THE PRESIDENT HAS SEEN
11/2/95

To Loeon/SUB
Eyl - BC

REASONS FOR MISSING A DAY OF WORK:

1. If its all the same to you I won't be coming in today. The voices told me to clean all the guns today.

2. When I got up this morning I took two Ex-Lax in addition to my Prozac. I can't get off the john, but I feel good about it.

3. I set half the clocks in my house an hour ahead and the other half back an hour Saturday and spent 18 hours in some kind of space-time continuum loop, reliving Sunday (right up until the explosion). I was able to exit the loop only by reversing the polarity of the power source exactly e*log(pi) clocks in the house while simultaneously rapping my dog on the snout with a rolled up Times. Accordingly, I will be in late, or early.

4. My stigmata is acting up.

5. I can't come in to work today because I'll be stalking my previous boss, who fired me for not showing up for work. OK?

6. I have a rare case of 48-hour projectile leprosy, but I know we have that deadline to meet...

7. I am stuck in the blood pressure machine down at the Giant.

8. Yes, I seem to have contracted some attention-deficit disorder and, hey, how about them Skins, huh? So I won't be able to, yes could I help you? No, I'll be sticking with Sprint, but thank you for calling .

9. Constipation has made me a walking time bomb.

10. I just found out that I was switched at birth. Legally, I shouldn't come to work knowing my employee records may now contain false information.

11. The psychiatrist said it was an excellent session. he even gave me this jaw restraint so I won't bite when I am startled.

12. The dog ate my car keys. We're going to hitchhike to the vet.

13. I can't come to work today because the EPA has determined that my house in completely surrounded by wetlands and I have to arrange for helicopter transportation.

14. I am converting my calendar from Julian to Gregorian.

VP

See 41 Across —
Some of them still see
you on the side of the
angle —

BC

Crossword

Edited by Will Shortz

THE PRESIDENT HAS SEEN
11/4/95

ACROSS

1 Wipe out
7 Kind of parent
15 Originated (from)
16 In a movie
17 Large gully
18 10-time A.L. Gold Glove winner
19 Historian Russel ——
20 Delineates
22 "How sweet ——!"
23 Lighting device
25 DeMille films
26 San ——, Calif.
28 Hayworth and Rudner
31 Sargasso, e.g.
32 Poet who wrote a-a-b-a verses
33 Kodak rival
35 1988 Jonathan Demme film
40 Descends
41 Environmentalist Al
42 —— poetica
45 Slippery as ——
46 Flowing and ebbing
47 Like many old pipes
49 Moderate red
51 Lay off
52 Touch
54 Half of an old comedy team
57 In rapid-fire succession
59 Street girl
61 "Annie" refrain
62 Aphrodite's beloved
63 Lively
64 At —— (fully)

DOWN

1 Bring in
2 Brawl
3 First-class
4 "—— live and breathe!"
5 Middle, in Italy
6 Año nuevo time
7 1957 Elia Kazan film
8 Take out
9 Annual Epsom race, with "the"
10 School open-house organizer
11 —— tree (white wood source)
12 Eye inflammation
13 Where "La Traviata" premiered
14 Macedonian capital, once
21 Shorten
24 Earth
25 Book after Neh.
26 May honoree
27 Healers' grp.
29 Played the flute
30 Cockpit readings: Abbr.
33 "Count ——!"
34 Umbrella, in a manner of speaking
36 "Now —— me down . . ."
37 Career in fashion
38 Mouths
39 —— and the Dragon (book of the Apocrypha)
42 Party hosts prefer them
43 Kind of grass
44 Deli offering
46 Harsh speech
48 House Beautiful topic
50 August
52 TV bad boy
53 Western Indian
55 Condo
56 Entangle
58 Dernier ——
60 Calendar abbr.

ANSWER TO PREVIOUS PUZZLE

A	L	B	A		V	O	D	K	A	S		I	R	A
R	I	A	L		A	R	R	A	N	T		S	O	B
I	M	B	L	I	N	D	I	N	O	N	E	E	Y	E
A	N	Y	O	N	E		P	E	I		T	E	S	T
			U	R	S	A			N	T	H			
S	O	I	T	I	S	F	O	R	T	U	N	A	T	E
C	P	O			A	L	S	O		G	I	L	E	S
E	R	N	I	E		A	T	A		S	C	A	N	T
N	A	I	N	A		M	E	S	S			M	O	E
T	H	A	T	T	H	E	O	T	H	E	R	O	N	E
			E	S	E			S	E	T	A			
T	H	I	N		C	A	P		L	U	I	G	I	S
H	A	S	D	O	U	B	L	E	V	I	S	I	O	N
U	R	N		A	B	R	A	D	E		E	D	N	A
G	E	T		T	A	I	N	T	S		R	E	A	P



Puzzle by David J. Kahn

11/3/95 (No. 1103)

Answers to any three clues in this puzzle are available by touch-tone phone: 1-900-884-CLUE (75¢ per minute).

Alexis / Sonia

This was a great event - we should get these people [redacted] group who [redacted] in every community we can

THE PRESIDENT HAS SEEN
11/4/95

News coverage of National Leadership Forum VI

Produced by Community Anti-Drug Coalitions of America

National Leadership Forum Update

Vol. 3, No. 1 | Washington, D.C. | November 3, 1995

Every Community in America . . .

"Every community in America should have a coalition and every coalition should be a member of CADCA."

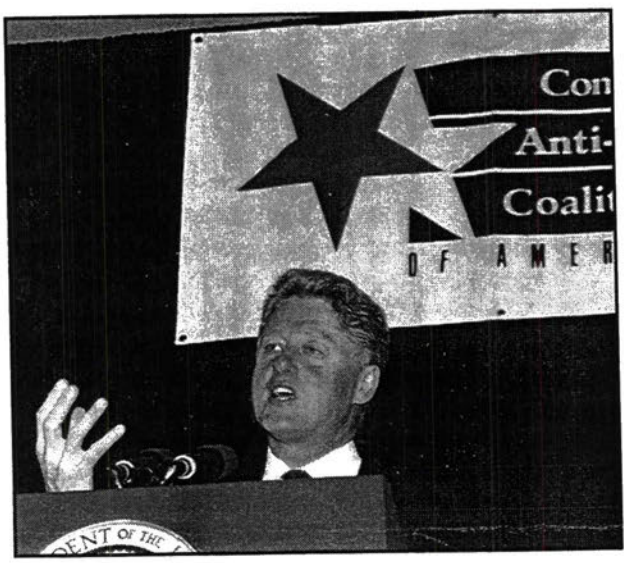
That was the call to action issued by President Bill Clinton Thursday morning as he addressed early arrivals to National Leadership Forum VI and promised his continuing support to drug abuse and violence prevention and treatment programs.

"This is madness, pure and simple," the President said of the family destruction wrought by illicit drugs, "and we have to do whatever we can to get it out of our lives."

While he pledged not to balance the budget at the cost of federal support for prevention and treatment programs, he also made it clear that it is at the local level — the community coalition level — where success ultimately will happen.

"What you are doing . . . is the most important thing that can be done in America today," he declared, and went on to

See Clinton, reverse side



President Bill Clinton addressing Leadership Forum VI

Working Together to Save Lives

CADCA Kicks Off Memorial Bracelet Campaign

James E. Copple, President and CEO of CADCA, announced Thursday the launching of a national public awareness campaign to focus attention on the 35,000+ victims of drug abuse and drug-related violence each year.

"Working Together to Save Lives" will feature distribution of memorial bracelets to commemorate those victims. The gold link bracelets, with room for a victim's name to be engraved along with his or her birthdate and date of death, "will put a human face on the issue," said Copple.

"This issue is real, and it costs lives every day," Copple continued. "We have families here with us today as a vivid and living testimony to the destruction caused by drugs."

Representing one of those families on the podium was Lori Plank of Salisbury, MD, whose husband, Trooper Edward A. Plank, Jr., was shot to death just two weeks ago by drug traffickers as he attempted to stop them on a main route for drug runners between New York City and Norfolk, VA. In addition to his wife, Plank left a 10-month-old daughter, Hayley.

The young Mrs. Plank courageously presented President Clinton with a memorial bracelet bearing her husband's name and then hugged him, an exchange that seemed to bring tears to the President's eyes, himself no stranger to the family trauma drug abuse can engender.

See Bracelet, reverse side

Clinton Pledges Support

From Clinton, Front side

announce that he will convene a White House Leadership Conference on Drug Abuse and Violence in January as a continuation of this effort.

Clinton demonstrated his awareness of the urgency of the drug abuse and violence problems when he noted that it was about 1991 when many youth began to believe that some kinds of casual drug use are not dangerous. "This is not true," he said. He also said that he had recently told the Attorney General (Janet Reno — a keynote speaker at last year's Leadership Forum) that in terms of law enforcement, there needed to be more focus on juvenile violence.

"We cannot tolerate the killing of an innocent child by gang members simply because her parents drove down the wrong street," he said. "We cannot tolerate the shooting of one youth by another because the killer felt he was being shown disrepect and therefore had the right to shoot another child . . . This is not the America we can afford to leave to our children."

Sharing the podium with the President, in addition to CADCA President Jim Copple and Board Chair Marni Vliet were Founding Chair Alvah Chapman; Lori Plank (see accompanying story); Dr. Lee P. Brown, Director, ONDCP; and James E. Burke, Chair, Partnership for a Drug-Free America.

Earlier speakers included Mathea Falco, President, Drug Strategies, and Sue Thau, CADCA's Associate Director for Public Policy, who was given a standing ovation for her and CADCA's efforts on Capitol Hill this year.

Following the President's address, Thomas J. Gleaton delivered PRIDE's latest survey data of drug use among youth. "Overall, at all grade levels, there has been sustained increase in use since 1992," Gleaton announced.

During the afternoon, coalition leaders were bused to Capitol Hill to meet with their individual legislators.



President Clinton and CADCA President Jim Copple welcome Forum VI attendees.



President Clinton, at right, with Lori Plank, widow of slain Trooper Edward Plank, Jr.

IDEAS Fair & Showcase

Our thanks to all who attended Thursday evening's IDEAS Fair and Showcase and to all who exhibited. A special thanks goes to co-sponsor of the Fair, Behring Diagnostics, Inc. A complete list of IDEAS Fair winners will be published in Saturday morning's *Update*.

CADCA Reception Honors Government Agencies

A reception to publicly acknowledge representatives of the Department of Justice, Department of Education and Department of Health and Human Services was held Thursday on Capitol Hill.

With more than 260 coalition members in attendance, CADCA President James E. Copple recognized representatives of the honored agencies, including Laurie Robinson, Assistant Attorney General. Robinson was highly optimistic, commenting after the reception on the Congressional vote back in September that added $100 million for Drug Courts and $80 million for other crime prevention programs under the Crime Act.

Other supporters of our membership in attendance included Peter Edelman, Counselor of Planning and Evaluation to the Secretary of HHS; Dan Porterfield, Deputy Asst. Secretary of Public Affairs for HHS; Dr. Elaine M. Johnson, Director of CSAP, and William Modzeleski, Safe and Drug Free Schools and Community of the Department of Education. Modzeleski affirmed his commitment to CADCA when he said, "The only way we are going to be effective is if we hang in there as partners."

Dr. Johnson acknowledged CADCA by saying, "What you've done is given us a voice on the national level."

Bracelet Campaign Launched

From Bracelet, Front side

Also present Thursday for the launching of this campaign were Mr. and Mrs. James Harris, whose daughter, Andrea, age 4, was killed by a drunk driver; Patricia and Scott Gilbert, whose son and brother, Scott Gardner, died of an inhalant; and the family of Calvin Horner, a young man from Wichita, KS, who was shot to death in a gang-related act of revenge.

Copple noted that it is CADCA's goal to make these memorial bracelets a nationally recognized symbol of lives lost and lives that could be saved. He pointed out that if a monument similar in size to the Vietnam Memorial was erected to memorialize the dead from drug abuse and related violence, a new one would have to be built every two years.

Communities are urged to purchase bracelets and work together on a local campaign. Each bracelet costs $15 (plus $.35 per character for engraving); order forms are available at the registration desk and at the CADCA booth in the exhibit hall.

enclose 10/16
Univ of Texas-Austin
speech

cc: Bob Nash

THE WHITE HOUSE

WASHINGTON

November 3, 1995

Nancy W. Barron
Meadow Place
Harrison, Arkansas 72601

Dear Nancy:

Thanks for your letter of October 20. It was good to have you here for the concert, and I'm so glad you enjoyed your visit. We were delighted to visit with so many of our friends from Arkansas.

I appreciate your kind words about the job we're doing and for what you said about my speech in Austin. Your support means a lot to Hillary and me, and I'm glad to know you think we're on the right track.

Thanks, too, for letting me know about Dr. Joe Bennett. I've let Bob Nash, Director of Presidential Personnel, know of your personal recommendation that he be considered for Surgeon General.

Sincerely,

Bill Clinton

Maureen
Eaclose
Austin Speech

Meadow Place
Harrison, Arkansas
October 20, 1995

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

Dear Bill and Hillary,

Inviting us Arkansas people to the White House was really a nice thing for you to do. I appreciated being included, and thoroughly enjoyed the visit. It was good to see you and to be so warmly welcomed; the bands did themselves proud in concert; the food of course was great -- and isn't the White House a **beautiful** place both inside and out! Never has it been more graced by any previous "first family" than it is by you two and Chelsea (also "Socks").

Thank you, Hillary, for having "Socks" on the south lawn that Saturday morning, where he peeked out from behind a tree, then walked right over toward me. I confess that I then stepped off the walk to meet him part way and pet the handsome friendly little fellow. He is truly spectacular and deserving of his royal title "First Cat". Chelsea must be very proud of him. I treasure a snapshot of me holding him.

While writing, I especially want to express my appreciation for your positive efforts and accomplishments, both at home and abroad, under trying circumstances during what I feel is one of the most difficult times in history. Americans are blessed to have such a leader as you. This is no time for a change at the helm, and we can't afford to let that happen.

Your message in Texas on race relations was right on the mark. I believe that because of the unconscionable irresponsibility of a few such as Louis Farrakhan, Mark Fuhrman, Johnny Cochran, Newt Gingrich, Jessie Helms, etc, the hard-earned progress in good relationship between the races in America has suffered a setback. Both Farrakhan and Gingrich speak from both sides of their mouth in their cancerous quest for power, with disregard for unity, peace and true harmony. Their divisive tactics just must not be permitted to rip our Nation apart!

I have been irate over GOP low blows, special interest ploys, and Russ Limbaugh's babblings, but they seem almost benign compared to some of the treacherous bigotry, both black and white, on the scene. How frustrating it must be to strive for unity and progress in the face of such effort to divide and destroy. Thank God, you are able to go on doing your job as President as you see fit and right.

I am sorry the Congress passed the Republican Medicare legislation yesterday, and I'm thankful you have the veto power, and hope it cannot be overridden. In the end something better than their plan just has to come about. Maybe now that they've had their ego trip they will bend a little.

I've resented the flak about some of your appointments, i.e. Surgeon General, and have wondered if <u>anyone</u> you appoint to that position would please your opponents. The thought came to mind to wonder if our friend, Dr. Joe Bennett, might qualify for the position. Although he has no national recognition or governmental administrative experience, he is a responsible well trained and respected physician, whose loyalty to you, the Democratic Party, and his Country, is without question. He cares about people, and communicates well with them. Since his retirement from private practice Dr. Bennett has demonstrated a willingness for public service, and among other things he serves on the Board of Directors of our North Arkansas Community/Technical College. He was previously Head of the Radiology Department at the North Arkansas Medical Center, where he initiated establishment of the Claude Parrish Radiation Therapy Institute. Through his tireless effort and expertise Dr. Bennett successfully developed the idea for this much needed treatment facility into a reality, a testimony to his administrative ability. Hope this mention of Joe isn't off-base or inappropriate. It isn't offered as a suggestion, just a thought I'm passing along. Joe might not approve of my thoughts along this vein, and even if given the possibility of considering such an opportunity, I suppose it's questionable whether he could see his way clear to make such a committment.

Keep up your good work -- and take care of yourself! Although I can't be of much financial help in your campaign, I will wholeheartedly support you and your efforts in every way I can. Again, thank you for having us to the White House.

Sincerely,

Nancy Barron

Nancy W. Barron

P.S. Joe has indepth firsthand experience with two of our most dreaded illnesses -- Cancer, as a radiologist, and Alzheimers through his mother's sad bout with that disease.

By the way, as an advocate for personal responsibility in the discipline of healthy habits, the doctor practices what he preaches, having had the good sense to give up both alcohol and tobacco long ago, and to add an exercise routine by way of a daily brisk run.

N.B.

cc: w/incoming
- Craig Smith
- [illegible]



THE PRESIDENT
11-3-95

Dear Neil —

Thanks for your note on Charles Murphy. He strongly disagreed with my actions regarding sanctions on Haiti — but we should have gotten back to him first — I'll see what I can do —

Bill Clinton

Cornelia Keller Biddle
3225 Highland Place, N. W.
Washington, D. C. 20008

Neil
cc Craig
10/13

October 9, 1995

Dear Bill,

I am not telling anyone in my family besides Craig that I am writing this letter and I suppose it is bold of me to think it would make any difference. Do not feel you have to respond to it (and by the way thank you for your response to my last note!) but use the information as you see fit.

I have just learned that my uncle Charles Murphy is the chief fund raiser for Dole in Arkansas. I know he voted for you against Bush and that was a big deal because he and Bush are friends. He is a lifelong Democrat and I doubt he has substantive problems with your presidency. I can only guess that he feels slighted. You may want to do something to make amends because this is not good for you that he is taking the other side in Arkansas, and you might be able to correct this pesky situation though I have no idea how. I do know that the presidents since Lyndon Johnson have sought his counsel, and if you, a young whippersnapper from Arkansas, have not he would be bent out of shape. He's sensitive that way, as are most of us I suppose.

But I am telling you this for your sake, not his. He and I are not close. My mother is a great admirer of your presidency as is most everyone in my family. We are all upset with him that he is trying to turn major funding and minds in Arkansas against you and think it's sort of silly. Perhaps his support of you is not important but the fact that he is Dole's chief fund raiser in Arkansas is I imagine.

If my telling you this helps in anyway I am glad. See you New Year's if not before.

Warm regards,

Neil B.

Neil Biddle

THE WHITE HOUSE

WASHINGTON

November 3, 1995

Mr. Lester S. Hyman
Swidler and Berlin
Suite 300
3000 K Street, N.W.
Washington, D.C. 20007-5116

Dear Les:

Thank you for your letter and your ideas about race relations.

There is still much work to be done in order to break down racial barriers and become one nation again. That is why I continue to work daily to heighten public awareness and promote inclusion and to send a powerful message of equality and acceptance to people everywhere. I am dedicated to ending discrimination and to protecting the civil rights of every citizen in our society. By working together, we can make our national community a better place for all Americans.

I appreciate your insight and continuing support, and I will keep your suggestions in mind.

Sincerely,

Bill Clinton

SWIDLER & BERLIN
CHARTERED

LESTER S. HYMAN
OF COUNSEL

DIRECT DIAL
(202)424-7509

October 18, 1995

Honorable William J. Clinton
The White House
Washington, D.C. 20500
Attention: Ms. Nancy Hernreich

Dear Mr. President:

Having listened carefully to Minister Farrakhan's entire two-and one-half hour speech (which revealed both the best and the worst in him), as well as to your superb and courageous presentation in Austin, I write to offer a suggestion on how you might build constructively upon the events of October 16th to the benefit of the entire country.

We all agree that promoting a continuing constructive dialogue among all segments of American society is essential. Unfortunately, a divisive issue (fueled by a sensationalist-seeking media) serves to distract folks from that goal, to wit:

-- Minister Farrakhan says he won't apologize for his "blood-sucking" comments about Jews, although he gives indications he might be willing to sit down with the Jewish community providing there are no pre-conditions;

-- The Jewish groups say they would be willing to talk with Farrakhan but only if he first apologizes for his anti-Semitic remarks -- that is a pre-condition.

The result is a stalemate and a serious hindrance to the overall Black/White relationship.

Left to their own devices, it does not seem to me that either Jewish or Black leaders will, of their own initiative, find it possible to sit down together to talk. It's too much like a game of "Chicken" -- no one wants to go first and be seen to yield to the other.

In such a situation, only a respected outside figure could end such an impasse by himself issuing an invitation for a high-level conference involving both sides. That figure should be you, Mr. President.

In a nutshell, I am suggesting that you set aside an entire evening for an off-the-record discussion among no more than twenty Black and White leaders (and, if you deem it appropriate, representatives of the Hispanic, Asian and Native American communities who are becoming

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WASHINGTON, D.C. 20007-5116
(202)424-7500 ■ TELEX 701131 ■ FACSIMILE (202)424-7643

increasingly upset that, despite their numbers, they are not involved in the current dialogue) at Blair House (I suggest that venue so no one can attack you for inviting "hate mongers" to the White House).

From the Black community, you could invite Jesse Jackson and Louis Farrakhan and Myrlie Evers and John Lewis, etc. -- maybe even Colin Powell -- in other words, not just Farrakhan alone. To exclude Minister Farrakhan would give him an excuse to resume his rhetoric of hate and separatism. Keeping him in the room, surrounded by his responsible peers, would help place emphasis on constructive programs and, as well, demonstrate that while Minister Farrakhan may be a leader, he is not the leader.

In the White group could be some leaders of the Jewish community, the Catholic community and the Gay community. I would also invite a business leader (Vernon?) and a banker because they can play an important role in finding and implementing solutions. (In his speech, Farrakhan asked every black man at the March to befriend a prisoner in jail. Why not have the group ask every major American corporation to "adopt" a school in the urban community in which it is located?)

What would be the goals of such a meeting?

(1) To lower the temperature of Black-Jewish debate by emphasizing areas where the two groups have interests in common and seek a pledge for each side to stop attacking the other in public;

(2) To support self-help programs for minority communities;

(3) To resist Congressional budget cuts for programs that focus on education, job-training and health care; and

(4) To encourage minority groups to register to vote in order to use the ballot box as a way of redressing grievances.

Following the session, hopefully the group could issue a joint communique of unity. Future meetings could be scheduled with the Secretary of Health, the Secretary of Housing, the Secretary of Education, the Secretary of Labor and the Attorney-General to discuss how the Government can be of greater assistance to troubled urban communities.

I cannot imagine that any invitee would decline your invitation to meet although there always is the possibility of a rebuff. At the same time, you may have some uninvited leaders upset that they were not included.

Finally, I realize that involving yourself in an election cycle in the "race issue" is a high-risk strategy because the issues are so volatile and fraught with political danger. Yet in my opinion it is the right thing to do and, if you succeed, you will be enshrined in American history as the President who brought a divided country together. I submit that that is a risk worth taking.

As always, thank you, Mr. President, for your consideration of my views.

Warmest regards.

Always sincerely,

Lester S. Hyman

LSH:lsj:9106.01

Thanks, Mr. President!

5016117.1

cc w/ incoming
Hillary Rodham
Clinton
cc: Cheryl Mills
re: Her Question

THE WHITE HOUSE

WASHINGTON

November 2, 1995

Glenda Bean
Arkansas Early Childhood Commission
Suite 106
101 East Capitol
Little Rock, Arkansas 72201

Dear Glenda:

Thanks for your letter of October 18 and for letting us know about your visit with the South African educators. I was glad to learn of the far-reaching effects of my comments about Arkansas' early education programs. If you'll continue the great work, I'll keep talking!

Thanks, too, for your kind words about my speech in Austin and about Hillary's trip to South America. I think we're on the right track, and I'm glad you agree.

Give Fred our best, and we hope to see you both soon.

Sincerely,

Bill Clinton

Jim Guy Tucker, *Governor*
Glenda Bean, *Executive Director*

October 18, 1995

Mr. President and Hillary:

On October 12th I hosted a couple from South Africa who came to Little Rock on the strength of your comments concerning the quality of early childhood education in our state. (Many thanks for the comments!) I understand they heard your remarks during a visit you made to South Africa.

They are both educators and white. The wife started a pre-primary school in Gonubie, South Africa through her church and is currently serving as the director. They appear to be a dedicated couple who want to work toward educational access for all of South Africa's children.

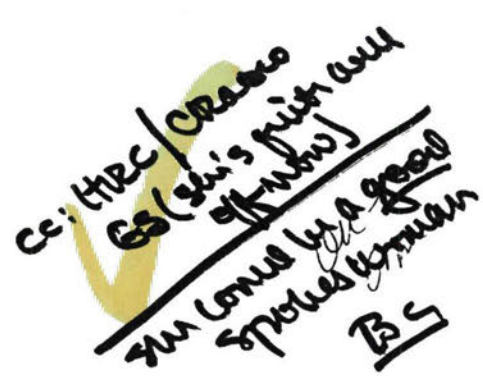
They were particularly interested in HIPPY and how the HIPPY program might be used in the rural areas of their province. The children in these areas are predominantly black and this would be the first educational opportunity many of them have had.

I wanted you to know how far reaching your remarks were in this case! I also thought you might give some thought to how we might support their efforts. They are working with their Education Ministry and may have the position to effectively get something started. If you are aware of any foundation or governmental programs which would support educational efforts after apartheid, I'd be interested in making those contacts.

Congratulations on a successful speech in Austin and trip to South America. Also, I want to thank you both for the continuing invitations to the functions at the White House. Fred and I were particularly sorry to miss the concert; however, we have a student in Rhodes at Memphis and a son who is not completely self sufficient and financial reality always comes into play!

Good luck as the 1996 campaign gets into full swing.

Arkansas Early Childhood Commission
101 East Capitol, Suite 106
Little Rock, Arkansas 72201
(501) 682-4891 Fax (501) 682-4897


cc: HREC / CRAMRO
GS (Shi's guide
Shi Lanxin by a good
Spokesperson
BS

THE WHITE HOUSE

WASHINGTON

November 2, 1995

Karen Lackey
Post Office Box 241
Mountain View, Arkansas 72560

Dear Karen:

Thanks for your touching letter of October 14 and for sharing with me your long ago experiences of our public health care system. Your story is a wonderful reminder of all the good our government can do. Rest assured, I will continue to work -- as I always have -- for what is right for our nation and for our children.

Hillary sends her best regards, and we hope to see you soon. Again, thanks for the wonderful letter.

Sincerely,

Bill Clinton

What a wonderful letter — Thank you!

KAREN LACKEY
P.O. Box 241
Mountain View, Arkansa 72560
(501) 269-8128

Kaaren

October 14, 1995

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

Dear President Clinton,

The last few months I have heard more people fussing about the cost of welfare and health care for the children of this country than ever before. For the first time I have felt compelled to share my personal story and thoughts with the persons around me who are complaining. Even though you and the First Lady have known me for years I have never talked about this issue with either of you.

Back in the 1950's, many families in Arkansas were very poor and my family was certainly no exception. At nine years of age my mother noticed a small hump on the right side of my back. She worried and fretted and finally was able to get a local doctor to examine me and he told her that I had scoliosis (curvature of the spine) and needed to see a specialist. We couldn't afford any health care, much less a specialist. The curvature worsened all the time as I was at the age of physically growing very fast.

We moved over into southern Missouri where a school nurse began to be very concerned about me and came to my home to discuss the problem with my family. She asked them to take me to the Missouri Crippled Children's Clinic in Springfield but my parents didn't even have the gas money for their old car. She continued on and asked the state to provide that money and off we went.

I saw an orthopedic physician (Dr. Erin Dillard) who told my parents that they had thirty days to make up their minds whether to begin medical treatment or I would not walk again after fourteen years of age. My body was bending over rapidly and my curvature was now at almost 70%. The lungs and other vital organs were being cramped and even in a wheelchair, my life would be short.

At the end of the thirty days, my parents took me and turned me over to the Crippled Children's Clinic where they began a series of surgeries (over several years) to fuse the vertebras to stabilize the spine and halt further curvature. My doctor had worked on Mickey Mantle's knees and I remember being so proud that I, a poor little girl, could have somehow received his medical attention. Without the intervention of the government it never would have been possible. They not only provided all the hospitalization but also every pair of braces and corrective shoes that I wore as I learned to walk three times. They never made me feel poor or different and gave me the same level of care as those in the beds next to me. When we moved back to Arkansas, the state took care of me until I was twenty-one years of age.

Don't you know at times they wondered if all that time, energy and expense was worth it? I would be selfish enough to tell you it was, simply because of the quality of life it has given me personally, but would that be enough to satisfy the screaming masses who think the expenditures for care and health of

America's young is too much? Let me tell you what happened to me-the poor and crippled little girl from the Ozarks. I have become a self-sufficient tax paying individual and adopted three babies destined to be on the welfare rolls in Arkansas. Those three children have attended Xavier, Westminster, and Notre Dame Universities and are self-sufficient. One is now able to help pay a little of my debt to Missouri by serving as a Pediatric Resident at Cardinal Glennon Children's Hospital in St. Louis. He will serve as a Chief Resident for the hospital next year. He tells me of the hundreds of babies he cares for and how proud he is of some of the young mothers who are struggling so hard but doing a good job. He is concerned because they have had to stop taking children from southern Illinois because the funding was not available. The hospital is having to look at alternatives such as moving away from the downtown area near the housing projects into a more affluent part of St. Louis to survive. The hospital has always been identified as the place where other hospitals send non-paying children. Sure, some of these individuals abuse the costly Emergency Room care instead of making an appointment with the clinic and that's difficult for the public to understand and we should stop that abuse where possible. But, when I asked him what their response was to that abuse he said it is usually "this was the first time I could get someone to bring me"--no car and no gas. I can relate.

Mr. President, I had an opportunity as a child and you gave me many opportunities to serve when you were Governor of this state. In those positions I always felt compelled to stand up to special interests and the "good old boy" network who would take from the poor to insure more profits and a more comfortable lifestyle for themselves. You know that I was crosswise with them on many occasions seeking for a better quality of life for all whether it be in maintaining low costs for use of state parks or jobs in poor counties.

I beg you to remember our young innocent children who have need of food, clothing, and good health care before we can even think about educating them. Don't deprive them of the one chance to step out of poverty and break the cycle in subsequent generations. Surely they deserve the same opportunity I had and what if only 1 in 10 or 1 in 50 make it? Look at my life and see how many children and grandchildren will be better because of the government.

The First Lady has always gone to bat for our young and here in Arkansas she was the only woman who could have been elected governor because of that leadership, love and dedication she showed over and over again. If only now she could champion again the cause for these children so dangerously close to slipping through the cracks. No one could do it any better.

This has been very lengthy and I realize you may never see it, but at least it will count on the stack as one more letter for America's children. Thank you for all you are doing to keep hope alive for all of us.

Yours truly,

Karen

Karen Lackey

cc: Senator Dale Bumpers
Senator David Pryor
First Lady Hillary Clinton
Governor Mel Carnahan

enclose
10/14 radio address
cc: Betsey Myers

THE WHITE HOUSE
WASHINGTON

November 3, 1995

Phyllis George
Cave Hill Place
Post Office Box 4308
Lexington, Kentucky 40544

Dear Phyllis:

Thanks so much for your kind note of October 19. I was touched by what you said about my radio address on domestic violence, and I'm grateful, as always, for your encouragement and support.

Hillary sends her best, and we hope to see you soon.

Sincerely,

Bill

PHYLLIS GEORGE

October 19, 1995

Dear President Clinton,

From one woman who's done work with spouse abuse organizations in Kentucky and has seen the effects of these horrible crimes on women - I just had to write to say thank you, sincerely, for speaking about this enormous problem that is going on in this country.

Your Saturday morning radio address was powerful, sensitive, candid and compassionate - spoken from the heart and from your own experience. In addition to physical abuse, the emotional and psychological abuse has proven to be extraordinarily damaging not only to women, but to the children and families who witness these unforgivable crimes.

Mr. President, you have touched so many lives and made a huge difference in addressing these problems - and quite possibly will save many lives in the process.

Phyllis

ess Day

w York Times

WEDNESDAY, NOVEMBER 1, 1995

THE PRESIDENT HAS SEEN 11/2/95







2 Big Banks In Merger Set Aid for Poor

Move to Soothe Groups By Chemical and Chase

By SAUL HANSELL

In an effort to smooth the way toward the biggest bank merger in history, the **Chemical Banking** Corporation and the **Chase Manhattan** Corporation are expected to announce today a multiyear package of loans and grants worth billions of dollars to low-income communities nationwide.

The banks are trying take the initiative away from community groups that are likely to oppose the merger in what has become a banking industry ritual. The 1977 Community Reinvestment Act allows the Government to block mergers by banks that do not have good records of lending money where they do business. Thus, a protest filing is perhaps the best way an activist on a street corner can get attention of the bankers high in the executive suite.

In many larger mergers, groups have filed protests complaining about the banks' records only to withdraw the challenges when the bank agreed to increase its loans and grants to the community. But in other cases, protesters have delayed approval. The proposed merger between the **Fleet Financial** Group and the **Shawmut National** Corporation announced in February has still not been approved by the Federal Reserve, largely because a storm of protest about Fleet's past lending record.

The process has been described as blackmail by bankers and as the only way to get a bank's attention by community activists.

Chemical and Chase accept the fact that to get their deal done they will have to substantially increase the $1 billion a year that the two banks already invest in low-income programs. While most of the money is in new home mortgage loans, there are important grants to local groups that in some cases help them survive.

groups asking what they needed in preparation for today's announcement.

"We don't want to submit to what has been seen in the past as C.R.A. blackmail." Carol Parry, Chemical's top community reinvestment officer said. "There will be some unhappy people who don't get what they want. But we don't want to be in a position where we have one group that holds us hostage while 350 groups sign on."

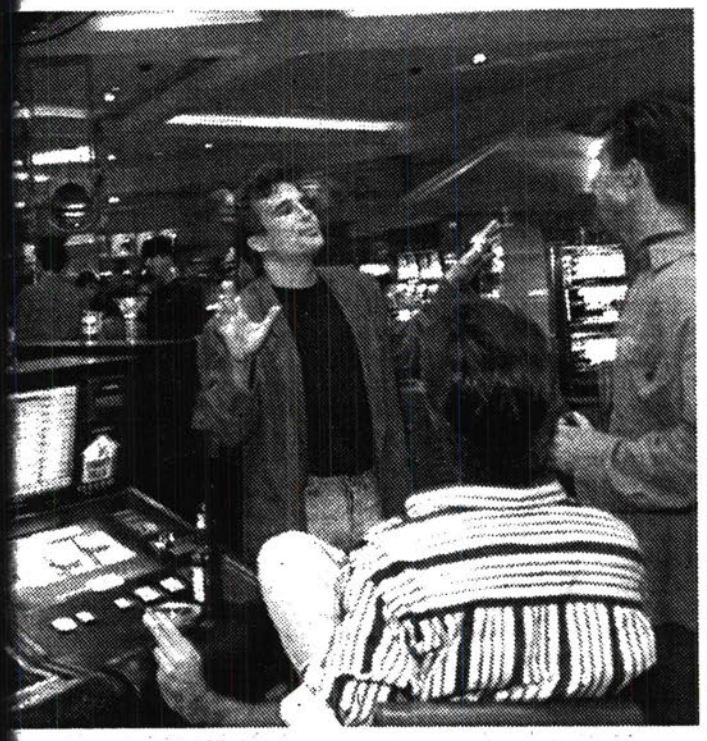
Matthew Lee, the director of Inner City Press/Community on the Move, a Bronx

Continued on Page D4



Photographs by James Dawson for The New York Times

With an 82-foot guitar perched outside and rock bands like Big Audio Dynamite (above) wailing away inside, the Hard Rock Hotel and Casino is not a typical Las Vegas hot spot. The casino, a slot-filled shindig featuring classic automobiles and one of Elton John's pianos, has lured young people to a gambling mecca seeking ways to reinvigorate its time-tested, but tired, formula.



Northwest Air And KLM Spar Over Poison Pill

By ADAM BRYANT

The six-year-old relationship between **Northwest Airlines** and **KLM Royal Dutch Airlines**, which has long been considered a model of cooperation, erupted into a rare public spat yesterday.

The dispute revolves around a plan that Northwest management will recommend at the airline's next board meeting, on Nov. 16, to set limits on the percentage of the company that any one investor can hold.

KLM, which has a 19 percent stake, plus an option to buy more shares in 1998 that would raise its stake to close to 25 percent, sees the initiative as an attempt to limit its influence at Northwest. The current governance structure enables any of the original investors who, alone or collectively, own more than 20 percent of the company, to veto decisions on broad transactions like mergers and major asset sales. The proposed modification would effectively simplify the decision-making power of shareholders by requiring a simple majority for such decisions.

Northwest, meanwhile, sees this form of a poison pill as a natural and commonplace step for a publicly traded company. Northwest has evolved in recent years from a private company acquired by its executives and major shareholders in a 1989 leveraged buyout to one that is now majority owned by shareholders.

Industry analysts said the dispute appeared to stem from differing expectations of KLM, which helped rescue Northwest from a possible bankruptcy-law filing, and Northwest's co-chairmen, Alfred A. Checchi and Gary M. Wilson, big shareholders still who may someday want to cash out of the airline.

"KLM's objectives as strategic investors," said Jon F. Ash, managing director of Global Aviation Associates in Washing-

Continued on Page D4

e Raises Its Market Share

eaders

s that shipped the
computers in the
f each year (figures

	1994	1995	Change
	1,220	1,485	21.6%
	1,057	1,275	20.5
	1,015	1,150	13.2
	640	835	30.5
	461	682	47.9
	7,278	8,723	19.9
	1,671	14,150	21.2

via Reuters

"There's still a huge pent-up demand for the Macintosh, but they're still not executing well enough," Kimball Brown, a Dataquest vice president, said. He added that Apple had fallen 20,000 computers short in shipments of its new Powerbook 5300 system, delayed by more than a month after several machines caught fire during final testing because of a problem with a new lithium-ion battery.

Apple has exchanged positions with International Business Machines each quarter during 1995. For the third quarter, **I.B.M.**'s market share fell to 8.1 percent, ahead of **Packard Bell**, with 5.9 percent and 835,000 machines sold, and the **NEC** Corporation of Japan, which sold 682,000 units.

In trading today, Apple shares rose $1\frac{1}{16}$ to close at $36\frac{5}{16}$, on Nasdaq. Compaq was up $\frac{3}{4}$, to $55\frac{5}{8}$, and I.B.M closed down 1, at

Continued on Page D2

2 Merging Banks Plan Low-Income Aid

Continued From First Business Page

organization that has challenged several bank mergers, criticized Chemical for what he called a move to buy silence from community groups.

"Groups are not supposed to take $5,000 grants and then not protest," he said.

But many other community activists known that this is the time to put pressure on and they see nothing wrong with what they get. "I find it disingenuous when people in the banking industry put out terms like blackmail or extortion," said Brad Lander, executive director of the Fifth Avenue Committee, a Brooklyn housing group. "Since the merger will affect the city in negative ways —job losses and branch closings — it seems appropriate that at this moment they are especially accountable."

Of the Fifth Avenue Committee's $550,000 budget, 20 percent comes from banks, the largest source after government subsidies and property management fees. Chemical and Chase have given the group $9,000 so far this year.

Francine Justa, director of Neighborhood Housing Services of New York, which develops low-income housing, said: "So what if a few groups try to get some computers from a $400 billion corporation. People are trying to survive."

One irony of this process is that Chemical is largely regarded as having one of the best community lending records in New York, with a top grade from Federal regulators. When it merged with Manufacturers Hanover in 1992, Chemical committed $750 million to community development programs over five years. After four years, the total loans and grants is actually $1.9 billion.

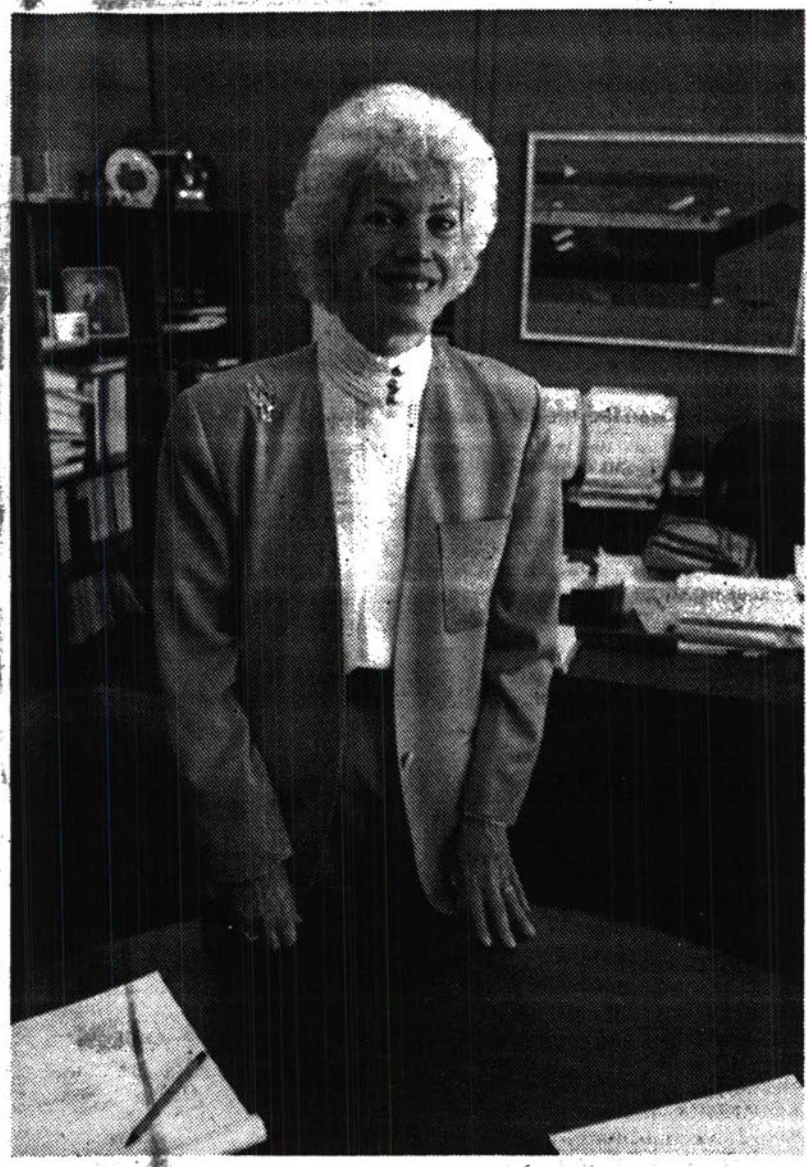
Last year's share of this investment totaled $502 million in community investment loans and 2,021 nonprofit and community groups got $6.1 million in grants. More than half of the lending total is $282 million for home mortgages. Another $174 million was lent to small businesses in low-income areas, to nonprofit organizations and through the Small Business Administration loan program.

But Chemical's record has not been enough to keep the protesters at bay.

"We want to make sure that their commitment level after the merger goes up not down," said said John Taylor, the executive director of the National Community Reinvestment Coalition, a Washington clearinghouse for local groups.

Moreover, some groups say Chase's record is worse than Chemical's, largely because it has appeared to be shunning lower-income customers.

Banking lawyers said that Chemi-

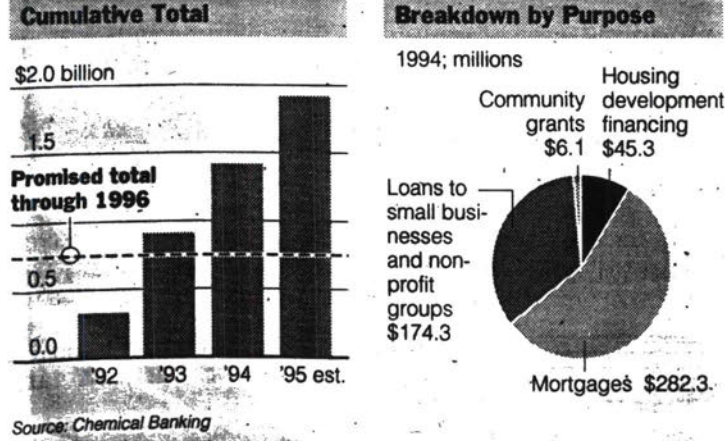


Chester Higgins Jr./The New York Times

"We want to be seen as the best bank in the country" in terms of the Community Reinvestment Act, said Carol Parry, the managing director of Chemical Banking's community development group.

Chemical and Its Promises

When it merged with Manufacturers Hanover in 1992, Chemical Banking made community lending and grant commitments that it has had no trouble keeping.



Source: Chemical Banking

The New York Times

Northwest And KLM Over Poiso

Continued From First Bu

ton, "are quite differer objectives of transactio which is what Messrs. Wilson are."

KLM, which is sitting hoard of about $3.5 billior week that it planned to p ble acquisitions, possibl with Northwest.

KLM warned that its Northwest's plan could gation. Northwest mar they could not comme they were in a registrati sell an additional 8.4 mi of stock.

Many of the details agreement are containe west prospectus it has that stock. That docu that if KLM were to option to buy five millio shares in 1998 — worth million to KLM at today KLM would then have t five million shares of cor Although KLM would g nomic benefit of its opti be required to forgo th measure of control tha ownership would carry.

"It's very unusual if such a plan, which is cl at limiting existing righ holders," said Leo van W ing director of KLM and board member. "It's ea isting rights, and this is directed at KLM in part

Northwest's manager yet determined the thre fective ownership — a investors like KLM w quired to divest themsel holdings — that they wil the next board meeting.

Northwest's board ha bers, three of them KLM tives.

Industry analysts sai that they believed the di would have little impact keting alliance between lines. KLM has said the alliance, in which they schedules and sell seats er's planes, is worth abo lion annually to each car west has valued the rel about $50 million to each

Leslie Fay Chapter 11

By Bloomberg Business N

The Leslie Fay Co filed a Chapter 11 reo

York, which develops low-income housing, said: "So what if a few groups try to get some computers from a $409 billion corporation. People are trying to survive."

One irony of this process is that Chemical is largely regarded as having one of the best community lending records in New York, with a top grade from Federal regulators. When it merged with Manufacturers Hanover in 1992, Chemical committed $750 million to community development programs over five years. After four years, the total loans and grants is actually $1.9 billion.

Last year's share of this investment totaled $502 million in community investment loans and 2,021 nonprofit and community groups got $6.1 million in grants. More than half of the lending total is $282 million for home mortgages. Another $174 million was lent to small businesses in low-income areas, to nonprofit organizations and through the Small Business Administration loan program.

But Chemical's record has not been enough to keep the protesters at bay.

"We want to make sure that their commitment level after the merger goes up not down," said said John Taylor, the executive director of the National Community Reinvestment Coalition, a Washington clearinghouse for local groups.

Moreover, some groups say Chase's record is worse than Chemical's, largely because it has appeared to be shunning lower-income customers.

Banking lawyers said that Chemical's approach seemed to be designed to shift the spotlight to housing development programs, an area in which the bank would like to make large investments. That will distract attention for Mr. Lee's demand that Chemical increase its routine deposit and lending services through branches in low-income areas.

"Chemical is very smart to attempt a pre-emptive strike," said Warren Traiger, a New York banking lawyer who specializes in the Community Reinvestment Act. "They can divide and conquer. The groups that benefit under the proposal will take Chemical's side."

Despite the large amounts, these commitments are hardly a huge sacrifice for the new bank, which will be run largely by Chemical management under the tonier Chase name. Chemical's community development area makes a small profit, in fact, because the high returns from lending to big housing projects subsidizes the operating costs of making small business loans and mortgages to first time home buyers. Bad debts are no more common in these loans than those to more affluent customers.

"What the C.R.A. has done is bring people to the table," Mr. Taylor said. "In the past, mergers were largely adversarial. Banks did not sit down and talk abut community needs. Now we and the banks realize we're all in this together."

Banking lawyers say it is highly unlikely that regulators will block Chemical's merger or any of the other large deals. But the regulators do try to orchestrate these battles between the banks and the community groups as a way to keep the pressure on the banks.

"There is a lot of shaping that goes on in a subtle way as a result of the fact that banks have to file applications, with public scrutiny, pressure from community groups and sometimes questions asked by regulators," said one senior Federal official who spoke on the condition of anonymity.

Indeed, the Federal Reserve and the New York State Banking Department have just called for a rare public hearing on Nov. 16 to look at the Chemical-Chase merger, which will largely focus on community concerns.

Chemical, of course, has been preparing to defend its record. It devoted 192 of the 270 pages in its Government merger application to its community-lending record. By contrast only 15 pages are devoted to antitrust issues and 9 pages to the financial and managerial resources of the new company.

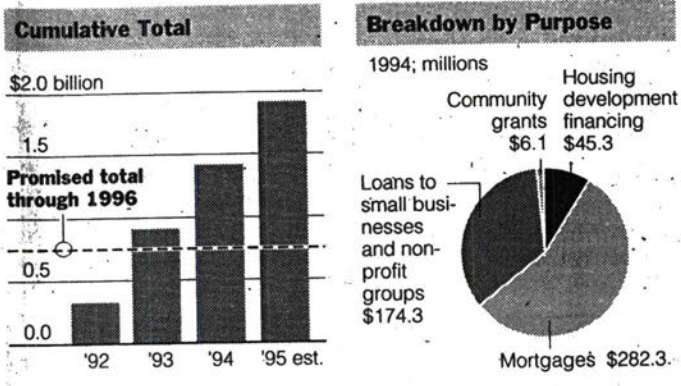


Chester Higgins Jr./The New York Times

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Chemical and Its Promises

When it merged with Manufacturers Hanover in 1992, Chemical Banking made community lending and grant commitments that it has had no trouble keeping.



Source: Chemical Banking

The New York Times

Physician Software Deal

MORRIS PLAINS, N.J., Oct. 31 (Dow Jones) — **Physician Computer Network** Inc. said on Monday that it had acquired **Versyss** Inc. for about $40 million, bringing its total customer base to about 80,000 physicians. Versyss, of Needham Heights, Mass., a vendor of software products for physicians, had 1994 revenues of about $67 million. The purchase price consists of about $24 million in cash and notes and $16 million in assumed Versyss debt. Physician Computer, of Morris Plains, provides network computer systems for health care providers.

Other points of view on the Op-Ed page seven days a week. The New York Times

be required to forgo the additional measure of control that increased ownership would carry.

"It's very unusual if you design such a plan, which is clearly aimed at limiting existing rights of shareholders," said Leo van Wijk, managing director of KLM and a Northwest board member. "It's eating into existing rights, and this is very much directed at KLM in particular."

Northwest's managers have not yet determined the threshold of effective ownership — above which investors like KLM would be required to divest themselves of their holdings — that they will propose at the next board meeting.

Northwest's board has 14 members, three of them KLM representatives.

Industry analysts said yesterday that they believed the disagreement would have little impact on the marketing alliance between the two airlines. KLM has said the value of that alliance, in which they coordinate schedules and sell seats on each other's planes, is worth about $150 million annually to each carrier. Northwest has valued the relationship at about $50 million to each carrier.

Leslie Fay Files Chapter 11 Plan

By Bloomberg Business News

The **Leslie Fay** Companies filed a Chapter 11 reorganization plan yesterday in which the company, a women's apparel maker, said it had concluded negotiations with the probable buyer of its Sassco unit.

Leslie Fay has said it plans to split into two parts. One will consist of the company's so-called core businesses. The other, Sassco, its most profitable division, will probably be sold to a management group led by the unit's head, Arthur Levine.

Leslie Fay said that it had concluded talks with Mr. Levine after several months of negotiations and that an agreement on transferring the unit had been incorporated into the plan.

Under the terms Mr. Levine will seek financing to buy Sassco himself. If he is unable to consummate the purchase by Jan. 31, the unit will instead be spun off to its creditors, Mr. Levine and other senior managers. Creditors would receive the reorganized Sassco dressmaking division.

THE WHITE HOUSE
WASHINGTON

THE PRESIDENT HAS SEEN
11-2-95

November 1, 1995

MEMORANDUM FOR THE PRESIDENT

FROM: TODD STERN
PHIL CAPLAN

SUBJECT: Recent Political Information Items

We have received the following recent political information items:

(A) **Ickes note on name and title for ballots.** Forwarding draft memo from Jeff Forbes, C/G '96 delegate selection coordinator, re 1992 primary and general election ballots. Forbes' research so far shows the name "Bill Clinton" was used on virtually every state ballot. Of the information collected to date for 1996, your name will appear the same way; only two states will permit the word "President" next to your name -- Arkansas and Massachusetts (primary only, not general). California permits a separate line for title designation.

(B) **Ickes memo on DNC operating and media budgets.** Detailed memo. The 1995 operating budget has been scaled back from $41 million to $32 million; the media budget is $10 million. In order to meet these totals, DNC must raise or borrow $16.7 million by the end of the year ($7.8 operating and $8.9 media). Fundraising projections of $5.5 million through December leave a potential debt of $11.2 million. DNC Finance Chair Marvin Rosen believes that under the right circumstances and with additional fundraising events scheduled, the DNC could end the year with a debt as low as $4 million.

(C) ***Charelston Post and Courier* Clip on DNC talk radio initiative.** Via Harold. Describes efforts of Jon-Christopher Bua (Director of DNC's Speakers Bureau) to educate Dems across the country on the use of talk radio. Harold notes that this is a "small, but seemingly worthwhile endeavor and that he has heard good things about Bua's workshops and training sessions."

HE PRESIDENT HAS SEEN
11-2-95

THE WHITE HOUSE

WASHINGTON

95 OCT 23 P5:51

21 October 1995

MEMORANDUM TO THE PRESIDENT

FROM HAROLD ICKES

RE DNC's Talk Radio

Attached is a self-explanatory article describing one of the programs that the DNC has in place, which I thought you might find interesting. It's a small step, but seemingly worthwhile, and, judging by some of the letters I've received about Jon-Christopher's workshops and training sessions, gets very positive reviews.

cc: David Eichenbaum
Bobby Watson

Post and Courier

THE SOUTH'S OLDEST DAILY NEWSPAPER

Democrats learn to fight on air

By JOHN HEILPRIN
Of The Post and Courier staff

COLUMBIA — Move over Rush Limbaugh, here comes Jon-Christopher Bua.

Bua actually isn't a radio and television commentator like Limbaugh. But if Bua has his way, the airwaves will be filled with Democrats like himself helping to drown out the conservative Republican message.

As director of the Democratic National Committee's Speakers Bureau, Bua is traveling for a year giving workshops to Democrats on how to storm the airwaves and gain the upper hand in America's political dialogue.

"It evolved out of a need to counter the very strong and divisive negative message that the Republicans were sending out across the airwaves," he said Friday.

The Democrats' goals are to retake Congress and win President Clinton another four years in office.

Bua is giving a workshop in Summerville today. He gave two in Columbia on Friday and another in Greenville on Thursday.

About 25 people have attended each of those three-hour workshops, which are being given free of charge. Elsewhere in the country, they have drawn as many as 250.

"We're going to be better able to deliver our message," said S.C. Democratic Party Executive Director Scott Sokol. "This will raise some awareness."

Howard Stern notwithstanding, radio has been teeming lately with conservative GOP hosts such as Limbaugh, G. Gordon Liddy and Oliver North.

Bua, a New York City native with a background in professional theater and television production, said people sometimes need a little help becoming comfortable expressing public opinions. After a workshop, Democrats hope to be prepared to call up a radio station, send a fax or even book themselves as a guest.

"I think Democrats have felt for a long time that they couldn't fight back," Bua said.

The message to counter the newly dominant Republicans "doesn't have to be angry," he said, "but it does have to be powerful."

THE PRESIDENT HAS SEEN
11/2/95

THE WHITE HOUSE

WASHINGTON

November 1, 1995

MR. PRESIDENT:

Attached are two proposed Clinton/Gore 96 direct mail packages -- one on the "10 More for Clinton/Gore" theme, the other a "November Poll Package." Harold asks for your signoff on these packages as soon as possible -- but in any case no later than November 6 on the "10 More" package and November 8 on the "November Poll" package.

Copies have gone to George, Bruce, Doug and Jack Quinn for their review.

Todd Stern

Todd

Can we eliminate the 2 Reagan paragraphs & replace with one on Dole's American Dream tax cuts? The budget figure is about future & message

See my proposed brief letter to Dresser, Gephardt

MEMORANDUM:

95 NOV 1 A10:26

TO: Harold Ickes, Deputy Chief of Staff

FROM: Kim Cubine, Director of Marketing & Direct Mail

DATE: October 18, 1995

RE: November "Poll Package"

CC: Laura Hartigan, National Finance Director

Attached is the draft copy for the "10 More for Clinton/Gore" Campaign. This package has Legal, Operations and Political (Craig Smith) sign-off. Final Art and Budget plan will be submitted to Craig for approval.

Concept: The "Ten More" program is an excellent way to expand the grassroots base and provide campaign literature to all supporters willing to take on an activist role. Although this is a political project, the Marketing Department will use its resources to assist in the production and backend processing.

All of the people recruited through the "10 More" program will be tracked by state and logged into the People Base system for future political use. All recruits who make a contribution to the campaign, as well as sign up as activist, will be placed on the FEC database and the People Base systems.

Target Audience:	Direct Mail/Telemarketing Donors who said yes to Team Capt. C/G Headquarters, State Offices, Constituent Service Office (CSO)
Quantity:	70,000 - 100,000
Mail Date:	Mid - December
Edit/Approval Date:	Monday, November 6, 1995
Signature Request:	President Bill Clinton

If you have any questions, I can be reached directly (202) 496-4804 or via fax at (202) 496-4848.

"10 More for Clinton/Gore" Fulfillment Package
A:\10MORE.WPD
October 18, 1995

9 x 12 whitewove OSE
Prints 3/0; Black + blue + red

Clinton/Gore '96 Primary Committee
P.O. Box 57277
Washington, D.C. 20037

Metered

Mr. John J. Donor
123 Anystreet
Anytown, USA 12345-6789

8 1/2 x 11 letter on white offset, Prints 3/0; one page, one sheet

Clinton/Gore '96

Dear Friend:

Thank you for becoming a part of "10 More for Clinton/Gore." I am excited about the "10 More for Clinton/Gore" program because it relies on the community spirit that I've tried so hard to renew in this country.

Here's what I'd like you to do. Simply go out and talk to people you know -- friends, neighbors, family members -- and recruit 10 people to support the Clinton/Gore campaign. Tell them that I need their help to win again in 1996 in order to continue the progress we've made to grow the economy, to help working families and make America a better, safer place for our children.

Your job of getting "10 More for Clinton/Gore" should be easy, because since Vice President Gore and I took office, we've made government work for the American people in so many ways.

During the first half of our administration, we've created more than 7 million new jobs. That's triple the number created during the *entire* Bush administration. My economic plan has cut the deficit by more than $600 billion -- the first deficit decline since the Truman years. To make government more efficient for ordinary Americans, we've cut the federal payroll to its smallest size since the Kennedy Administration and saved $63 billion by eliminating unnecessary or wasteful programs.

We've passed a crime bill to put 100,000 more police officers on the street and ban deadly assault weapons. We've protected the jobs of American families who need time off to care for a new child or ailing relative. We've added nearly 200,000 new children to the Head Start program this year. We've set new education standards to improve our schools and made more student loan money available to help more young people enter college.

Today, we are counting on you to help get our message out to the people who need to hear it. A special Action Kit is enclosed to help you get started signing up "10 More for Clinton/Gore."

Thank you for your important role on this critical project. It's dedicated people like you who will guide us to victory again in 1996.

Sincerely,

Bill Clinton

Prints 3/0 Black + red + blue

Clinton/Gore '96
"10 More for Clinton/Gore" Action Kit

Instructions:

1. **Over the next several days, sign up at least 10 Clinton/Gore supporters from among your friends, neighbors, and family**. Point to the many accomplishments on the Clinton/Gore record so far. Emphasize that the 1996 presidential election will be a turning point for America, and that we cannot afford a return to the divisiveness and discord that has plagued our nation in the past. *Carry this Action Kit with you to help organize all the information you'll need to return to the campaign.*

2. **Important: Note the names of each new member on the enclosed Contact Sheet**. Please obtain as much of the requested information as possible from everyone, including e-mail addresses, phone and fax numbers to ensure that we can deliver our message to our supporters in the months ahead.

3. **Each time you sign up one more for Clinton/Gore, ask for a voluntary contribution** to help offset the cost of the "10 More for Clinton Gore" program. Any amount -- $10, $20, up to a maximum of $1,000 -- will help. Contributions to the committee are not tax-deductible. The committee cannot accept corporate, union or political action committee checks.

4. **Give each person you sign up a Membership Card and envelope to complete and return to the campaign.** When a recruit wishes to make a contribution, please do not collect the check yourself.. Have each individual recruit fill out the contribution card and forward their contribution directly to the campaign in the enclosed self-addressed envelope. No postage is necessary for the reply envelope. Checks should be made payable to the Clinton/Gore '96 Primary Committee, Inc.

5. **When you have finished, place the Contact Sheet in the enclosed yellow envelope and mail it back** to us at P.O. Box 57277, Washington, D.C. 20037. No postage is necessary. We will tally your information and contact you later with details on the results of "10 More for Clinton/Gore."

Thank you for your leadership in "10 More for Clinton/Gore"

logo
Clinton/Gore '96 Primary Committee
P.O. Box 57277, Washington, D.C. 20037

"10 More for Clinton/Gore" Contact Sheet

To: President Clinton and Vice President Gore

From: Mr. John J. Donor
123 Anystreet
Anytown, USA 12345-6789

Here are the names I've gathered to deliver "10 More for Clinton/Gore" in 1996:
Please print the information below for each person and return it in the envelope provided to "10 More for Clinton/Gore '96, P.O. Box 57277, Washington, D.C. 20037.

1.
Name | Address | Occupation

Phone # | Fax # | E-Mail address

Amount of Contribution $

2.
Name | Address | Occupation

Phone # | Fax # | E-Mail address

Amount of Contribution $

3.
Name | Address | Occupation

Phone # | Fax # | E-Mail address

Amount of Contribution $

4.
Name | Address | Occupation

Phone # | Fax # | E-Mail address

Amount of Contribution $

5.
Name | Address | Occupation

Phone # | Fax # | E-Mail address

Amount of Contribution $

(Please turn over)

6.
Name Address Occupation

Phone # Fax # E-Mail address

Amount of Contribution $

7.
Name Address Occupation

Phone # Fax # E-Mail address

Amount of Contribution $

8.
Name Address Occupation

Phone # Fax # E-Mail address

Amount of Contribution $

9.
Name Address Occupation

Phone # Fax # E-Mail address

Amount of Contribution $

10.
Name Address Occupation

Phone # Fax # E-Mail address

Amount of Contribution $

8 1/2 x 3 1/2 Response Cards on 70# white offset
Prints 3/2 Black + blue + red-
Vertical perf
Front:
10 More for Clinton Gore

Name _____
Address _____
City_____ State _____ ZIP_____
Fax #: ( ) _____ Phone # ( ) _____
E-mail address _____ Amount of contribution

❑ I'm interested in becoming a team captain in the "10 More for Clinton/Gore" project. Please send me more information.

Please return this card, along with your contribution payable to Clinton/Gore '96 Primary Committee Inc., in the postage-paid envelope provided by your team captain, to: *"10 More for Clinton/Gore '96, P.O. Box 57277, Washington, D.C. 20037.*Thank you for your help!

Your contribution is not tax-deductible as a charitable contribution for Federal income tax purposes.
Paid for by Clinton/Gore '96 Primary Committee Inc.

Membership card: "10 More for Clinton/Gore Logo
Name_____

Back:

Please be sure to fill out the required information below.
Federal law requires political committees to report the name, mailing address, occupation and name of employer for each individual whose contributions aggregate in excess of $200 in a calendar year.

Occupation _____ Name of Employer _____
❑ Check if self-employed.
Contributions to Clinton/Gore '96 Primary Committee Inc., are for use in connection with the Democratic Presidential Primary and are subject to the limitations and prohibitions of the Federal Election Campaign Act.

The Clinton/Gore'96 Primary Committee may be eligible to receive federal matching funds of up to $250 for contributions from an individual, personal account. Contributions from spouses drawn on a joint account may be matched up to $500 if both spouses sign the check or the response card. The campaign ~~cannot~~ does not accept PAC, corporate or union contributions. The maximum contribution level in a presidential campaign is $1000 per individual.

does not

and ~~can~~ may not accept

Perf area, back:

Accomplishments of Clinton/Gore Administration

- Created 7.3 million jobs
- Cut Federal spending by $255 billion
- Signed Crime Bill and is putting 100,000 more police on the streets
- On track for three consecutive years of deficit reduction -- the first time since Harry Truman
- Signed Brady Bill
- Increased funding for Head Start and aid for education
- Signed Assault Weapons Ban
- Lowest combined rate of unemployment and inflation in 25 years
- Signed the Family and Medical Leave Act

#9 BRE for new members:
RUSH

"10 More for Clinton/Gore"
Clinton/Gore '96 Primary Committee, Inc
P.O. Box 57277, Washington, D.C. 20037

#9 BRE, canary, for team captain to return:

RUSH DELIVERY

Team Captains, please use this envelope only for your Contact Sheet

"10 More for Clinton/Gore"
Clinton/Gore '96 Primary Committee, Inc.
P.O. Box 57277, Washington, D.C. 20037

THE PRESIDENT HAS SEEN
11/2/95

95 NOV 1 AM 10:26

MEMORANDUM:

TO: Harold Ickes, Deputy Chief of Staff

FROM: Kim Cubine, Director of Marketing & Direct Mail

DATE: October 31, 1995

RE: November "Poll Package"

CC: Laura Hartigan, National Finance Director

Attached is the draft copy for the November Poll package. To accommodate last minute poll standings and General Powell's candidate decision, the memo portion will be lasered. At the time of the mailing the most recent poll standings will be lasered in. Two versions of this letter have been drafted to reflect the Powell decision. To raise the needed funds by the end of the year, this letter will have to drop the third week of November. Therefore, we will need to have both versions approved by the White House by 11/8/95.

Concept: The President's poll standings have improved in the past few months - much of this due to the exposure of the Republican agenda. This package is modeled after one of our most successful packages that was mailed earlier in the year. Our donors really respond to informational memos -- they feel included and close to the campaign.

Both packages have been reviewed and signed off by Lyn Utrecht and Frank Greer prior to White House distribution.

Target Audience: House File (C/G '96 Direct Mail/TM Donors)

Quantity: 150,000

Mail Date: late November

Edit/Approval Date: Wednesday, November 8, 1995

Signature Request: President Bill Clinton

Projected Gross: $350,000

Package "A": Powell In **Package "B":** Powell Out

If you have any questions, I can be reached directly (202) 496-4804 or via fax at (202) 496-4848.

Package "A"

Bill Clinton

Mr. John Q. Donor
123 Any Street
Anytown, USA 00000

Dear Mr. Donor:

The 1996 election day is now one year away. And thanks to your help and support, we enter this campaign in far better position than anyone predicted.

To give you a briefing on our progress, I have asked our pollster, Stanley Greenberg, to prepare the enclosed memo outlining our current situation, recent changes in public opinion and my standing relative to several potential opponents.

The news in Stanley's memo is largely good. ~~My job rating has improved~~. By substantial numbers, voters prefer our approach to major issues over the proposals being offered by the Republican Congress. If the election were held today, we would probably prevail.
and more and more approve of the work I am doing as President.

But as you read this encouraging report, the first waves of Republican television ads are airing in Iowa and New Hampshire. In the weeks ahead, this advertising will increase to saturation levels in many states and these ads will distort my record and diminish all that we have accomplished.

Some supporters have asked me why we need to raise funds when we have no opponent in the Democratic primary. Unfortunately, our problem is ten Republican opponents, most of whom will focus their sharpest attacks in my direction. And together, these candidates will outspend us by a huge margin.

As we approach the end of 1995, we have set an ambitious fundraising goal to ensure that we have the money to respond in the primary campaigns ahead. Your generous year-end contribution would make a big difference in helping us meet this challenge.

Thank you again for your friendship, confidence and support. And please help me continue the progress we are making by returning a year-end contribution today.

Sincerely,

Bill Clinton

"A"

Year-End Contribution Reply

To: *President Clinton*

From: *John Q. Donor*
123 Any Street
Anytown, USA 00000

Thank you for the briefing on recent polling about the presidential campaign. I understand that we are in a close race and must continue the progress we are making. That is why I want to help your campaign by making a special year-end contribution in the amount of:

1 HPC 1 1.5 HPC 1 2 HPC 1 Other: $_____

Please make checks payable to: Clinton/Gore '96 Primary Committee, Inc. P.O. Box 57277, Washington, DC 20037.

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Occupation:_____

Name of employer:_____
[ ] Check if self-employed.

Your contribution will be used in connection with Federal elections and is subject to the limits and prohibitions of the Federal Election Campaign Act. Your contribution is not tax-deductible as a charitable contribution for Federal income tax purposes.

"A"

Memorandum

TO: Key Supporters

FROM: Stanley Greenberg

SUBJECT: Recent Polling

DATE: November __, 1995

The President has asked me to prepare this briefing for you and other key supporters of the 1996 campaign. Today, as we stand one year from the 1996 general election, the President's position is strengthening -- particularly in comparison to Republicans in Congress. Let me give you a brief overview of the most important measures.

Job Performance

The public's appraisal of the President's job performance has improved over the course of the year. The following chart shows the president's job performance rating in March and October as measured by the CNN/USA TODAY/GALLUP poll.

Clinton Job Performance	March '95	October '95
Approve		
Disapprove		

There remains a core of voters who are adamantly opposed to the President and view his performance in negative terms. But as the above chart indicates, the President's positive ratings continue to increase and his negative ratings continue to decline as the public reacts to the Republican agenda. This trend should continue as the debate on the radical Republican legislative plan goes on.

"A"

Clinton v. Congress

Perhaps the most important political barometer at the moment is the degree to which the public trusts the President over Republicans in Congress on most issues. It is on this crucial measurement where the President has made his greatest progress.

Early this year, large majorities of Americans believed the Republican leaders in Congress would do a better job in handling the economy, fighting crime and reducing the deficit. Even on traditional Democratic issues like improving education, protecting Medicare and preserving the environment, Republicans pulled strong numbers relative to the President although the President maintained a slight edge.

Now, the situation has dramatically reversed. On traditional Democratic issues like education, the environment and Medicare, voters trust the President over the Republican Congress by large margins. On other issues, the President has made serious gains. The President has risen nearly 20 points in polls showing the public's confidence level on the handling of the economy and cutting the deficit.

In particular, Republican proposals to deeply cut the Medicare program are taking a toll on their standing. As this issue occupies center stage, their problems could grow worse.

	Time/CNN	CNN/USA TODAY/ GALLUP
Economy		
Education		
Deficit		
Medicare		
Crime		

"A"

Candidate Match-ups

There are a number of published polls showing President Clinton winning head to head races with Bob Dole, the leading Republican contender. Two of the more recent results are shown below.

	Time/CNN	CNN/USA TODAY/ GALLUP
Clinton		
Dole		

These numbers are especially encouraging since Dole was leading in the matchups earlier in the year. Now that Colin Powell has announced his intentions to seek the Republican nomination, the poll numbers are very close.

However, the recent wave of publicity surrounding Colin Powell's announcement finds him at the peak of his popularity -- naturally his poll standings will decline as his positions become public.

Our own polling shows the President leading any current Republican contender in a three way race, but the numbers are very close.

Should Ross Perot seek the Presidency on the Reform Party ticket or should a viable independent candidate toss his/her hat in the ring, the impact is very positive for the President according to almost all published surveys. Perot draws many votes from the Republicans but very few from the President.

	Time/CNN	CNN/USA TODAY/ GALLUP
Clinton		
Powell		
Third Party		

	Time/CNN	CNN/USA TODAY/ GALLUP
Clinton		
Dole		
Third Party		

Conclusions

All of us who support the President have good reason to be encouraged by these numbers. The President's public standing is growing and the standing of his opponents and their agenda are slipping. Nevertheless, the race remains a close contest with much time remaining and many pivotal events ahead.

As 1996 gets underway, our challenge will be to spread the word about the accomplishments of this Administration and counter the Republican smear advertisments through grassroots efforts and an aggressive media campaign. As the polls reflect, the campaign's early media efforts have been successful.

President Clinton is fighting back and gaining ground. But we can't slow down -- the President must continue to fight for his common sense change and to force the Republicans to expose their agenda.

Package "B"

Bill Clinton

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THE PRESIDENT HAS ... 1-2-95

The Des Moines Register

A GANNETT NEWSPAPER

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THE REGISTER'S EDITORIALS

Police-community alliances

Sioux City may lead Iowa in the new strategy.

Police work got mauled by the Mark Fuhrman tapes. They implied that ruthless officers sometimes violate the law in the name of keeping the peace.

So it's a relief to hear that the federal government has been financing a strategy that puts the law and the public unequivocally on the same side: community policing.

What is community policing?

"Well, we've never actually defined policing," explained Joe Brann, former chief of police in Hayward, Calif., pin-pointing the muddled expectations that create some of the disappointment and anger that get lobbed at police departments.

Community policing is distinguished by its goals of forming alliances with local residents and organizations, having the community help identify crime problems, and changing from a force that mostly reacts to calls to a force that also acts on its own initiative.

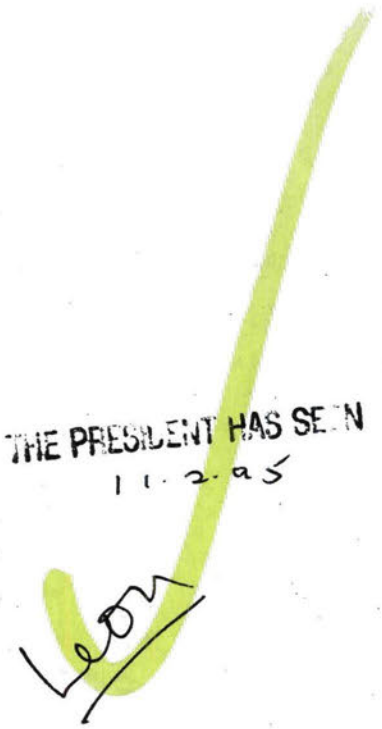
A prime target: domestic abuse. Usually officers separate the victim and the abuser, but this can end up being a Band-Aid on a bullet wound. The abuse continues, and officers are called back a month, a week or even hours later. But in Heyward, community policing put cops on patrol with domestic-abuse specialists who designed procedures that worked better for both victims and officers.

As director of the Office of Community Oriented Policing Services (COPS) — part of the U.S. Department of Justice — Brann invests federal dollars in community policing efforts all over the country. The money helps put more officers on the street, but gets them out of their cars, or, as Brann calls them, their steel cocoons.

The grants also help buy new equipment and computer systems. Many police forces are antiquated and have reams of data they can't analyze. Brann cites Chicago's police force as one worth imitating. Its computer lets an officer analyze criminal activity — break-ins, for example — by cross referencing the time and locations with a factor such as the number of pawn shops in the area.

But more than programs, community policing requires departments to make internal philosophical and cultural shifts that encourage new ideas from beat cops on up. From what Brann has seen, Sioux City does the best job of this in Iowa. Clearly, though, this is a bandwagon that every Iowa city ought to jump on.

Typically, Brann explained, police departments had a one-tool approach to their work: Make an arrest. Community policing seeks to expand officers' options and make arrests the tool of last resort.


THE PRESIDENT HAS SEEN
11.2.95

THE WASHINGTON POST
THURSDAY, NOVEMBER 2, 1995

Robb's Role in Regulatory Bill Pleases Business, Irks Old Allies

By Michael Abramowitz
Washington Post Staff Writer

Since his reelection battle against Oliver L. North thrust him into the national spotlight last year, Sen. Charles S. Robb (D-Va.) has resumed the sometimes invisible approach to the job that characterized his first term in the Senate. With one big exception.

For the last three months, Robb has been winning new friends in business and exasperating old allies in the consumer movement by trying to resuscitate a bill to rein in federal regulatory agencies. The bill would require agencies to subject many proposed rules to a rigorous cost-benefit analysis, in theory providing a measure of relief to corporations that believe they are burdened by excessive regulation.

The measure is a key tenet of the GOP agenda on Capitol Hill this year and a priority for corporate lobbyists, but efforts by the Senate leadership to collect enough votes have so far come to nothing.

Staff members and lobbyists said Robb has emerged as the broker in discussions aimed at breaking the deadlock, in large measure by trying to bring along other moderate Democratic senators in support of the Republican measure.

Robb's maneuvering has angered and puzzled consumer advocates and labor groups, who were among his strongest supporters in last year's campaign but have now taken to staging protests against Robb across the state. Apropos of Halloween, one group accused Robb of playing a "trick" on his old supporters in the environmental movement. The regulatory overhaul, they say, could imperil the environment and jeopardize worker safety.

"Senator Robb, when he was governor, did some really courageous things on the environment," said Marie Ridder, a longtime Robb supporter who held a key environmental post in his gubernatorial administration in the early 1980s. "To see him become a partner in a [regulatory] bill that would really harm the environment distresses us who respect him deeply."

Robb said he's been interested in regulatory issues since revising the Virginia rulemaking process as governor.

He said he stepped into the Senate debate this year out of concern, in part, that the

See ROBB, B7, Col. 3

ROBB, From B1

Democratic Party not be regarded as reflexively anti-business.

Some critics have drawn the erroneous conclusion that he is trying to "roll back" health and environmental regulations, Robb said. In fact, he said, he is trying to find common ground between competing interests, keeping in place important regulatory safeguards while culling rules that impede economic growth and productivity.

"It's clear to many of the people who've looked at this question that we are wasting resources and creating a tremendous amount of frustration in terms of the way we're doing business," Robb said. "If we do [regulatory changes] right, the people who are very much concerned about any movement will ultimately accept this as the right thing to do."

The issue with which Robb has been engaged is one of the most complex and politically acrimonious of the new Congress. With the change in control of their chamber, House Republicans were able to pass a bill quickly that would require extensive cost-benefit and risk analysis before major new regulations could be put in place. But a similar measure, sponsored by Senate Majority Leader Robert J. Dole (R-Kan.), has been stalemated on the other side of Capitol Hill; Dole temporarily shelved the measure after losing three narrow votes last summer to end debate on the bill, the last time coming up only two votes short of the 60 needed.

On each of the cloture votes, Robb sided with other Democrats to continue debating the bill. But after the last vote, he began working with a group of Democrats to draw up compromise language. Their initial efforts were rejected by Dole. But Robb and his aides have continued to circulate proposals with other senators, and the Virginia legislator said he's still hoping for a consensus.

The focus of Robb's efforts, staff members said, is to take the cost of new regulations into consideration in a way that does not lower environmental and health standards.

Finding the precise language is a tricky task, though not as tricky perhaps as finding political support for a compromise. Although Dole has encouraged Robb in his search for additional votes, members of the Democratic caucus are leery about an initiative that could deliver a political victory to the Republican presidential candidate.

Environmentalists and labor groups, meanwhile, say they are frustrated by Robb's continued williness to engage with Republicans on the issue. "His efforts are keeping a terribly destructive bill alive," said David G. Hawkins, senior attorney at the Natural Resources Defense Council.

Some advocates also have drawn attention to Robb's connections with Hunton & Williams, the Richmond law firm where he worked between the time he was governor and his election to the Senate. Lawyers with the firm helped Senate Republicans draft their regulatory bill, and another Hunton & Williams alumnus, Kyle McSlarrow, is Dole's top aide on the issue.

The firm's lawyers, clients and other businesses with an interest in the regulatory debate also contributed more than $120,000 to Robb's reelection campaign last year. Although only a small fraction of his overall $5 million campaign, the contributions reflect the intense interest in the issue in the corporate community, advocates said.

Robb described his friendship and the contributions from lawyers with Hunton & Williams as "absolutely irrelevant" to his considerations. He said he was not even aware that the law firm was involved in the issue until he read newspaper accounts of its lobbying efforts.

Business advocates said they are encouraged by Robb's efforts to reach a compromise but worried that he may go too far in watering down the Dole bill.

"He's clearly in the middle, and he's taking hits from all sides," said Jerry Jasinowski, president of the National Association of Manufacturers, which has put together a business coalition in support of regulatory changes. "He's played a central role in keeping alive the debate and keeping alive the effort to bring meaningful regulatory reform."

Leon
Is where Ries?
can it be showed?

Reynolds Marketing Strategy Sought To Get Young Adults to Smoke Camels

THE PRESIDENT HAS SEEN
11-2-95

By Alix M. Freedman
And Suein L. Hwang
Staff Reporters of The Wall Street Journal

An R.J. Reynolds Tobacco Co. internal marketing plan called for a "single-minded focus" on getting young adults, especially 18-year-olds to 20-year-olds, to smoke Camels.

The confidential Camel business plan for 1990, obtained by The Wall Street Journal, offers an unusual inside look at the cigarette industry's aggressive push to win young smokers. It also runs counter to Reynolds's insistence that very year, in an interview with the Journal, that Camel is targeted mainly at consumers who are 21 to 30.

The plan details the brand's focus on smokers aged 18 to 24, which the document referred to as YAS (young adult smokers). The document further cited an "emphasis" on "males, 18 to 20."

Reynolds, which is a unit of RJR Nabisco Holdings Corp., didn't dispute the document's authenticity, but stressed that the smokers in question were of legal smoking age and that the YAS campaign was aimed at switching existing smokers to the Camel brand, not recruiting new users. Reynolds also said that certain pages of the document were missing, but declined to elaborate.

While company officials didn't explain the differences between the internal marketing plan and public statements about the target age of Camel smokers, they emphasized that the company raised the target age of the brand's consumers to 21 to 30 in 1992.

The plan dated Oct. 9, 1989, explains that the YAS initiative was central to Reynolds's strategy to reverse Camel's decline. The study described "growth among YAS" as "crucial," citing a "declining trend prior to YAS focus."

Until the early 80s, Camel cigarettes were smoked primarily by men over 50. But the plan said the "YAS contribution to Camel is significant." Specifically, 28% of Camel buyers are 18 to 24 and represented 13% of cigarette buyers overall, the document said.

Even so, the marketing document stated that gains in young adult smoking would be offset by older smokers quitting. According to the study, smokers over the age of 50 smoked an average of 878 cigarettes a month; smokers who were 18 to 24 smoked an average of 623, or 29% less.

The disclosures come at a time when former Reynolds executives and industry consultants say that Reynolds is again using Joe Camel as the centerpiece of its Camel advertising. They explained that Reynolds scaled back the use of the controversial character in 1994 after drawing intense criticism from industry foes. But the brand lost momentum, prompting Reynolds to reverse course. "They laid off for a while when they were getting all that negative publicity," says Donald Bloom, a tobacco consultant in Phoenix, Ariz. "Now, they're back to using something that works."

As evidence, they point to Camel's renewed vibrancy. In the third quarter, when Joe Camel began to appear more frequently, the company's sales rose a hefty 12%, according to industry analyst John Maxwell.

Reynolds officials yesterday disputed the notion that Joe Camel had ever been retired. Lynn Beasley, senior vice president in charge of Reynolds' Camel, Winston and Salem brands acknowledged that the company cut back on its marketing expenditures after Philip Morris cut the price of Marlboro in late 1993. But she said: "Not in any way have we scaled back the use of Joe and nor do we have plans to."

Arizona Supreme Court Approves Major Changes in Jury Practices

By Margaret A. Jacobs
Staff Reporter of The Wall Street Journal

The Arizona Supreme Court adopted a sweeping package of proposals intended to help jurors do a better job sifting through evidence, making the state the first to fundamentally change its jury practices.

The state's highest court voted unanimously last week to allow jurors to pose written questions to witnesses through the judge, as well as to take notes throughout civil trials. It also agreed to furnish jurors with special notebooks to be filled during a trial with preliminary jury instructions, key documents, photographs of witnesses who testify and final jury instructions. And the court voted to give judges in civil cases the discretion to allow jurors to talk in the jury room about evidence during a trial.



In addition, the high court agreed to give trial judges the option to limit the length of a trial and to avoid a hung jury by polling deadlocked jurors to see if questions remain. Judges can then allow jurors to hear additional evidence for the limited purpose of answering their questions or have additional closing arguments from the lawyers.

Chief Justice Stanley G. Feldman of the Arizona Supreme Court says the reforms—which become part of the state court system's rules Dec. 1 — aren't intended to favor any side in a legal dispute. They are to "help jurors better understand, handle and assimilate the evidence — to be more efficient," he says. "We are applying methods of social science and communication skills [to the jury process], instead of keeping jurors handcuffed and in a straightjacket," he adds.

The recommendations were among 55 presented to the court a year ago by a panel of former jurors, academics, judges and lawyers convened by Justice Feldman, and headed by Maricopa County trial court Judge J. Michael Dann. Public interest in the recommendations' adoption has increased in the aftermath of the O.J. Simpson trial, say court observers.

Justice Feldman says the reforms were adopted with "little disagreement" as to detail by the five members of the court, three of whom were previously trial-court judges. "We all had a common-sense approach," adds Justice Feldman, who served as a trial lawyer before ascending to the bench.

Judges have tried various reforms in individual cases and some states have adopted certain changes, such as Arizona's move two decades ago to allow jurors to take notes in criminal trials. But no other state has adopted such a comprehensive package of changes, says jury expert G. Thomas Munsterman of the National Center for State Courts in Arlington, Va. "It will be wonderful to watch and see how they do statewide," Mr. Munsterman observes.

Several other state courts, including those in Delaware and California, are in the early stages of considering similar reforms. "I am presenting the Arizona experiment to our court for consideration," says Chief Justice E. Norman Veasey of the Delaware Supreme Court. In California, Chief Justice Malcolm M. Lucas is expected to name a committee this month to draft recommendations on a broad range of jury questions, including sequestration and juror care. The final report should be completed by next spring.

The Arizona court, however, deferred until next year a decision on one of the most debatable panel recommendations: to allow jurors to discuss evidence during the course of criminal trials. The court said that it would await the outcome of a constitutional challenge to the practice by Dale Bertsch, a Phoenix anesthesiologist convicted in 1994 of murdering his ex-wife.

The judge presiding over the Bertsch case, a member of the jury reform committee, had allowed jurors to discuss the evidence throughout the trial. The challenge is currently pending before a lower appellate court but has yet to be argued. "Judges shouldn't experiment in a first-degree murder case; the court rules expressly prohibit" juror discussion in criminal trials, says Larry Hammond, Dr. Bertsch's lawyer.

The court also rejected several of the committee's proposals, including requiring judges to give final jury instructions before each side summarizes its case instead of after, and allowing alternate jurors to vote at the conclusion of the trial. The court did, however, recommend that no juror be designated an alternate until he or she is chosen by lot just before the case is given to the jury.

Other proposals, including recommendations that jury panels be more economically and ethnically diverse and that juror pay be increased to $40 from $12 a day, must be taken up in the Arizona Legislature.

In Arizona, virtually all occupational exemptions from jury service had already been eliminated. Even Supreme Court justices aren't exempt, says Justice Feldman, who has never served but recalls that a former member of the court once did. In that criminal case, the jury voted to acquit in half an hour because the prosecution "didn't come close to proving their case," Justice Feldman recalls his former colleague saying.

THE PRESIDENT HAS SEEN
11-2-95

THE WASHINGTON POST
THURSDAY, NOVEMBER 2, 1995

→ Jack Quinn should Justice look into this? BK

AROUND THE NATION

Cabbies in Lincoln's City Told to Rebuff Black Men

SPRINGFIELD, Ill.—A few blocks from the tomb of the Great Emancipator, a notice posted at Lincoln Yellow Cab Co.'s headquarters made it clear that getting a taxi can be a question of race.

"Effective immediately Do not pick up any black males unless you feel it is safe," the note read. "If you do not feel safe with the way they look Do not pick them up! There has been too many robberies lately, and they have all been by BLACK MALES."

The sign, posted on a bulletin board visible to customers, came down yesterday shortly after a reporter asked about it. Company manager Earl Reno said his lawyer advised him to take the sign down and "put up a sign that says do not pick up any suspicious-looking persons."

The issue of cab drivers being unwilling to pick up minorities has arisen before, most often in big cities. Last fall, former New York mayor David N. Dinkins (D) said a cabbie snubbed him by driving no more than 20 yards farther to pick up a white fare.

The issue of discrimination has special resonance in Springfield, in part because Abraham Lincoln spent most of his adult life here, but also because of the city's history since his death.

In 1987, a federal court ruling brought an end to a system of commission government that opponents claimed was designed to dilute black voting power. The system itself was instituted after a 1908 race riot that prompted the founding of the NAACP.

Black leaders sharply criticized the latest episode.

"That's like saying all black people are robbers," said David Livingston, state president of the NAACP. "You can't judge a person by just looking at them. That's discriminatory and stereotyping."

"You always have hopes that attitudes are changing," said Frank McNeil, a black city alderman who was a leader in overturning the commission government. He said he will ask city officials to seek evidence for potential punitive action against the taxi company.

Legal experts said a policy against picking up blacks also probably violates state and federal civil rights laws.

Reno denied that the note reflected an effort to discriminate, saying the company does a large business with blacks and that he was trying to alert his drivers "for their safety."

Students Throw Rocks at Hawaii Governor

■ HONOLULU—Protesters threw rocks at Gov. Benjamin J. Cayetano (D) after he told University of Hawaii students and faculty members that the state had no choice but to cut the school's budget.

About 5,000 demonstrators, some in Halloween Grim Reaper costumes, staged a "Death of Education March" on Tuesday to protest cuts totaling $50 million over two years, or 8.9 percent of funding.

Cayetano said the state had to deal with what he called the worst fiscal crisis in Hawaii state history: a budget deficit of $800 million.

The governor was shouted down by protesters and angrily asked them to keep quiet. When he left the demonstration, a few protesters threw rocks. He was not injured.

Wreck Tosses 20 Tons of Lettuce

■ FICKLE, Ind.—Roughage road ahead: A stretch of Interstate 65 was closed for nearly 10 hours after a tractor-trailer spilled 20 tons of lettuce, which had to be picked up head by head.

"You can't really use a shovel or bucket," state police dispatcher Tammy Manicke said. "It's all over the roadway. It's a big mess."

The truck overturned about 40 miles northwest of Indianapolis. The driver, Eric Campbell, told police he had been cut off by another rig and swerved.

From news services

U.S. Reports a Healthier Mammogram Picture

Associated Press

Women now have access to safer and more accurate mammograms everywhere from hospitals to shopping malls, says a government audit of the first mammography standards.

The Food and Drug Administration's requirements have significantly improved mammogram quality at more than 10,000 facilities nationwide, particularly in nine states that never before mandated mammography standards, said a General Accounting Office report released yesterday.

And contrary to congressional fears that facilities might shut down rather than spend the money to improve mammography, the FDA has helped upgrade substandard labs, the GAO concluded.

"We have delivered to American women better quality mammograms and we have ensured that no matter whether a woman lives in a big city or a small town, she has access to this lifesaving service," Health and Human Services Secretary Donna E. Shalala said yesterday.

Rep. John D. Dingell (D-Mich.) seized the report as evidence that Congress should be cautious in heeding calls by FDA critics to revamp—or even privatize—the agency. Mammography "is a clear example that FDA can and does regulate in a way that is thoughtful and serves the public health," he wrote in a letter to House Republican leaders.

Mammograms offer women the best chance of finding breast cancer early enough to cure it. Breast cancer strikes 182,000 women a year and kills 46,000.

But in past studies, mammograms have missed up to 10 percent of breast cancers. Critics said that was because no law required mammography centers to use up-to-date equipment, to employ doctors trained to interpret mammograms accurately or technicians who properly positioned the breast for X-rays.

In October 1994, mammography facilities were required to meet such standards and get FDA accreditation to operate. Before then, only Michigan and Texas had such regulations. Nine states—Alabama, Connecticut, Kansas, Louisiana, Montana, Nebraska, North Dakota, West Virginia and Wyoming—didn't require any of the FDA's benchmark standards for quality, the GAO said.

"Early indications point to a general improvement in the quality of mammography services," the GAO said.

THE PRESIDENT HAS SEEN

11-2-95

Pls scan this memo to us underlined portion only

BG

Candidates Seek Ammunition to Sink a Powell Presidency Bid By John M. Broder Los Angeles Times

WASHINGTON Anticipating the entry of retired Gen. Colin L. Powell into the Republican presidential race, leading GOP candidates quietly have begun compiling research on Powell's public record and private life in hopes of discovering ammunition to use to deny him the nomination.

The most aggressive anti-Powell preparations are being conducted by the campaigns of Senate Majority Leader Bob Dole, R-Kan., and conservative commentator Pat Buchanan, according to campaign aides.

Dole sees Powell, with his four-star charisma and current broad popularity, as the most acute threat to his front-runner status, while Buchanan opposes Powell as a moderate who will reverse the conservative economic and social policies of the new Republican Congress.

While both camps insist that they will battle Powell on grounds of ideology and policy, neither will hesitate to exploit questions about Powell's finances and personal life if derogatory material can be found.

Already Powell's potential rivals are sharpening their knives.

``Think about what 30-second spots can do to someone. A man who stands as beacon of racial harmony could be sucked into controversy over racial set-asides," said one Dole aide, specifically mentioning an investment Powell made more than a decade ago in a Buffalo, N.Y., television station. The transaction, which involved an affirmative action program, could allow rivals to draw him into a politically difficult debate over set-asides.

(Begin optional trim)

None of the Republican contenders has yet launched a major anti-Powell ``opposition research" effort, according to spokesmen for the campaigns. Nor has the White House or the Clinton-Gore re-election team begun combing through Powell's history in search of dirt.

Powell's supporters say the general can easily withstand such scrutiny and that scurrilous attacks will only backfire on the mudslingers.

(End optional trim)

Powell's principal spokesman, retired Army Col. F. William Smullen, said that Powell dealt in his autobiography with many of the potential issues that might be raised against him. He also said that Powell's five-week national book tour exposed him to hundreds of questions from reporters.

The challenge for Powell's rivals would be to find areas of weakness in his record or his seemingly impeccable personal history.

Two possible areas of controversy involve Powell's conduct in the Iran-contra affair and his service in the U.S. Army division responsible for the My Lai massacre in Vietnam.

Powell, then an Army major, served in 1968 as a senior operations officer for the Americal Division, a unit that was responsible for killing more than 100 civilians in the village of My Lai earlier that year. Powell arrived after the massacre, but heard allegations of torture and murder of civilians through a letter passed up the chain of command by a young Army specialist.

Powell dismissed the charges as unsupported and dropped the matter, which erupted into a huge national scandal more than a year later.

In 1985, as military assistant to former Defense Secretary Caspar W. Weinberger, Powell became aware of the secret plan to trade arms for hostages with Iran. He and Weinberger both objected to the deal, but went along with orders when then-President Reagan overruled them.

Powell became enmeshed in the scandal years later when independent counsel Lawrence Walsh found inconsistencies in his testimony before congressional investigators. In a 1987 deposition, Powell said that Weinberger did not keep a ``diary" or detailed notes of his daily activities.

But five years later, in a sworn affidavit, Powell recalled that Weinberger did indeed keep contemporaneous, daily notes which Powell characterized as ``a personal diary which reflected a record of his life."

Walsh concluded from the inconsistency that Powell's 1987 testimony was ``at least misleading" but chose not to seek an indictment because he could not prove that Powell had intentionally lied.

In his autobiography, Powell criticized Walsh for continuing the Iran-contra investigation ``ad infinitum" and ridiculed the ``out-of-control" independent counsel for pressing what he sees as a picayune discrepancy in his testimony.

Powell's relationships with longtime Washington insiders Richard L. Armitage and Kenneth M. Duberstein are also certain to become issues if he enters the race. Armitage has been the target of conspiracy theorists, who charge that he has been involved in drug smuggling and Vietnam POW/MIA coverups. Duberstein, who served as chief of staff in the final year of the Reagan administration and is now a partner in a Washington lobbying firm with Democrat Michael Berman, is considered by some to be insufficiently committed to Republican doctrine.

Finally, while the ending of the Gulf War will be long debated, Iraqi leader Saddam Hussein was clearly left with enough military power to threaten his neighbors, as the short-notice deployment of U.S. troops to the region in response to Iraqi military maneuvers in 1994 demonstrated.

(Optional add end)

The task of running against Powell is made difficult for his Republican rivals because his most visible assignments military aide to Weinberger, national security adviser in the Reagan White House, chairman of the Joint Chiefs of Staff under former President Bush have been in Republican administrations.

Powell Investment in TV Station Could Stir Political Debate By Sara Fritz Los Angeles Times

WASHINGTON As potential rivals begin to size up Colin Powell's possible vulnerabilities as a presidential candidate, an item topping their lists is the then-general's investment a decade ago in a Buffalo, N.Y., television station.

Powell's possible adversaries do not suggest any impropriety on his part. And an examination of the deal does not indicate that Powell's profits roughly 7 percent per year over a decade were out of the ordinary, although he has declined to release the sort of detailed information that would allow a full picture of his finances.

Nonetheless, the investment, and the help Powell received from a wealthy benefactor, does have aspects that contrast with the up-from-the-bootstraps themes of Powell's autobiography.

And because the transaction involved an affirmative action program one that was somewhat controversial even when Powell began his investment and which has become more controversial in recent years the deal could allow rivals to draw him into a politically difficult debate over set-asides.

Powell says he supports affirmative action programs

such as the one that benefited him because they help disadvantaged blacks achieve the American dream and increase minority access to fields such as broadcasting.

Even at the time, however, the minority preference program in broadcasting had many critics who questioned whether the generally wealthy and well-known people able to take advantage of it were the type of persons for whom affirmative action was appropriate. And earlier this year, Congress voted to repeal the program. By that time, the tax subsidies were costing the Treasury an estimated $500 million per year.

The deal to buy station WBKW in Buffalo from Cap Cities began in 1986 with Powell's cousin, J. Bruce Llewellyn, owner of the Philadelphia Coca-Cola Bottling Co. who is believed to be one of the richest black men in America.

The deal was structured to take advantage of a government program that provided large tax subsidies to companies that sold broadcast stations to minorities, and the group of investors assembled by Llewellyn included many of the nation's most prominent black celebrities. Among them were basketball stars Julius Erving and Michael Jordan, relatives of pop superstar Michael Jackson, comedian Bill Cosby's wife, former U.N. Ambassador Donald McHenry, O.J. Simpson, Edward Lewis, publisher of Essence magazine, and Powell, who, at the time, was already a general but little known to the general public.

One unanswered question is precisely how much money Powell put into the purchase. In response to questions submitted by the Los Angeles Times, Powell declined to say how much he invested in WBKW. Llewellyn also declined to discuss the deal's specifics.

Burton R. Rubin, another WBKW investor and Llewellyn's lawyer, said he recalls Powell put in $100,000, which gave him a 1 percent share of the company that bought the station in January 1986. By the time Llewellyn and his partners sold their last interest in the station in 1995, Powell would have received about $250,000 in return for his initial investment, according to W. Don Cornwell, who helped arrange the original financing and who now owns the station. Rubin insists Powell's return was somewhat less closer to $200,000.

(Optional add end)

Llewellyn's group, known as Queen City Broadcasting, invested $10 million of its own money in the $65 million deal. The purchase was financed primarily by a $45 million sale of junk bonds, and a note of $10 million held by Cap Cities. Meanwhile, Cap Cities got a $30 million tax break for selling to a minority-owned group.

Powell and his fellow investors did not profit as much as they might have hoped from the investment. By the late 1980s, as the economy moved into recession, television advertising began a sharp decline. Before long, it was clear that profits would not cover interest on the loans with which the station was purchased.

In 1990, Llewellyn arranged for Prudential Insurance Co., which had bankrolled him in his early career, to buy a 45 percent ownership share of the station. Cornwell purchased the remaining shares of the company in 1993 and 1995, and Powell no longer has an ownership interest in it.

Corporate Group Opposes Telecommunications Bill By Jube Shiver Jr. Los Angeles Times

WASHINGTON A group representing 500 corporate telephone users opposed to the sweeping telecommunications reform bill now pending in Congress unveiled a study Wednesday asserting that Americans will pay $100 more a year than they should for each telephone line if the bill passes.

The release of the study by the Washington-based International Communications Association came as consumer groups gathered in San Francisco and the nation's capital to support President Clinton's recent objections to the controversial telecommunications measure.

``Under this legislation, California consumers will pay more than they should for basic telephone and cable service," Nettie Hoge, executive director of Toward Utility Rate Normalization, said at a San Francisco news conference attended by officials of the American Association of Retired Persons and four other consumers groups.

``Our purpose is to urge President Clinton to veto The Communications Act of 1995 unless it is significantly improved in conference committee where it sits right now."

However, supporters of the measure, including powerful House Speaker Newt Gingrich, the cable industry and the seven Baby Bell telephone companies, contend the legislation will create thousands of new jobs by breaking up the local phone monopoly and letting cable operators, local telephone companies and long distance carriers compete in one another's markets.

``I have absolutely no idea where their numbers are coming from," NYNEX spokeswoman Jamie Depew, said of the telephone study. ``They seem to be saying that competition is going to increase prices. But if you look at electronics and personal computer industry competition has decreased prices not increased prices."

Nevertheless, the study is expected to turn up the heat on an already simmering debate over reform of the nation's 60-year-old telecommunications laws.

The debate, once overshadowed by Medicare and budget issues and confined to Capitol Hill insiders, grew more public last week when Clinton sent Congressional leaders a letter expressing his opposition and urging Congress to change the bill to ``protect consumers from unjustified rate increases for cable and telephone services...."

(Optional add end)

The 28-page telephone rate study released by ICA which represents the University of Nebraska and dozens of computer, automobile and agribusiness concerns compared current telephone rate regulation with proposed rules and forecast that the new legislation will deliver little savings because it will take years for actual local phone competition to develop and force prices down.

``If the proposed legislation passes in its current form," said the study by Hatfield Associates Inc., ``consumers will not see the benefits even though their dollars are being used to pay for the network modernization that is making large productivity gains possible for local telephone companies."

In arriving at its $100 a year figure, the Boulder, Colo.-based research firm measured the difference between current local telephone company revenue and the revenues phone companies theoretically would generate if their prices were set at the lower rates made possible through computerization, lower interest rates and better telephone switches.

The study estimates that difference at $14 billion per year, or $100 for each residential and business telephone line.

THE PRESIDENT HAS SEEN
11-2-95

Lorraine
What do you make of this?
BC

Racial Disparities in Pay Sharpen to a Surprising Degree

THE WASHINGTON POST
THURSDAY, NOVEMBER 2, 1995

By Jonathan D. Glater
Special to The Washington Post

Education may be the key to opportunity, but not necessarily equality.

Despite the increased academic achievement of African Americans over the past 20 years, those with college and graduate degrees have not matched the earnings of their white counterparts.

In fact, throughout the 1980s, the gap between hourly wages paid to blacks and whites with college educations or graduate degrees has widened, according to a recent study by the Economic Policy Institute.

The chart at the right shows that hourly wages of black men and women who have completed college or gone to graduate school have steadily decreased relative to the wages of their white counterparts.

Changes in the economy, the dwindling power of unions and a decline in enforcement of discrimination laws are behind the growing disparity, according to Jared Bernstein, the study's author. Bernstein completed his research for the Economic Policy Institute before joining the Labor Department, where he is now deputy chief economist.

These changes have hurt the earnings of less well-educated blacks, too—but the growth of a gap affecting those with more education suggests that education does not cancel out discrimination, according to the study.

Hourly wages paid to black men with college and graduate degrees have fallen from nearly 102 percent of their white counterparts' wages in 1975, to 92 percent in 1993. In

See TRENDLINES, D16, Col. 1

TRENDLINES, From D13

1989, black degree holders' wages were just 85 percent of white degree holders' wages.

Wages paid to black women show a similar pattern, falling from 111 percent of white women's wages in 1975 to 90 percent in 1993.

At the same time, blacks' scores on the Scholastic Aptitude Test for entry to colleges have steadily improved relative to whites' scores, according to the study. The average black test-taker's math score on the SAT was 72 percent of the average white test-taker's score in 1976 and had climbed to 78 percent by 1990; the average black test-taker's verbal score improved from 74 percent of the average white score to 80 percent during the same period.

And blacks in the 1990s have attended school for nearly as long as whites, closing another gap. But hourly wages have not reflected increased educational levels.

"Labor market analysts expect those variables to go in the same direction," Bernstein said. "Education is supposed to be the great equalizer."

Sectors of the economy that used to employ African Americans in general, the study notes, have contracted as jobs in manufacturing have vanished; blacks have tended to move into lower-paying service jobs, where lack of seniority also has hurt them.

Unions, which in the past benefited blacks disproportionately because blacks were—and are—more likely to be members and more likely to face discrimination, are now weaker, so black employees' wages suffer, according to Bernstein.

While black women could command a wage premium because they had more work force experience than white women in the 1970s, that gap has eroded. And while black men probably enjoyed slightly higher wages simply because of their scarcity in the work force, now there are more black men with college and graduate degrees in the labor market, so greater competition helps keeps wages down.

But discrimination plays a role in Bernstein's story, too.

Bernstein concludes that affirmative action programs should not be scrapped, as some congressional Republicans have maintained. But other academics suggest that formal affirmative action policies and programs are less the issue than are changing attitudes.

"There's just a declining belief in affirmative action," said John Bound, associate professor of economics at the University of Michigan and author of a study similar to Bernstein's. While employers adopted affirmative action policies with some enthusiasm in the late 1960s and the 1970s, he said, now they are more sophisticated and know that they can get out of hiring minorities if they wish.

"How much do I put into getting around the law?" Bound said. "How much am I willing to let [race] influence me, or how much do I feel like I need to bend over backwards to not let that influence me?"

Rather than slackening enforcement of anti-discrimination laws, which Bernstein's study emphasizes, Bound blames a change in popular attitudes: "There is a growing amount of backlash . . . against minority populations," he said.

That sentiment means Bernstein's argument may not find sympathetic ears in today's Congress. But it is unclear whether the "backlash" is sparked by any real gains by well-educated blacks at the expense of whites, according to Bernstein.

Lawmakers Plan to Cut $200 Million From Tax Collectors

By Albert B. Crenshaw
Washington Post Staff Writer

In the business world, a good investment is one that returns more money than the investor puts into it.

With Republicans' emphasis on bringing sound business practices and businesslike attitudes to government, it would seem that putting money into programs that have a net positive return to the government might have strong appeal.

Not so—at least when it comes to taxes.

In the 1996 budget for the Internal Revenue Service, reported out of a House-Senate conference committee on Capitol Hill last week, congressional leaders are preparing to reduce spending for tax law enforcement by $200 million.

The measure is part of a broad appropriations bill for the Treasury Department and Postal Service that is snagged because of a dispute about restrictions on lobbying by nonprofit organizations. Congressional leaders met yesterday to try to untangle that issue, which is not tied to the IRS cuts.

The cuts are not one of those Washington-style reductions that are really increases masked by inflation or some other baseline. Under the measure, the agency's outlays for law enforcement for fiscal 1996 would be below those for fiscal 1995.

The legislators at the same time are giving tax collectors a bit more money for return processing, taxpayer assistance and other management functions, and a heftier boost—though still less than President Clinton had sought—for the agency's ongoing program of modernizing its computers and other data processing systems.

All told, the IRS's overall budget apparently will shrink by a bit more than $100 million this year, and will be more than $750

THE BUDGET BATTLE
WINNERS AND LOSERS

million below the administration's request.

"We've got some concerns about our ability to answer phone calls and provide taxpayer service, but clearly the significant reduction is in tax law enforcement," said IRS Commissioner Margaret Milner Richardson.

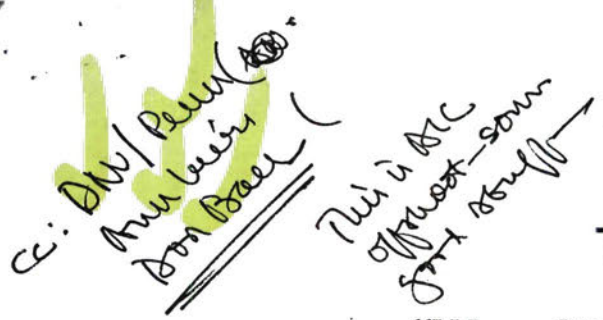
Among the budget casualties is $405 million for the second year of a five-year enforcement initiative that was already beginning to pay dividends, Richardson said. She noted that federal receipts were up 8 percent last year, and while "I won't claim every penny" should be attributed to increased IRS efforts, collections did climb by $1.7 billion.

In general, the IRS figures that $1 spent on enforcement produces $5 in new revenue for the government. But much of the cutting mandated by the budget will be in areas such as automated collections—a telephone system that allows the IRS to dun delinquent taxpayers and taxpayers to work out deals to pay—that generate as much as $30 in revenue for every $1 spent.

Revenues generated by the five-year initiative had been earmarked for deficit reduction, and Richardson said that in the budget process "what has surprised me is there has been focus only on the expense side and not on the revenue side. . . . Increasing revenue would be a quick way to reduce the deficit."

Perhaps legislators are relying on another change that has been inserted in the IRS budget: $13 million to hire private debt collectors and attorneys to go after unpaid taxes. The bare-bones budget item simply directs the agency to spend the money for the private collectors.

IRS officials are not happy about what this might do for the tax system. "I know the IRS is sometimes accused of being heavy-handed, but wait'll [taxpayers] meet Bruno from Jersey City," one agency official said.



The Mission.

"We will relentlessly pursue ideas that will leave Texas and America better off than we found them."

The 21st Century Democrats have *one* mission.

We want to make a measurable difference. We are dedicated to the idea that it is our turn to take on the responsibility of passing on a state and nation that are stronger and provide more opportunity for each individual to become better off than any generation before us.

We reject the narrow partisanism of the past.

We embrace the values of diversity, entrepreneurship, opportunity, accountability, freedom and community.

We are more interested in *progress than politics*.

The 21st Century Democrats will reflect upon our past but will race toward the future.

Those citizens who have already made it will receive our respect. Those who simply cannot make it will get our empathy. But those who are willing to pay the price to *try to make it* will get our heart and soul. For it is now, and always has been, those ordinary citizens who do extraordinary things who make our nation something special.

We will be grass roots. We will seek massive input. We will be bottom-up not top-down driven. We will establish *ownership* of our mission. We will, however, require a commitment of equity from our members, both financial and sweat.

We will be 15,000 to 20,000 strong here in Texas. We will bring in new people. Our strength will come not from the spin of our message but from the *conviction of our mission*...to make a difference. Our mission will be anchored in our core values. Those values will be our perpetual guiding star. And we will focus on those issues that unite people, not divide them. For historically Democrats and visionary Presidents had one thing in common—we were healers, architects and builders.

The following are the four areas upon which our mission will be focused:

- The real opportunity for a lifetime of at least modest *financial security* for those families who are trying to make it.

- A new generation educated and prepared for the extraordinary challenges of the New Economy.

- The relentless quest to make our communities safe and secure for our families.

- The fight against *bigness*...Big government and the powerful special interests. We will relentlessly pursue *real* government reform while championing *small,* individual rights, community-based initiatives, more local control of our schools (especially

empowering the frontline teachers), tax incentives for small business, entrepreneurs and start-ups.

These principles will be our focus. Our challenge. Our reason for being.

The Three Defining Goals of the 21st Century Democrats.

A mission, not a message.

We are more interested in the conviction of our mission than the spin of our message. We are on a mission to leave our state and nation better off than we found them. This means we will focus all our efforts on those fundamental principles and issues that will accomplish this mission, not on the side issues that have a passionate but narrow appeal.

1. The real opportunity for a lifetime of at least modest financial security for those families who work hard and play by the rules, and who really try to make it. (Specific policy and plans of action will be developed.)

2. A new generation educated and prepared for the extraordinarychallenges of the New Economy. (Specific policy and plans of action will be developed.)

3. A relentless quest to make our communities safe and secure for our families. (Specific policy and plans of action will be developed.)

4. The fight against bigness. The champions of small. (Specific policy and plans of action will be developed.)

Candidates and public servants who support the mission.

The 21st Century Democrats will seek out, embrace and support those candidates and public servants who fundamentally support our mission. We welcome the discussion of narrow special interest issues but will not allow those issues to become the "main event." Discipline and focus will guide us. Fifty-one percent of the vote will be our measurement.

New people. New energy. New victories.

The 21st Century Democrats will seek new people—especially the young, the entrepreneurs, and the next generation of business and civic leaders. We will empower them to lead and take on responsibility. This is a new world. And the next generation must have a real stake in the outcome of our mission. Our mission to make a difference will depend on our courage and energy to make it happen. The wisdom of age and the vitality of youth will be the combination that will unlock the door to victory.

THE WHITE HOUSE

WASHINGTON

October 31, 1995

THE PRESIDENT HAS SEEN
11.2.95

MEMORANDUM FOR THE PRESIDENT

FROM: TODD STERN
PHIL CAPLAN

SUBJECT: Responses to Your Questions on Cabinet Report

We have received the following information from Cabinet Affairs in response to your questions on the October 13, 1995, Cabinet Report:

(A) **FAA Update.** Status report from Secretary Pena to Leon on equipment interruptions; funding; personnel; security; legislation; communications strategy.

(B) **Lader memo on rollout for Small Business Enhancement Act.** SBA has been touting Administration's success in passing this Act via targeted trade/specialty press and regional publications; Phil's speeches; local interviews by regional SBA administrators at events like openings of SBA Business Information Centers, One Stop Capital Shops and U.S. Export Assistance Centers. But Phil worries that media is not reporting the central message of your success in increasing capital and improving conditions for small business. He has discussed this with Don and Kitty.

(C) **Gober note on increase in hiring Veterans.** Herschel reports steady increase in numbers of new hires in the government who are veterans: 12% in 1990 vs. 18% in 1994. Jim King at OPM has testified that the principal of veterans' preference is a bedrock value. VA and OPM are working together to publicize the good numbers. Herschel recommends that this positive employment message be worked into your remarks for Veterans Day 1995. We have passed his suggestions on to Don Baer.

THE PRESIDENT HAS SEEN
11-2-95

SMALL BUSINESS ADMINISTRATION

- **Small Business Lending Enhancement Act:** On October 12, you signed into law S. 895 , the "Small Business Lending Enhancement Act of 1995." Depending on final SBA FY96 appropriations, this legislation will enable SBA to guarantee between $9.5 and $12.4 billion in 7(a) business loans, and approximately $2.5 billion in Certified Development Company loans. The new law revises the fees and the percentage of a 7(a) loan that SBA can guarantee. It also slightly increases the fees collected on SBA's Certified Development Company (504 Program) loans. Enactment of this law means that the beneficiaries of SBA loan guaranties -- borrowers and lenders -- will bear more of the cost of their loans, thus saving American taxpayers more than $100 million next year, even as total loan volume increases.

OFFICE OF PERSONNEL MANAGEMENT

- **Republican Attack on Federal Health Benefits:** Director King gave an interview to the *Washington Post* and issued a statement critical of a Republican Congressional proposal that would inflict serious harm on the FEHBP by preventing OPM from negotiating a health benefits package on behalf of federal employees. His comments resulted in a front-page article that exposed the secret Republican plan.

- **OPM Stats Show Increase in Hiring of Veterans:** In last Thursday's White House Veterans Policy Group meeting, OPM presented statistics showing that the number of new hires who are veterans has remained constant and the percentage of new hires who are veterans increased from 12.1% in 1990 to 18% in 1994.

DEPARTMENT OF HEALTH AND HUMAN SERVICES

- **Community Schools Grants:** HHS is working with the White House to coordinate the announcement of $9 million in grants designed to help youth find a "safe passage" to adulthood. The grants go to support after-school, evening, weekend and summer education and recreational programs. Funded under the bipartisan Crime Bill, these are the first of the Community Schools grants, and may be the last because the House and Senate Appropriations bills do not provide continued funds for this program.

- **Teen Pregnancy Grants:** HHS is working with the White House to ccordinate announcement of $3.25 million to 13 community coalitions to work with youth in preventing unwanted teenage pregnancies. The programs will demonstrate ways that communities can create partnerships and organize their own resources to help teens delay sexual activity and prevent initial and repeat teen pregnancies.

- **CDC's "Business Responds to AIDS" Targets AIDS in the Workplace:** In the coming weeks, CDC will launch a national workplace-related public service campaign at a press conference in New York City. The new campaign is part of CDC's "Business Responds to AIDS" and "Labor Responds to AIDS" programs, two public-private partnerships designed to engage the business and labor communities in HIV prevention. Actor William Hurt will tape a public service announcement.

THE PRESIDENT HAS SEEN
11-2-95

THE DEPUTY SECRETARY OF VETERANS AFFAIRS
WASHINGTON

OCT 19 1995

The President
The White House
Washington, DC 20500

Dear Mr. President:

Your Administration has a strong track record of support for veterans employment, in particular, veterans preference in federal employment.

On the 50th anniversary of the Veterans Preference Act, you issued a letter committing to the preservation of the Veterans Preference Act. There has been a steady increase in the percentage of new hires in the government who are veterans. This number has grown significantly (12.1% in 1990 to 18% in 1994) and the Director of the Office of Personnel and Management testified that the basic principal of veterans' preference is a "bedrock value" that will not be changed. Jim King's staff is working closely with the Veterans Service Organizations to modernize and enhance veterans' preference in a reformed government. OPM has released to press these statistics and VA has shared this with, the State Director of Veterans Affairs, Veterans Service Organizations and the Military Coalition.

As we approach Veterans Day 1995, we have an ideal opportunity to disseminate a positive message to veterans, and to the members of the Armed Forces, that you are clearly committed to ensuring that they are provided preferential employment and training opportunities.

I recommend that my staff coordinate with appropriate White House counterparts to develop a message that may be incorporated into a White House press release, a radio address, or your speeches for Veterans Day 1995.

Respectfully,

Hershel W. Gober

Hershel W. Gober

THE WHITE HOUSE

WASHINGTON

October 31, 1995

THE PRESIDENT HAS SEEN
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U.S. SMALL BUSINESS ADMINISTRATION
WASHINGTON, D.C. 20416

OFFICE OF THE ADMINISTRATOR

THE PRESIDENT HAS SEEN
11.2.95

95 OCT 23 A9:29

OCTOBER 19, 1995

MEMORANDUM FOR THE PRESIDENT

FROM: **PHILIP LADER** PL

SUBJECT: **Rollout for the Small Business Enhancement Act**

The Small Business Administration has been amplifying the Administration's success in passing the Small Business Enhancement Act since October 10th. Immediately after the Act's passage, SBA issued a news release regarding, and I targeted several speeches to, the Administration's leadership on SBA reform, small businesses' greatly improved access to capital, and the prospect of your imminent signing of the legislation.

Since then, SBA has been aggressively pitching the story not only to our traditional business news contacts and specialty press (e.g., American Bankers Association, Independent Bankers Association), but also to state and local weekly publications (e.g., Crain's New York and Detroit, city business journals). Notice was sent to many trade associations to include in their membership publications, including the National Association of Government Guaranteed Lenders, whose national convention I will address next week with particular emphasis on your role in initiating and securing increased small business lending. In several interviews this past week (from the Rockford, Illinois, Register to "Good Morning, America"), I have emphasized your commitment to small business, including the Administration's role with this Act, as a principal contributor to the extremely healthy economic environment for small business formation and growth.

Additionally, SBA's Regional Administrators have done interviews in their local markets. They are principally focused on extensive local public events highlighting regulatory reform, the openings of SBA's new Business Information Centers, One Stop Capital Shops, and U.S. Export Assistance Centers, as well as an activity in each of the 105 Empowerment Zones and Enterprise Communities.

The Act's importance and the Administration's leadership in these reforms have been explained on SBA OnLine which receives 140,000 hits per week. Notices are being sent to the 2,000+ delegates to the White House Conference on Small Business as many of them prepare for events across the country on October 27th to discuss the conference's 60 recommendations. And SBA's 75 National Advisory Council members will be requested to convey this message in additional speeches and interviews.

printed on recycled paper

This particular legislation is an excellent example of how the Administration is working with the Congress to achieve a "commond ground." A difficulty I am encountering, however, (and have discussed with Don Baer, Kitty Higgins, and other White House staff) is that, while my immediate audiences hear the linkage I draw between your leadership on small business issues and this remarkable progress, media reports rarely convey that emphasis. I am therefore experimenting with various devices to improve media coverage of your central role in increasing capital and improving conditions for small business.

All of these efforts should also help more entrepreneurs learn about these loans. I appreciate your personal interest in, and support of, this important legislation and SBA's overall work.

THE PRESIDENT HAS SEEN
11-3-95

95 NOV 2 P2:02

THE WHITE HOUSE

WASHINGTON

31 October 1995

MEMORANDUM TO THE PRESIDENT
THE VICE PRESIDENT

Min wage
Work law

CC: LEON PANETTA
ERSKINE BOWLES
GEORGE STEPHANOPOULOS
DON BAER
DICK MORRIS
MARK PENN
DOUG SCHOEN
MAGGIE WILLIAMS
DAVID STRAUSS
SKILA HARRIS

FROM: HAROLD ICKES

RE: CALIFORNIA BALLOT INITIATIVES REGARDING MINIMUM WAGE, GUARANTEED AFFORDABLE COLLEGE EDUCATION, GUARANTEED STUDENT LOANS FOR QUALIFIED STUDENTS, FREEZING UNDERGRADUATE FEES AT PUBLICLY FUNDED STATE COLLEGES AND UNIVERSITIES, AND GOVERNOR WILSON'S PROPOSED TAX CUT.

Attached is a 20 October 1995 memorandum to Harold Ickes, et al, from Mark Mellman reporting on recent polling by The Mellman Group regarding possible California ballot initiatives on the minimum wage, guaranteed affordable four year college education for qualified students, guaranteed student loans for qualified students, freezing undergraduate fees at publicly funded state colleges and universities, and Governor Wilson's tax cut proposals.



TO: Harold Ickes, Doug Sosnik, John Emerson and Wendy Smith

FROM: Mark Mellman

DATE: October 20, 1995

After yesterday's meeting, John Hein of CTA asked me to send you the enclosed memo which discusses some preliminary work we did for them on minimum wage and affordable higher education.

THE MELLMAN GROUP, INC. 1054 31ST STREET NW, SUITE 530 WASHINGTON, DC 20007 (202) 625-0370 FAX (202) 625-0371

THE MELLMAN GROUP

RESEARCH-BASED STRATEGY

Memorandum

To: John Hein

From: Mark Mellman
Eliot Waxman

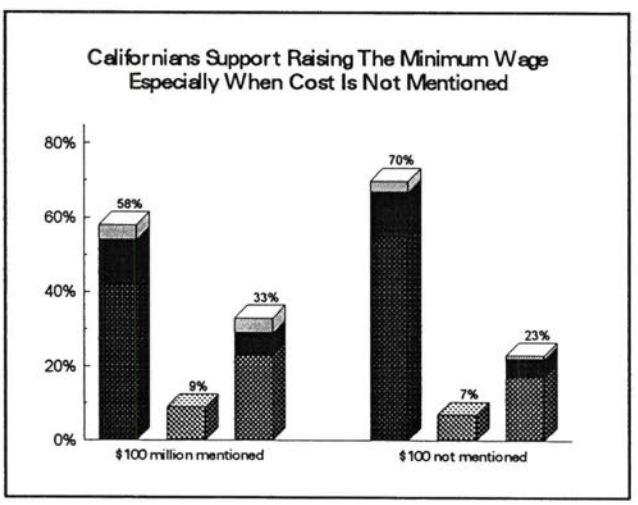
Date: June 1, 1995

Re: Additional Ballot Initiatives

The results of our recent survey show varied support for three potential ballot initiatives. A proposed minimum wage initiative and an initiative guaranteeing an affordable four year college education for qualified students are currently popular, but Wilson's proposed tax cut initiative fails to generate majority support. This memorandum will provide some additional analysis on these three issues.

Minimum Wage

An overwhelming majority support an increase in the California minimum wage when its cost to government is not mentioned. Overall, 7 in 10 (70%) voters say they will vote to increase the minimum wage by $.90 over two years, while only 1 in 4 (23%) will vote no. The intensity of support is strong, as a majority (55%) say they "strongly" support this initiative.



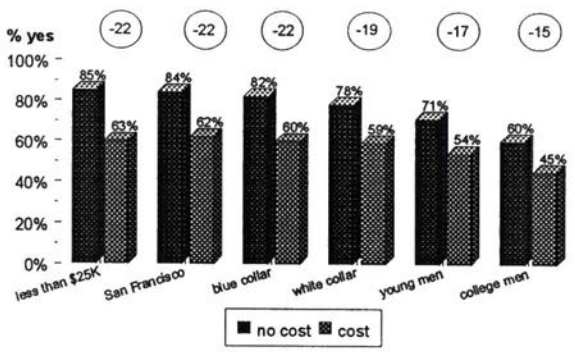
Many of the initiative's most likely supporters are voters who will be the largest beneficiaries of this increase in wages. They include voters with a high school diploma or less (82% yes, 15% no), women (75% yes, 18% no), voters earning $25,000 per year or less

(85% yes, 12% no) and residents of the San Francisco region (84% yes, 10% no). In partisan terms, Democrats (85% yes, 11% no) are more likely than independents (66% yes, 19% no) and Republicans (55% yes, 38% no) to support the initiative, but even majorities of these groups as well as conservative Republicans (52% yes, 41% no) and Republican women (59% yes, 33% no) support the minimum wage increase.

The strong support for this initiative declines significantly when voters learn it will cost state and local governments $100 million annually to increase the minimum wage. A solid majority (58%) still supports the initiative, though this represents a 12 point decline from the level of support that is generated when no cost is attached. One in three (33%) oppose it when cost is discussed -- a 10 point increase over the situation where cost is not described. The intensity of support continues to favor the initiative. Strong proponents outnumber strong opponents 42%-23%.

Much of the decline in support can be attributed to two groups of voters: voters who are generally anti-tax, and voters who are less affluent. Californians representing the former group include young men (17 point decline, 54% yes, 37% no, when cost is mentioned), college educated men (15 point decline, 45% yes, 45% no) and white collar workers (19 point decline, 59% yes, 41% no). The latter group still supports the initiative overwhelmingly, but less so than when no cost is attached. For example, voters earning less than $25,000 per year (22 point decline, 63% yes, 27% no) and blue collar workers (22 point decline, 60% yes, 27% no) still favor an increase but by lesser margins. In addition, voters in San Francisco are 22 points less likely to support an increase in the minimum wage when they know the cost (22 point decline, 62% yes, 29% no).

When the Cost of Minimum Wage Increases Is Mentioned, Some Groups Post Strong Declines



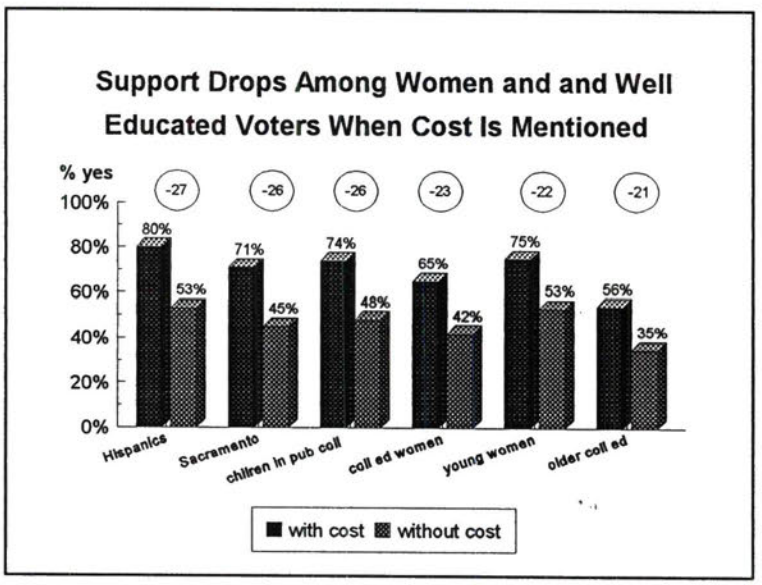
Guaranteed Affordable College Education

The concept of a guaranteed affordable four-year college education for qualified students is popular and Californians strongly support such an initiative when the total cost is not discussed. Overall, 63% of voters support a proposed initiative that would "guarantee that every student in California who meets academic requirements be able to receive a college education at a four-year public university regardless of ability to pay," while 28% oppose it.

The intensity of support favors the proposal's proponents, as "strong" supporters (44%) outnumber "strong" opponents (20%) by more than 2-to-1.

Most likely supporters of this initiative are groups with the strongest interest in affordable higher education. They include women (67% yes, 23% no), young women (75% yes, 15% no), voters with a high school diploma or less (67% yes, 21% no), voters earning less than $25,000 per year, (74% yes, 19% no), voters under 45 years old (68% yes, 21% no), Democrats (75% yes, 19% no) and parents with children in public colleges (74% yes, 19% no).

Here too support for the initiative drops significantly when voters learn the cost associated with the plan ($650 million). Fewer than half (48%) say they will vote yes on the initiative when the cost is mentioned, a 15 point drop. Two in five (39%) say they will vote no when cost is indicated, an 11 point increase. Moreover, the level of intensity for this initiative no longer favors its supporters. Equal numbers of voters are strong in their vote choice on both sides of the issue (28% strong yes, 25% strong no).



Somewhat surprisingly, parents with children in a public college or university are among those who show a disproportionate decline in support (26 point decline, 48% yes, 39% no). Other subgroups exhibiting large declines include: young women (22 point decline, 53% yes, 34% no), college educated women (23 point decline, 42% yes, 42% no), older college educated voters (21 point decline, 35% yes, 53% no), hispanics (27 point decline, 53% yes, 34% no), residents of Sacramento (26 point decline, 45% yes, 46% no) and Los Angeles county (22 point decline, 42% yes, 39% no) and voters making more than $65,000 per year (21 point decline, 42% yes, 49% no).

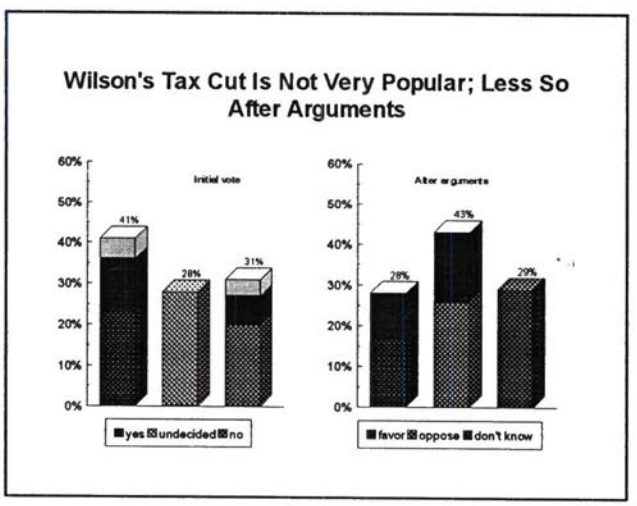
The survey went further in testing the concept of providing guaranteed student loans for qualified students. Voters were read arguments in favor of this idea centering on the increasing student fees and opposition arguments focusing on higher taxes. Half (51%) support providing guaranteed student loans, compared to 38% who oppose this idea. Voters who are the likely beneficiaries of this policy continue to be supportive, but at considerably

lower levels than they are without the push arguments (women: 55%; young women: 59%; young no college: 58%; child in public college: 69%). Voters at the lower end of the income scale -- particularly those earning between $25,000 and $45,000 per year (51% provide loans, 42% do not provide loans) -- are no longer strong supporters of this idea, however.

Finally, we tested the concept of freezing undergraduate fees at publicly-funded state colleges and universities. After hearing arguments on both sides of this issue (rising costs of college vs. higher taxes), 54% of voters say they support freezing student fees, while 32% oppose this idea. There are few demographic differences on this measure, although voters with some college education (66% freeze fees, 17% do not freeze fees) are the most likely supporters of this idea.

Wilson's Tax Cut

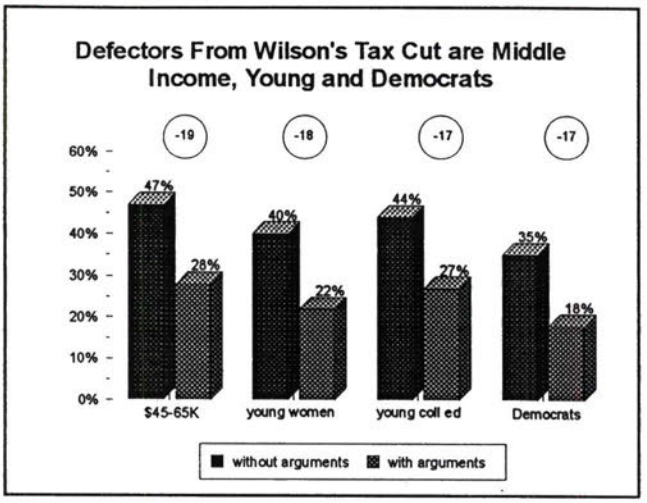
Governor Pete Wilson's tax cut proposal is not particularly popular with California voters. Only a plurality (41%) of California voters support this initiative, while 31% oppose it. Almost 3 in 10 (28%) are undecided. The intensity of opinion is evenly distributed (24% strong yes, 20% strong no) and it is much lower than the minimum wage and affordable higher education initiatives. Not surprising, the strongest supporters of Wilson's initiative include men (46% yes, 36% no), middle income voters earning $45,000 to $65,000 per year (47% yes, 27% no), residents of San Diego (51% yes, 26% no) and Republicans (47% yes, 28% no).



The lack of popularity makes Wilson's tax cut initiative susceptible to an attack based on the financial impact it will have on education -- cutting $4 billion over four years. When voters were read competing arguments about the initiative, a plurality shifted toward opposition. The arguments for the initiative focused on high taxes and cutting government waste, while the arguments against the initiative centered on the consequences of cutting education.

Following the arguments, only 28% say they favor Wilson's tax cut initiative, while 43% say they oppose it. This represents a 13 point drop in support and a 12 point increase in opposition. Among the most likely opponents are voters who are usually strong supporters of education. They include young women (22% favor, 51% oppose), young college educated voters (27% favor, 52% oppose) and Democrats (18% favor, 52% oppose). Democrats are stronger opponents than other partisans, but a plurality of independents (30% favor, 40% oppose) oppose it, and Republicans (37% favor, 36% oppose) are evenly divided on Wilson's proposal.

There are fewer demographic distinctions characterizing the defectors from this initiative than there are with the minimum wage and affordable higher education initiatives. One interesting subgroup that shifts its opinion are middle income voters earning $45,000 to $65,000 per year. Initially, they are one of the strongest supporters of the initiative, but move to strong opponents after hearing the arguments (19 point decline, 28% favor, 46% oppose). Other defectors include young women (18 point decline, 22% favor, 51% oppose), young college educated voters (17 point decline, 27% favor, 52% oppose) and Democrats (17 point decline, 18% favor, 52% oppose).



Jim Dorskind

Please coordinate
the reply with
Elaine Kamarck.

11-3-95
Original to J. Dorskind
m.

PRES has
Not seen

Administrator
General Services Administration
Washington, DC 20405

November 2, 1995

The President
The White House
Washington, DC 20500

Subject: Balanced Budget -- Suggested Additional Non-Program Reductions

Dear Mr. President:

Every time, as a CEO, I found it necessary to make significant cuts in our expenses my staff's initial response would too often be -- "well, what new products don't you want?" "Which sales offices should we close?" These responses were obviously trying to present me with unacceptable or very painful choices. My answer was always the same -- "if there are some products in design that don't look promising -- then cut out the engineering -- but don't cut any products that still look good -- additionally, we're not only not going to close sales offices, we're going to open some more in new market areas -- now tell me how you're going to do that and still take 20 percent out of the costs!"

Mr. President, you have given that same direction! You said that when you asked the Vice President to conduct the National Performance Review three years ago. You continue to set that direction each day. When you say in essence, yes, we must balance the budget, but we must also continue to invest in education, training and a variety of other areas that will assure our Nation's competitiveness in the 21st century. You have and continue to make the correct executive decision -- attempting to set us on the prudent correctional course. The problem is we are not responding. Now, obviously the Republican leadership is not going to respond, because in my view they are using balancing the budget as a disguise for dismantling programs, not fixing them. This is an ideological battle whose belief is rooted in the premise that the Federal Government should have little or no role in much of anything except national defense. The budget is not only a convenient weapon, but also provides a great cover that they hope will avoid debating their position on its merits.

Federal Recycling Program Printed on Recycled Paper

Therefore it comes as no great surprise that they attack programs almost exclusively -- even ones whose demise will not really save much. But I'm afraid we/your Administration have taken the bait, and in the main, we are only defending programs. Certainly many of the programs deserve vigorous defense, however, if that's all we do -- we are missing an additional weapon -- a weapon that returns the debate to the budget -- by offering significant non-program related cuts.

We already have the primary non-program reducing blueprint in front of us -- it's the National Performance Review Report. I recognize that we already rightly claim $50 billion plus in resulting savings with $40 billion plus more to come. However, I believe we still have an additional $50 - $100 billion over seven years that we're not reaping that could be used in the final hard negotiations you have ahead on the 1996 Budget package. The savings come not only from non-program cuts, but also non-people cuts that accrue to us <u>because</u> you have set the Government on a reinventing path. I recognize that they will be difficult to get -- because you will have to take these savings out of the operating budgets of executive agencies and departments and we will each scream that we already have taken these into account. I'm sure most have reduced these areas to some degree, but not nearly what we should!

For example:

1. One-hundred sixty thousand fewer people heading for two-hundred sixty thousand fewer results in approximately 4 million fewer square feet of office space needed per year. At a conservative cost of $20 a foot that equals $800 million per year. Assume we can only capture 50 percent of this space, we still get $400 million per year or $2.8 billion over seven years. GSA is trying to put a program in place to capture these savings but without concerted senior support it will not happen.

2. These fewer people won't need desks, file cabinets, personal computers, travel, paper, phones (and phone calls) etc., the cost of outfitting a Federal worker is approximately a $5,000 one-time cost, and conservatively $1,000 ongoing. We should be able to capture the one-time savings for those agencies that are growing -- forcing the redeployment with obvious excess equipment and save the recurring costs of $260 million per year or $1.8 billion for seven years. Again, this cost will not be captured without a concerted intra-agency program.

Federal Recycling Program Printed on Recycled Paper

Incidentally, in fiscal year 1994 we spent $2.1 billion on transportation, $2 billion on lodging, and $1 billion on meals or $5.1 billion for Federal workers' expenses while traveling on non-military missions. That's $2,200 per person! I'm sure that most of the reduced FTE were probably at lower levels, but even so a significant reduction in travel expenses should be flowing to us automatically.

3. Telecommuting - Some of us have been advocating expanded telecommuting for three years with only minimum success. Private sector data shows major savings in facilities and productivity improvements, as well as a variety of quality of life improvements. For example, these benefits have led AT&T (not a bastion of liberal social programs) to have 38 percent of its eligible workforce now telecommuting

By contrast we have, after three years, only approximately 300 Federal workers in 30 centers and even the goal of 60,000 workers by 1998 is far short of what we could and should do. Thirty-eight percent of the Federal eligible workforce would be approximately 250,000 people. The savings in space alone would be approximately $2 billion over seven years to say nothing of the demonstrated 20 percent productivity improvements as well as the enormous positive effect on families, children, and pollution.

4. Procurement Reforms and Targeted Cost Reductions - One of the most dramatic set of changes of your Administration has been in procurement reform, not only legislatively, but attitudinal. It probably can be argued that we are already claiming the savings in the cost of the procurement process itself within the Government, but I see no evidence of harvesting the savings in unit costs that should also come from these changes. These added savings come from two areas: (1) the same streamlined processes that saves the Federal Government money will also save industry money, and (2) the empowering effect that these changes should have on our procurement officials should make them more aggressive and effective negotiators. Obviously, industry will not volunteer these savings. In my experience it is a common management practice to challenge procurement teams with annual purchased material cost reductions that target at least to offset inflation and, in many cases, yield net savings of three to five percent. The Federal budget process, however, takes inflation rates as given increases and many then try to justify even more cost increases. A three percent reduction from current budget levels for all purchased goods and services would seem quite achievable. I'm not sure what 1996 and out years budgeted purchases are -- but the last data I saw they were approximately $200 billion per year.

Federal Recycling Program  Printed on Recycled Paper

Hopefully they are less due to the shrinking of Government -- maybe to $150 billion. Just offsetting inflation by three percent of even $150 billion equals $4.5 billion per year or $24 billion over seven years.

If we could get another 2 to 3 percent that could double. (Purchased goods and services is the principal target of most CEO's for significant cost reductions or cost control each year!) I'll bet if you and the Vice President challenged the purchasing professionals directly, they would get you even more!! These are top people and in my opinion have never been invited/challenged in a mainstream initiative such as directly contributing to the balancing of the budget.

5. Operating Inventory Reduction - There are $20 - $40 billion one-time savings by increasing inventory turns of consumable inventory levels over seven years. I have continued to point this out much to the distress of many, but it is real and not hard to get at particularly if you turned loose a team of private sector inventory control experts. "Just in time" inventory programs have yielded large returns in the private sector.

They would need high-level support, particularly in the Department of Defense (DOD) and specifically in the logistics management area of DOD. Much of this inventory is turning 2 to 3 times, i.e. (4 to 6 months' supply) -- and should be turning 10 to 12 times (1.5 - 2 months' supply) without any loss of readiness. The savings come from significant changes in the "time to purchase" element of the process including charges in the "readiness to supply" of our vendors -- not from selling off inventories!

Next steps: Using these areas as specific examples, I recommend you direct the agencies and departments to take an additional $10 billion per year ($70 billion for budget balancing purposes) out of non-people and non-mission impacting expenses. I suggest that OMB allocate the reduction to each organization heavily weighted on the basis of purchased goods and services and consumable inventory levels. I suggest you charge the President's Management Council with assuring that specific plans are put in place and implemented. Additionally, you might consider asking a small "Kitchen Cabinet" of CEO's - Paul Allaire, John Young, John Sculley, Jack Welch, etc., to assist the President's Management Council with developing the specific plans.

Federal Recycling Program  Printed on Recycled Paper

I believe this approach has several advantages:

1. I believe these savings (and a lot more) are there, but will not be achieved unless you specifically target them and have the active support of the department and agency heads. OMB cannot do this on their own.

2. It puts the political focus back on balancing the budget and forces the Republican leadership to defend cuts in programs -- that are not needed to balance the budget.

3. It will put new teeth in the reinventing initiatives and put it "front and center" politically where it belongs.

Respectfully,

Roger W. Johnson
Administrator

cc:
Vice President Gore
Alice Rivlin
John Koskinen
Laura Tyson

Federal Recycling Program Printed on Recycled Paper

THE PRESIDENT HAS SEEN
11-3-95

EXPORT-IMPORT BANK
OF THE UNITED STATES

95 NOV 2 P4:40

PRESIDENT AND CHAIRMAN

11-3-95

November 2, 1995

Todd -
Should this be sent to Laura (Tyson) w/ cc to Scheduling?
Yes ✓
No ____
Carol

The President
The White House
Washington, DC 20500

Dear Mr. President:

When we spoke in early October you expressed an interest in visiting Ex-Im Bank later this year. I agree that this would present a terrific opportunity to highlight your Administration's success not just in creating an export mentality in America through the National Export Strategy, but also to show in real, tangible terms some of the things our government can do to make a difference for U.S. companies and American workers.

Since your speech at our Annual Exporters Conference in 1993, Ex-Im Bank has made dramatic reforms which put us on the leading edge of the world's financial institutions. We also have expanded our reach to thousands of exporters, with a 60% increase in transactions for small and medium-sized American businesses. And like other parts of your Administration, we've been re-inventing the way the Bank does business so that we can provide more and better service with fewer people.

Your support of our efforts has been critical--it has allowed us to provide financial support to more private sector companies which has resulted in the creation of thousands of jobs here in America. And it has sent a clear signal to the world that the United States intends to compete hard and win in the changing global economy.

Your international economic strategy is working for America's workers and taxpayers. We would be proud to have Ex-Im Bank play a part in showcasing this success. I'll look forward to hearing from your staff in the coming weeks to make appropriate arrangements.

Best regards,

Ken Brody

Kenneth D. Brody

811 VERMONT AVENUE, N.W. WASHINGTON, D.C. 20571

THE WHITE HOUSE
WASHINGTON

November 2, 1995

MR. PRESIDENT:

We are having a reply prepared for Mr. Brody's resignation letter.

Todd Stern

THE PRESIDENT HAS SEEN
11-3-95

95 NOV 2 P4:40

EXPORT-IMPORT BANK
OF THE UNITED STATES

PRESIDENT AND CHAIRMAN

November 2, 1995

The President
The White House
Washington, DC 20500

Dear Mr. President:

I write to offer my resignation as President and Chairman of the Export-Import Bank of the United States, effective December 31, 1995. Serving our country, especially as a member of your Administration, has been the greatest honor of my career.

I came to Washington because I shared your vision and commitment to creating a government that works better and smarter for the American people. I'm proud of what we have accomplished at Ex-Im Bank and am confident that the Bank will continue to play a critical role in accomplishing the goals of your National Export Strategy.

The world has changed dramatically since our team arrived at Ex-Im Bank in early 1993. Privatization and the explosive growth of emerging market economies now present enormous opportunities for U.S. companies and American workers. Our goal has been to better serve our customers in this new environment and do it in a way that provides real value to the U.S. taxpayer. The results sometime even astound me! The Bank's support for small business exporters has increased 60% over the past two years and our support for private infrastructure projects has become a model around the world. And like other parts of your Administration, we've been re-inventing the way the Bank does business. In doing so, we too, have found ways to provide more and better service with fewer people.

811 VERMONT AVENUE, N.W. WASHINGTON, D.C. 20571

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OF THE UNITED STATES

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811 VERMONT AVENUE, N.W. WASHINGTON, D.C. 20571

Thank you for giving me the opportunity to serve our country and to be part of your team--thank you for having faith in me. I know that you will continue to make a real difference for America and will lead our country into the next century with common sense, compassion and wisdom. I look forward to finding new ways to serve you and the goals that we share.

Best regards,

Ken Brody

Kenneth D. Brody
President and Chairman

THE WHITE HOUSE
WASHINGTON, D.C. 20500

DATE: 11/02/95

TO: LAURA TYSON

FROM: **Staff Secretary**

Do you want to make any comment or just let this go in? Please let me know.

Please note that the Reich cover memo has been revised since you previously received this from us.

Also, how are we doing with Woody?

NOV - 2 1995

137493

MEMORANDUM TO THE PRESIDENT

FROM: RBR

95 NOV 21 P4:28

RE: Suggested speech/ radio address

Lifting wages.

"I'm proud of the 7 and a half million new jobs created under my administration. I'm proud that we've halved the deficit. I'm proud that we've restored economic growth and productivity.

"But I'm mad as hell that ordinary workers haven't yet seen this in their paychecks, and I'm going to fight to make sure they do. My strategy for lifting wages is four-fold: (1) give everyone a chance to get a good education and acquire job skills; (2) raise the minimum wage; (3) cut taxes on low-wage workers; and (4) bring workers into true partnership with employers, giving them bonuses when company profits rise (instead of pink slips).

"The Republican majority wants to move in the opposite direction. They aim to cut funding for education and job training by over one-third. They won't raise the minimum wage. They want to raise taxes on workers earning under $30,000. And they want to give corporations big tax breaks without asking anything in return.

Attachment: Recent speech of Alan Greenspan. Note esp. pp 6-8.

For release on delivery
8:15pm C.D.T. (9:15pm E.D.T.)
October 19, 1995

See pages: 6-8 in particular

Remarks by

Alan Greenspan

Chairman, Board of Governors of the Federal Reserve System

before

The Economic Club of Chicago

Chicago, Illinois

October 19, 1995

I appreciate this opportunity to address The Economic Club of Chicago. Your organization, founded nearly 70 years ago, has a well-established reputation as a valuable forum for discussion of some of the key economic issues facing the Midwest and the Nation. Tonight I hope to continue that tradition by stepping back from the narrower concerns that occupy much of my time to consider some of the fundamental factors that may shape our nation's economic future, perhaps well into the first decade of the twenty-first century.

Ancient soothsayers may have been able to penetrate the future, but unfortunately they chose to vouchsafe precious few tricks of their trade to today's central bankers. The most effective means we have for looking over the horizon is to try to identify which of the forces currently driving our economy are transitory and which are deep seated and likely to persist in the longer term.

One major deep-seated force that we can identify with some assurance is the trend toward an increasing conceptual content of output--the substitution, in effect, of ideas for physical matter in the creation of economic value. The roots of this trend lie deep in human history, but the pace of such substitution probably picked up in the early stages of the industrial revolution, when science and machines created new leverage for human energy. Nonetheless, even as recently as the middle of this century, the symbols of American economic strength

were our output of such products as steel, motor vehicles, and heavy machinery--items for which sizable proportions of production costs reflected the value of raw materials and the sheer manual labor required to manipulate them. Since then, trends toward conceptualization have focused today's views of economic leadership increasingly on downsized, smaller, less palpable evidence of output, requiring more technologically sophisticated labor input. Our radios used to be activated by large vacuum tubes; today we have elegantly designed pocket-sized transistors to perform the same function--but with the higher quality of sound and greater reliability that consumers now expect. Thin fiber optic cable has replaced huge tonnages of copper wire. Advances in architecture and engineering, as well as the development of lighter but stronger materials, now give us the same working space but in buildings with significantly less concrete, glass, and steel tonnage than was required in an earlier era.

The process is interactive. The development of the insights that brought us central heating enabled lighter-weight apparel fabrics to displace the heavier cloths of the past. The breakthroughs in medical research that have revolutionized health care are only the beginning of a long and growing list of almost wholly conceptual elements in our economic output. Indeed, it is perhaps the hallmark of our age that people are talking about substituting computerized "virtual reality" for real-life experiences!

These innovations are the extension of an established and likely irreversible trend. Over the past century, our standard measure of output of goods and services, adjusted for price change, has increased by approximately three percent per year, but the actual physical tonnage of that output has gone up significantly less. The difference reflects the substitution of impalpable concepts for physical volume. The expanding conceptualization of output has also led to a cumulative buildup of productive capital, which has meant less labor input per unit of output. This is a key to increasing productivity and, with it, our standard of living.

The process of conceptualization in output would seem to have accelerated in recent decades with the advent of the semiconductor, the microprocessor, the computer, and the satellite. Under the circumstances, it has puzzled many of us that the growth of output as customarily measured has not evidenced a corresponding pickup. Of course, output may not be measured correctly--a subject I shall return to later. But it also is possible that some of the frenetic pace of change is wheel spinning--changing production inputs without increasing output--rather than real advances in productivity.

A number of commentators, particularly Professor David of Stanford University, have suggested that much of the wheel spinning, if that is what it is, reflects the long time it typically has taken to translate a major new technology into increased productivity and higher standards of living. For

example, electric power, an innovation of the late nineteenth century, apparently did not fully show through in our productivity data (and one must presume our productivity) until the 1920s. Major infrastructure investments and other changes were needed to realize the potential of the new technology. The same may well be true of modern information technologies: New ways of doing business may be necessary to fully exploit the computing and communications tools now at our disposal.

In any event, realizing the full potential of these powerful new technologies is going to depend on the prevalence of another fundamental of economic growth--competition. We seem to have learned in recent years that growth can be hobbled by unnecessary or poorly designed regulation and by protection of business through barriers to free trade within a country and with other countries. Indeed, the unquestioned lesson of the failures of economic development in Eastern Europe after World War II is that government central planning, was incompatible with a vibrant economy. It suppressed the forces of competition and, almost surely as a consequence, stifled economic progress and growth as well. Virtually all of those countries are now endeavoring to build free-market, competitive economies as rapidly as possible.

The incentives associated with a competitive market are critical in determining the degree to which our endowments of natural resources and human skills are turned into wealth. If market forces are inhibited, wealth creation is almost certain to be disappointing.

It is almost surely the case that the development of the computer industry has done more to enhance the efficiency of American business generally than any other recent phenomenon. While the early development of mainframe computers was heavily concentrated in large corporate enterprises, the industry as we know it today owes much to the subsequent birth and growth of many smaller and more dynamic firms.

It is hard to imagine a more competitive environment than that which developed around the scores of small, "garage" based firms that advanced PC and workstation technologies and created the software that was needed to make computers more useful and "user friendly." These firms have created an industry that is the envy of our trading partners. Many of these garage firms went down the wrong path and fell by the wayside. Even the most successful remain vulnerable to the next successful innovation by a competitor. Schumpeter's view of creative destruction is nowhere more evident than in Silicon Valley. Our world leadership in computing doesn't reflect any government industrial policy; and fortunately, there has been no constraining set of regulations that might have stifled it.

If our superiority in producing computer-based technologies persuasively demonstrates the continuing vitality of our economy, why does such a large part of our populace seem discontented and insecure? There are doubtless many reasons, but the very pace of the conceptualization process I described earlier may provide at least a partial explanation.

As computers and various advanced telecommunications technologies have begun to dominate what it is we produce and how we produce it, the average age of our capital stock has undergone a significant decline. Our current capital stock is becoming obsolete far more rapidly than in past years.

The rapid turnover of this capital stock, and the concepts embodied in it, has important implications for the persons working with that capital. To keep up, to retain their full usefulness as operators of capital, workers are having to retool their knowledge and skills to match the accelerated pace of change. Job insecurity has grown as significant elements of our work force are being rendered technologically obsolete. This is clearly much more the case for older workers than their children who seem to have adjusted to the "computer age" much more readily.

Expanding globalization with its attendant increasing share of merchandise imports may also be adding to a sense of increased competitiveness and insecurity. But globalization directly cannot be a big player because it affects only a relatively small part of our work force--factory jobs, which account for fifteen percent of total employment, and some service activities.

Job insecurity, of course, is not a new phenomenon. It has always been prevalent in free labor markets. But it appears to have become particularly pronounced in recent years, perhaps because the rapid pace of technological change, has occurred alongside, and been associated with, the highly publicized

downsizing of many large corporations. Overall job growth has remained substantial despite these layoffs, but that seems not to have relieved the fear of displacement. And that fear has doubtless played a significant role in the slowdown in the growth of labor compensation as workers have in effect sought to preserve their jobs by accepting lesser increases in wages. While disciplined monetary policy is largely responsible for the disinflationary trends of the last fifteen years, subdued wage pressures have doubtless facilitated those trends.

There will eventually come a point, however, when workers will perceive that it no longer makes sense to trade off wage progress for incremental gains in expected job security. The concern about job loss will not have diminished, but there is a limit to how far it can go and hence to its effect on wage increases. At that point, efforts to achieve real wage gains at least commensurate with productivity improvements may exert pressures toward faster nominal wage increases.

Obviously, if an acceleration is accompanied by stable inflation and hence a growth in real earnings, that is all to the good. But we have to be careful not to lull ourselves into the presumption that somehow the institutional structure of the American economy and its increasing globalization is permanently suppressing inflation, and that monetary policy, as we move into the twenty-first century, need no longer be vigilant against inflationary pressures.

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Also contributing to the prevailing dissatisfaction with our economic performance is the unevenness of wage gains in recent years. As output increasingly embodies ideas, labor force adaptation requires education. Not surprisingly, there has been a trend toward rising relative wages for those with higher levels of education. During the past fifteen years, the earnings of college graduates have increased relative to those who are high school graduates and, in turn, high school graduates have continued to open up their advantage over those who are high school dropouts. In fact, an increasing minority of our labor force has experienced real wage decreases, and surely this fact has accentuated unease, despite increases in living standards, on average, for our populace.

Clearly, we must focus on ways to improve the skills and earning power of those who appear to be falling behind. We need to raise the supply of better educated workers if the recent trend toward rising wage dispersion is to be contained. In the long run, better child-rearing and better schools are essential. But in the shorter run, on-the-job training is a critical necessity--to overcome the educational deficiencies of all too many of our young people, and to renew the skills of workers who have fallen behind the rapidly rising curve of technological change. It has become quite apparent that many firms have concluded that it makes more sense to invest in such training than to bid up wage scales in a zero-sum competition for the existing limited pool of well-qualified workers. The bottom

line, though, as I indicated earlier, is that individuals are going to have to be prepared to maintain skills as new procedures and equipment become part of a rapidly evolving economy.

Finally, the changing nature of output also has important effects on how good our statistical measures are in capturing the reality of economic growth and thus our perceptions of it. If we do not know how we are doing as a society, we shall not be able to devise appropriate policy responses to changing environments. The proliferation of cutting-edge technologies is making it especially difficult to measure how well or poorly our economy is performing overall.

We depend on signals from the marketplace to judge what is adding value and providing utility and what is not: The structure of prices and quantities that derive from free-market interactions is a reflection of the relative worth of various goods and services. If people like what they are offered, they will buy, sales values will rise, and the market value of the capital assets that produce those goods will rise as well.

The aggregate market value of goods and services, that is the Gross Domestic Product, is an especially useful measure of our productive capabilities. Its major component, gross business product, is in effect the consolidated net sales of the economy.

These measures are not meant to be definitive measures of the general well-being of a society. Increases in crime and pollution, for example, tend to raise the outlays to combat them

and hence to raise the GDP. Depletion of natural resources in the production process adds to business output and GDP.

GDP is strictly a measure of economic output and, when measured against labor and capital inputs, a measure of productivity. Whatever its shortcomings, it is by far the best proxy that we have for the growth in our living standards.

Our conventional GDP measures for recent years exhibit some indications of a step up in productivity growth. But, in December, the Department of Commerce will officially shift the focus to a new measure of economic growth. In so doing, it will adjust for one bias in the current measure and--all other things equal--the result will be that reported growth in output and productivity in the last few years will be shown to be slower than current measurement formulas have been indicating. I should point out that the new output index has been calculated for some time as an experimental basis; consequently, it should hold no surprises for policymakers. But unless there are offsetting changes in the data owing to other revisions, new figures will accentuate the seeming conflict between the official statistics and what is suggested by the rather compelling reports of productivity improvement we hear from American businesses. This leads to a broader question. Setting aside the narrow technical issues of our formulas for aggregating diverse output, are we measuring the output itself properly? Have we been capturing the new types of value added which do not fall into our conventional accounting categories?

We never had any difficulty in recognizing that an integrated steel mill complex was of economic value, and it was appropriately categorized as capital investment in our gross domestic product. And we could see the addition of a steel mill or similar large capital asset at individual companies reflected in a comparable increment to the book value of the firm. The stock market values of the firm tended, to a greater or lesser extent, to match the book value that standard accounting procedures constructed. In recent years, though, the ratios of market to book values of American companies have risen substantially, and at a pace that appears to be faster than can be accounted for by declines in interest rates and equity risk premiums. What appears to be happening is that the increasingly important additions to the nation's capacity to produce, in the form of new wealth-creating ideas are by convention expensed rather than capitalized.

As a consequence, book values underestimate the true value of an apparently rising proportion of our companies. And because such outlays are also expensed in the construction of the GDP, it, too, increasingly underestimates the market value of goods and services. For example, capitalizing that part of corporate software outlays that are currently expensed would add--probably significantly--to measured capital investment. The same would be true of similar types of outlays that are currently expensed, such as those for research and development, some technical work force training, and other conceptual inputs. To

be sure, the net domestic product would not increase by the full amount of capitalization, because a substantial increase in depreciation is also implicit in such changed accounting procedures.

Clearly, we should allow market valuations, where they exist, to dictate what is capitalized and what is not, rather than leave it to accountants and accounting practices. It is market values that generally reflect what an economy believes is of value to it. In this context, it is reasonable to conjecture that our productivity and output have been growing faster than our existing data imply.

Even with such adjustments, we may still not be fully capturing the improvements in economic value and well-being that occur as a consequence of the extraordinary innovations in technology of late. Arthroscopic surgery has significantly shortened hospital stays and the quality of recovery from such surgical procedures. Supermarket check-out lines have been speeded, as have the accuracy of computation and payment. These types of value added, which enhance the quality of life, are not captured by our conventional national income accounting. Similarly, while mobile phones, cable TV, and satellite transmission are included, in part, in many of our measurements, the greater opportunities that they bring cannot be appropriately embodied in current GDP measurements. Moreover, the innumerable conveniences that have enhanced leisure and made day-by-day living less onerous are not captured either. While such factors

have always been mismeasured in our GDP to an extent, and there is the possibility that some elements of our GDP are overestimates, one gets the impression that, with increased conceptualization the relative bias has been increasing. The implication is that, properly measured, economic output has been growing faster than conventional measures suggest.

Moreover, as we move into the twenty-first century, there is scant evidence that the nature and pace of change is likely to slow materially. To be sure, the most visible force of recent change, the continuous downsizing of microprocessors, and hence computer and telecommunications equipment, may increasingly encounter physical limits. But almost as surely, new technologies will emerge, not now visible.

What we do know is that, excluding the sorrowful period of the Dark Ages, human knowledge has rarely been lost, nor technology reversed, and so one can presume that we will evolve in the twenty-first century and beyond in ways not now foreseeable. We can anticipate change to be pervasive and, if competitive forces are allowed free rein, and our fiscal problems resolved, we can expect ever higher living standards for all Americans.

Will Americans adjust to a frenetic pace of change and allow it to happen? While we have in the past, and almost surely will in the future, it is important that we recognize that adjustment is not automatic. We have episodes in recent human history where, for example, pressures of change were not easily

absorbed and people chose what appeared to be a greater degree of security rather than competitive challenge. Competitive forces create uncertainty and dislodgment, but they also bring with them an enhanced quality of living and the increased economic abundance so necessary to confront the problems that exist in societies throughout the world.

The advent of the twenty-first century will certainly not bring an end to the challenges we are facing in a rapidly changing world. From my viewpoint, however, there are a number of positive things happening in our economy now, that make it more likely that we shall be well positioned to meet those challenges successfully.

S—
p/s sent ~~Fax~~
~~I~~ to Harold
+ George (w/o
attachment for
George)
1.

THE WHITE HOUSE

WASHINGTON

November 2, 1995

Harold --

Consistent with what I told you, I am not getting into the editing business and I promptly sent this and the other package John forwarded to me to the President. (I have not received either one back yet.)

However, for the record, I want to share with you my view that it sounds truly rotten -- unpresidential, un-leaderlike and borderline unseemly -- for the President to send a letter talking about his own poll ratings. Sending the Greenberg memo is a fine idea, but couldn't somebody else, anybody else, do the cover? Carville, Ann Lewis, whomever.

If anyone wanted fodder for the argument that the President is more interested in following his polls than leading the country, this is sure nice material.

Todd

cc: George

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Todd

cc: George

not sent to POTUS

Clinton/Gore '96 Primary Committee
MEMORANDUM

TO: John Sutton

FROM: Kim Cubine, Director of Marketing and Direct Mail

DATE: October 31, 1995

RE: November Poll Package

Each person should initial his/her name to indicate authorization/changes after reviewing attached direct mail copy. The approval deadline is Wednesday, November 8, 1995. Kim can be reached directly at (202) 496-4804 or via pager 1-800-skygram (175-7912).

____ ok as is } Ron Klain: _____ Date: _____
____ ok w/changes }

____ ok as is } Bruce Lindsey: _____ Date: _____
____ ok w/changes }

____ ok as is } WH Counsel: _____ Date: _____
____ ok w/changes }

____ ok as is } Doug Sosnik: _____ Date: _____
____ ok w/changes }

____ ok as is } G. Stephanopolous: _____ Date: _____
____ ok w/changes }

✓ ok as is } Todd Stern: DOBS Date: 11/2/95
____ ok w/changes }
TSLT SEE ATTACHED NOTE

____ ok as is } Harold Ickes: _____ Date: _____
____ ok w/changes }

The attached copy has been reviewed and signed off by Lyn Utrecht and Frank Greer.

MEMORANDUM:

TO: Harold Ickes, Deputy Chief of Staff

FROM: Kim Cubine, Director of Marketing & Direct Mail

DATE: October 31, 1995

RE: November "Poll Package"

CC: Laura Hartigan, National Finance Director

Attached is the draft copy for the November Poll package. To accommodate last minute poll standings and General Powell's candidate decision, the memo portion will be lasered. At the time of the mailing the most recent poll standings will be lasered in. Two versions of this letter have been drafted to reflect the Powell decision. To raise the needed funds by the end of the year, this letter will have to drop the third week of November. Therefore, we will need to have both versions approved by the White House by 11/8/95.

Concept: The President's poll standings have improved in the past few months - much of this due to the exposure of the Republican agenda. This package is modeled after one of our most successful packages that was mailed earlier in the year. Our donors really respond to informational memos -- they feel included and close to the campaign.

Both packages have been reviewed and signed off by Lyn Utrecht and Frank Greer prior to White House distribution.

Target Audience: House File (C/G '96 Direct Mail/TM Donors)

Quantity: 150,000

Mail Date: late November

Edit/Approval Date: Wednesday, November 8, 1995

Signature Request: President Bill Clinton

Projected Gross: $350,000

Package "A": Powell In **Package "B":** Powell Out

If you have any questions, I can be reached directly (202) 496-4804 or via fax at (202) 496-4848.

Package "A"

Bill Clinton

Mr. John Q. Donor
123 Any Street
Anytown, USA 00000

Dear Mr. Donor:

The 1996 election day is now one year away. And thanks to your help and support, we enter this campaign in far better position than anyone predicted.

To give you a briefing on our progress, I have asked our pollster, Stanley Greenberg, to prepare the enclosed memo outlining our current situation, recent changes in public opinion and my standing relative to several potential opponents.

The news in Stanley's memo is largely good. My job rating has improved. By substantial numbers, voters prefer our approach to major issues over the proposals being offered by the Republican Congress. If the election were held today, we would probably prevail.

But as you read this encouraging report, the first waves of Republican television ads are airing in Iowa and New Hampshire. In the weeks ahead, this advertising will increase to saturation levels in many states and these ads will distort my record and diminish all that we have accomplished.

Some supporters have asked me why we need to raise funds when we have no opponent in the Democratic primary. Unfortunately, our problem is ten Republican opponents, most of whom will focus their sharpest attacks in my direction. And together, these candidates will outspend us by a huge margin.

As we approach the end of 1995, we have set an ambitious fundraising goal to ensure that we have the money to respond in the primary campaigns ahead. Your generous year-end contribution would make a big difference in helping us meet this challenge.

Thank you again for your friendship, confidence and support. And please help me continue the progress we are making by returning a year-end contribution today.

Sincerely,

Bill Clinton

"A"

Year-End Contribution Reply

To: *President Clinton*

From: *John Q. Donor*
123 Any Street
Anytown, USA 00000

Thank you for the briefing on recent polling about the presidential campaign. I understand that we are in a close race and must continue the progress we are making. That is why I want to help your campaign by making a special year-end contribution in the amount of:

1 HPC 1 1.5 HPC 1 2 HPC 1 Other: $_____

Please make checks payable to: Clinton/Gore '96 Primary Committee, Inc. P.O. Box 57277, Washington, DC 20037.

The Clinton/Gore' 96 Primary Committee may be eligible to receive federal matching funds of up to $250 for contributions from an individual, personal account. Contributions from spouses drawn on a joint account may be matched up to $500 if both spouses sign the check or the response card. The campaign cannot accept PAC, corporate or union contributions. The maximum contribution level in a presidential campaign is $1000 per individual.

Please be sure to fill out the required information below.
Federal Election law requires political committees to report the name, mailing address, occupation and name of employer for each individual whose contributions aggregate in excess of $200 in a calendar year.

Occupation:_____

Name of employer:_____
[ ] Check if self-employed.

Your contribution will be used in connection with Federal elections and is subject to the limits and prohibitions of the Federal Election Campaign Act. Your contribution is not tax-deductible as a charitable contribution for Federal income tax purposes.

"A"

Memorandum

TO: Key Supporters

FROM: Stanley Greenberg

SUBJECT: Recent Polling

DATE: November __, 1995

The President has asked me to prepare this briefing for you and other key supporters of the 1996 campaign. Today, as we stand one year from the 1996 general election, the President's position is strengthening -- particularly in comparison to Republicans in Congress. Let me give you a brief overview of the most important measures.

Job Performance

The public's appraisal of the President's job performance has improved over the course of the year. The following chart shows the president's job performance rating in March and October as measured by the CNN/USA TODAY/GALLUP poll.

Clinton Job Performance	March '95	October '95
Approve		
Disapprove		

There remains a core of voters who are adamantly opposed to the President and view his performance in negative terms. But as the above chart indicates, the President's positive ratings continue to increase and his negative ratings continue to decline as the public reacts to the Republican agenda. This trend should continue as the debate on the radical Republican legislative plan goes on.

"A"

Clinton v. Congress

Perhaps the most important political barometer at the moment is the degree to which the public trusts the President over Republicans in Congress on most issues. It is on this crucial measurement where the President has made his greatest progress.

Early this year, large majorities of Americans believed the Republican leaders in Congress would do a better job in handling the economy, fighting crime and reducing the deficit. Even on traditional Democratic issues like improving education, protecting Medicare and preserving the environment, Republicans pulled strong numbers relative to the President although the President maintained a slight edge.

Now, the situation has dramatically reversed. On traditional Democratic issues like education, the environment and Medicare, voters trust the President over the Republican Congress by large margins. On other issues, the President has made serious gains. The President has risen nearly 20 points in polls showing the public's confidence level on the handling of the economy and cutting the deficit.

In particular, Republican proposals to deeply cut the Medicare program are taking a toll on their standing. As this issue occupies center stage, their problems could grow worse.

	Time/CNN	CNN/USA TODAY/ GALLUP
Economy		
Education		
Deficit		
Medicare		
Crime		

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Candidate Match-ups

There are a number of published polls showing President Clinton winning head to head races with Bob Dole, the leading Republican contender. Two of the more recent results are shown below.

	Time/CNN	CNN/USA TODAY/ GALLUP
Clinton		
Dole		

These numbers are especially encouraging since Dole was leading in the matchups earlier in the year. Now that Colin Powell has announced his intentions to seek the Republican nomination, the poll numbers are very close.

However, the recent wave of publicity surrounding Colin Powell's announcement finds him at the peak of his popularity -- naturally his poll standings will decline as his positions become public.

Our own polling shows the President leading any current Republican contender in a three way race, but the numbers are very close.

Should Ross Perot seek the Presidency on the Reform Party ticket or should a viable independent candidate toss his/her hat in the ring, the impact is very positive for the President according to almost all published surveys. Perot draws many votes from the Republicans but very few from the President.

	Time/CNN	CNN/USA TODAY/ GALLUP
Clinton		
Powell		
Third Party		

	Time/CNN	CNN/USA TODAY/ GALLUP
Clinton		
Dole		
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Conclusions

All of us who support the President have good reason to be encouraged by these numbers. The President's public standing is growing and the standing of his opponents and their agenda are slipping. Nevertheless, the race remains a close contest with much time remaining and many pivotal events ahead.

As 1996 gets underway, our challenge will be to spread the word about the accomplishments of this Administration and counter the Republican smear advertisments through grassroots efforts and an aggressive media campaign. As the polls reflect, the campaign's early media efforts have been successful.

President Clinton is fighting back and gaining ground. But we can't slow down -- the President must continue to fight for his common sense change and to force the Republicans to expose their agenda.

Package "B

Bill Clinton

Mr. John Q. Donor
123 Any Street
Anytown, USA 00000

Dear Mr. Donor:

The 1996 election day is now one year away. And thanks to your help and support, we enter this campaign in far better position than anyone predicted.

To give you a briefing on our progress, I have asked our pollster, Stanley Greenberg, to prepare the enclosed memo outlining our current situation, recent changes in public opinion and my standing relative to several potential opponents.

The news in Stanley's memo is largely good. My job rating has improved. By substantial numbers, voters prefer our approach to major issues over the proposals being offered by the Republican Congress. If the election were held today, we would probably prevail.

But as you read this encouraging report, the first waves of Republican television ads are airing in Iowa and New Hampshire. In the weeks ahead, this advertising will increase to saturation levels in many states and these ads will distort my record and diminish all that we have accomplished.

Some supporters have asked me why we need to raise funds when we have no opponent in the Democratic primary. Unfortunately, our problem is ten Republican opponents, most of whom will focus their sharpest attacks in my direction. And together, these candidates will outspend us by a huge margin.

As we approach the end of 1995, we have set an ambitious fundraising goal to ensure that we have the money to respond in the primary campaigns ahead. Your generous year-end contribution would make a big difference in helping us meet this challenge.

Thank you again for your friendship, confidence and support. And please help me continue the progress we are making by returning a year-end contribution today.

Sincerely,

Bill Clinton

"B"

Year-End Contribution Reply

To: *President Clinton*

From: *John Q. Donor*
123 Any Street
Anytown, USA 00000

Thank you for the briefing on recent polling about the presidential campaign. I understand that we are in a close race and must continue the progress we are making. That is why I want to help your campaign by making a special year-end contribution in the amount of:

1 HPC 1 1.5 HPC 1 2 HPC 1 Other: $_____

Please make checks payable to: Clinton/Gore '96 Primary Committee, Inc. P.O. Box 57277, Washington, DC 20037.

The Clinton/Gore' 96 Primary Committee may be eligible to receive federal matching funds of up to $250 for contributions from an individual, personal account. Contributions from spouses drawn on a joint account may be matched up to $500 if both spouses sign the check or the response card. The campaign cannot accept PAC, corporate or union contributions. The maximum contribution level in a presidential campaign is $1000 per individual.

Please be sure to fill out the required information below.
Federal Election law requires political committees to report the name, mailing address, occupation and name of employer for each individual whose contributions aggregate in excess of $200 in a calendar year.

Occupation:_____

Name of employer:_____
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