I've known the pope since before he was pope. ... I know the situation fairly well."

Flynn, asked what struck him most about the pope, responded: "What amazes me ... is how he is able to identify with young people. ... These young people are smart. They sense it."

How long does Flynn plan to stay on the job?

"I serve at the pleasure of the president." But his wife and six kids are back in the states for purposes of school and such, so America may be calling.

And John Paul II?

"I think his best years are yet to come."

land were used for burial. You could see old and young but few left in their middle years."

This is not the usual ambassadorial aura.

He is bothered that only famine and war get headlines back home, while positive achievements are seldom highlighted. He points to Somalia, an apparent military failure. But, he says, no one told the story of such aid agencies as Caritas Christi, the Red Cross, World Vision and others, which, with money from America and elsewhere, defied the odds, planted crops, restored some stability, even a semblance of local government. It's still a long shot, he concedes, but if the good stories are not told, "donor fatigue" takes over and the poor are at the mercy of Sen. Jesse Helms' slogan that all aid is going into foreign rat holes.

Flynn is impressed by the Holy See: "The Vatican has the most sophisticated, professional, efficient, diplomatic channels of perhaps any country in the world."

Asked about the Vatican's rush to endorse the illegal cabal of such Haiti strongmen as Gen. Raoul Cédras by sending a papal nuncio, Flynn is impatient