

EDITORIAL

Crimefighter

Mark Stodola takes his oath of office seriously. Like the marshal in the old Westerns who won't surrender his prisoner to the lynch mob, our fighting prosecutor defies the Kenneth Starr gang in order to pursue the cause of justice. In this case, it is the lawman trying to lay hands on the accused, and the mob that is shielding him, but the principle is the same: The rule of law must be upheld.

Starr is desperate to protect the liar and convicted felon, David Hale, who will be Starr's main witness against Gov. Jim Guy Tucker in what has come to be known (inaccurately) as the Whitewater affair. Starr has kept his dog hidden since Hale pled guilty to felony fraud charges in March. Hale has not been sentenced, and won't be until after the Tucker trial, assuring Starr's control of him.

Those were federal charges, however. According to state Insurance Commissioner Lee Douglass, Hale has also fractured state laws against insurance fraud. Douglass asked Stodola to prosecute. Fearful that his own deal with Hale might be endangered, Starr pressured Stodola to lay off. He even brought in a big-shot Washington lawyer who reportedly made a scarcely veiled threat that Stodola himself could be prosecuted for obstruction of justice unless he stayed away from Hale. (Typically, Starr lied about his efforts, denying he'd asked Stodola not to prosecute, until press reports forced him to come cleaner.)

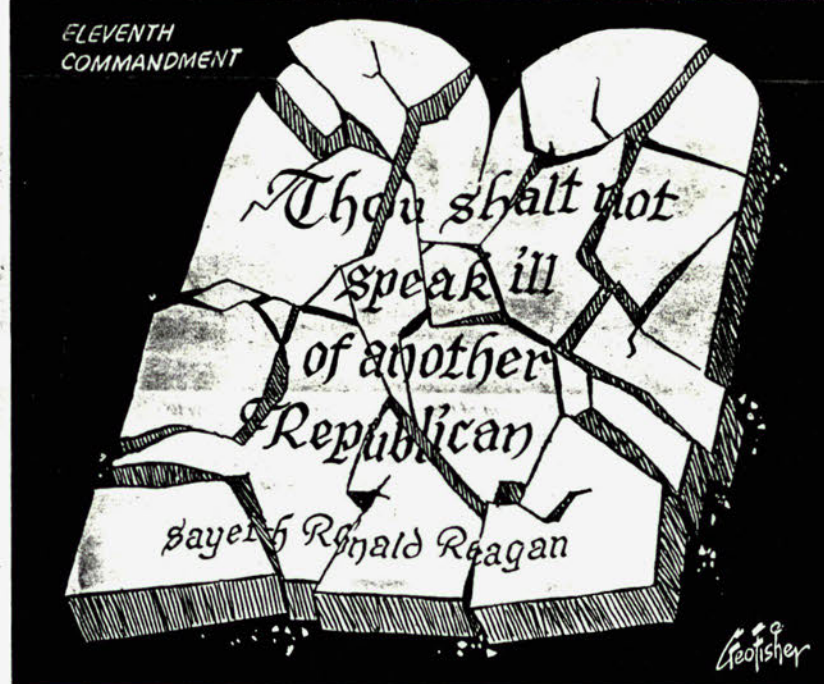
Stodola declared his independence from Starr in a letter that deserves study in civics classes:

"I understand your preference is that this issue [Hale's alleged violation of Arkansas law] be addressed at Hale's federal sentencing; however, I cannot oblige. ... It is not logical to presume that uncharged, unacknowledged criminal conduct on the part of Mr. Hale will be punished, particularly in light of your plea agreement with Hale which requires that you recommend leniency to the Federal Court in exchange for his co-operation with your prosecution. I do not believe, on the one hand, that a downward departure from the federal sentencing guidelines can be requested while, on the other hand, a request can be made that the Court increase Hale's sentence because he also violated state law. The two legal positions are impossible in conflict with each other.

"... I will not allow my office, the state Insurance Department, the Little Rock Police Department or myself to be drawn into the political crossfire of your upcoming trial of ... Governor Jim Guy Tucker. ... I am requesting your cooperation in the service of the state arrest warrant [for Hale] when appropriate."

This is risky business for Stodola. Starr and his superiors in the Republican Party seek revenge on those who oppose them. But duty leaves an honorable man no choice. The Kenneth Starrs never understand that.

ELEVENTH COMMANDMENT



GEORGE FISHER



MAX BRANTLEY

Lessons from the mock trial

A few more words about the mock trial in which Whitewater Prosecutor Kenneth Starr tested his case against Gov. Jim Guy Tucker and Jim and Susan McDougal:

Such practice proceedings are routine in big-time litigation, but usually secret. In this case, word leaked out within days of the 12-hour proceeding Jan. 27. Initial reports said the mock jury had convicted the McDougals, but acquitted the governor.

Three weeks later, an anonymous juror came forward to tell the Arkansas Democrat-Gazette that earlier reports were inaccurate—Tucker had been convicted, he contended. In a suspicious coincidence, this report appeared the day 180 potential jurors began the real jury selection process in a Little Rock federal courtroom.

Based on accounts of four other people directly involved in the process, here's what really happened:

Two separate juries heard the abbreviated case. One jury acquitted Tucker with dispatch. The other jury, though it included some rabidly anti-Tucker members (the anonymous juror above probably included), initially acquitted Tucker. Then the consultants staging the proceeding began pressing the jurors to explain their decision and added new information. Suffice it to say the Constitution bars such a twist from real trials. Even with the new information, one juror held out against conviction. In the real world, that's called a mistrial.

Don't presume too much from these verdicts. The membership of the panels was not tightly screened.

Jurors apparently included some politically savvy types who were well aware, for example, of the partisan motivation of Prosecutor Starr.

Such proceedings are still important in that they focus the lawyers on strengths and weaknesses of a case. Such as: the jury turned toward convicting Tucker after hearing the allegation that he had been an attorney for several of the companies connected with sour business deals tied to Madison Guaranty Savings and Loan.

Also, nobody found David Hale—as portrayed by an actor—very convincing. "The only real evidence they had against Tucker was the word of David Hale," said one mock juror. "Here's a man charged with a zillion counts of God knows what all and we're supposed to take his word?"

The jury also reacted unfavorably to learning that Hale, though having admitted to felonies nearly two years ago, had not only not gone to jail, he has been having his living expenses—rent, dry cleaning, food and auto—paid by the federal government. Meaning taxpayers.

One juror noted, too, that Jim Guy Tucker had paid back loans for which he was personally responsible. And, the juror said, the government had not made clear exactly what Tucker supposedly had done wrong.

Is the leak of these jury findings unfair? To a limited degree, perhaps. But jurors are required to consider only the facts before them. And, in the end, there's no greater prejudice against a defendant than being charged with a crime in the first place.

ArkansasTimes

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be designed to be invisible to outsiders, and the Iraqis would bring to this effort a detailed understanding of the shortcomings of the U.N. monitoring regime and foreign-intelligence services—gained through five years of cat and mouse. Moreover, the manpower base and infrastructure required for weaponization is quite small and thus potentially difficult to

gyroscopes found their way to Baghdad.

This incident—which should set red lights flashing in capitals around the world—confirmed many people's worst fears: that there are people in the Russian government who will sell weapons materials for the right price. This incident also confirmed what many peo-

are necessary regime before menace to w

The writer is Washington specializing

Robert D. Novak

Disciplined Choice For Clinton

The frozen smile on Bill Clinton's face as he announced his nomination of archconservative Republican Alan Greenspan to a third term as Federal Reserve Board chairman belied the reality that the president was dragged kicking and grumbling to this decision.

Clinton really did not want to name Greenspan. He is reported by White House sources to be more piqued with the Fed chairman than anybody imagines. He complained how impossible is Greenspan's fixation with inflation and uninterest in generating economic growth.

But Clinton is more pragmatist than ideologue, more politician than theorist. Treasury Secretary Robert Rubin, the financial world's emissary to the Clinton administration, insisted to the president that Greenspan was necessary to prevent adverse market reactions. Wall Street rumblings when Clinton appeared to be splitting from the central bank may have clinched Greenspan's retention.

This is the third instance of a president reappointing a Fed chairman originally named by a predecessor of another party, but its significance is who accompanied Greenspan at the Thursday afternoon unveiling. The two other nominees—federal budget director Alice Rivlin and economist Laurence Meyer—can be counted on to largely support Greenspan's caution.

Consequences for Clinton in this election year are profound. If government and blue-chip forecasters are wrong again and the economy goes into a downturn or even a full-fledged recession, the president can no longer blame the central bank. It is his central bank now.

The Clinton administration's fixation on the bond market as the answer to economic growth has seemed strange to congressional Democratic leaders, some White House aides and perhaps the president himself. When Clinton invited Greenspan to sit with the first lady at his first presidential address to Congress, he was hoping Greenspan would accommodate the president's big tax increase with interest-rate cuts. He was sadly mistaken.

Clinton is known to believe the Greenspan Fed tightened money two times too many after the inflation tiger had been caged. But under Rubin's tutelage, the president held his tongue and—usually—did not repeat President George Bush's mistake of bashing the central bank.

The restraint did not work. Alan Blinder, Clinton's conventional liberal choice as Fed vice chairman, was bitterly disappointed in failing to generate an easier money policy and retreated after two years to his professor's chair at Princeton.

Blinder had been confirmed by the Senate while it was still under Democratic control, and he probably could not have been approved by the current Republican majority. Clinton was not serious about the never-consummated but widely rumored nomination as vice chairman of liberal New York financier Felix Rohatyn (who was opposed on the inside by Rubin). Republican senators, led by Florida's Connie Mack, made clear that anybody so unenthusiastic about assailing inflation as Rohatyn never would be confirmed.

Clinton's political discipline sometimes deteriorates when he addresses Democratic fund-raisers, and that's what happened in New York on Feb. 14. The president not only vented his spleen about the "outrageous political treatment" by the Republican Senate for the Rohatyn nomination that he never intended to make. He also took dead aim at the Federal Reserve by denouncing "the conventional wisdom about how fast this country can grow."

Treasury officials shuddered, and bond dealers were aghast. On top of that, markets last week misinterpreted Greenspan's typically Delphic testimony to Congress as indicating there would be no further interest-rate cuts. Bond prices fell.

That guaranteed Greenspan's nomination. Clinton, who had been rejecting his staff's suggested nominations to the Fed as less than impressive, feared the Senate would confirm Greenspan and reject any two other selections. He prevented that from happening when he talked a reluctant Rivlin into becoming a central banker. She and Meyer are certain to be confirmed.

The Fed's conservative incumbent governors thought they had died and gone to heaven. They did not much like Blinder and dreaded Rohatyn. But Rivlin is a deficit-hawk who is not admired by White House liberals, and Meyer last year was a consultant for House Republicans. The most aggressive advocate of growth among Fed governors may be Lawrence Lindsey, a Republican supply-sider who was a Bush White House aide. That's Bill Clinton's central bank.

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William Raspberry

Buchanan's Ta

Let me say it plain: I don't like Pat Buchanan. I despise his politics and his political tactics. I find him arrogant and demagogic. If he's not a full-fledged racist, he is as close to the real thing as I ever want to see.

But there's something else that needs to be said with equal clarity: Pat Buchanan is raising an issue—economic insecurity—that goes to the very heart of American politics in the late '90s. It would be a huge mistake to imagine that his success in the early phase of the presidential primaries is due mainly to the malevolent influence of racists.

Jesse Jackson understands what I'm talking about.

"I was waiting for a plane the other day," he told me, "and I saw these workmen loading baggage on a big airliner. Huge amounts of baggage were going up that conveyor belt into the belly of the plane. But when it came time to take off, the engines were strong enough to lift that plane—passengers, baggage and all."

"There's no question Buchanan has an awful lot of baggage. But the economic fear that is driving his campaign has

Jonathan Dean

Case for the I

The United States is leading the push for trials on Bosnia as it led the push for war crimes trials against Nazi Germany. Pressure from the United States, it is do trial for the crimes committed in Bosnia would take place, as it must. But before trial begins, it would be prudent to give scope and duration of international political effects in Bosnia.

It is entirely appropriate that a limit political and military leaders from former placed on trial for deliberate, widespread people solely on the basis of their men ethnic group. This crime is classic genocide prosecuted both for the sake of those who their friends and relatives, and for the sake will live in the future. But, as with the trials, the emphasis should be on trying leaders, avoiding the social and political that would come with protracted trials of ers or efforts to find and punish each guy. After it tries the top leaders, the tribunal and, to meet unsatisfied requirements for er, different process of reckoning and per ability should take its place.

The international tribunal investigating former Yugoslavia headed by Italian judge Cassese, with South African Richard chief prosecutor, has indicted 45 Serb Croats but has only one low ranking Serb its seat in the Hague, the tribunal is now two other Serb officers recently arrested an government in an action that has severe the Dayton process.

NATO Commander Adm. Leighton Smit that the mission of his forces does not extend out war criminals in order to arrest them attempt this now probably would cost lives the issue is still unresolved after the military in Bosnia has stabilized and most of the of NATO forces have been carried out, I should arrest the two Bosnian Serb leaders Karadzic and Ratko Mladic and hand them tribunal. These men clearly played a leading when genocidal acts in Bosnia were being and have been indicted by the international probably responsible. Both should be

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2/27/96

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THE WASHINGTON POST

MONDAY, FEBRUARY 26, 1996 A17

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THE FEDERAL PAGE

PAC DONATIONS FOR FRESHMAN HOUSE MEMBERS RISE

House freshmen, many of whom won election on pledges to alter the way government works, received more than \$24 million in campaign contributions in 1995 — 40 percent of which came from special interest groups, a new study shows.

"Rather than changing business-as-usual in Washington, many freshman members have simply become master players in the special interest influence money game," said Ann McBride, president of Common Cause, the group that studied the donations. "Freshman representatives must live up to their promises to reform the corrupt campaign finance system."

The Common Cause study, which examined records filed with the Federal Election Commission, found that these freshmen head into their first reelection

campaigns with roughly twice as much money, on average, than the last freshman class in the House.

The Common Cause study found that political action committees — the lobbying and political arms of corporations and organizations — were big players in the giving game.

And more often than not, Republican freshmen were the big recipients.

Common Cause found that 18 of the 20 top fund-raisers are Republicans, including Jon Christensen of Nebraska, who led the field with \$686,181 in total contributions.

Second was Thomas M. Davis III of Virginia, who took in \$644,016; John Ensign of Nevada was third with \$626,053.

The only Democrats in the top 20 were Bill Luther of Minnesota, ninth with \$444,781, and

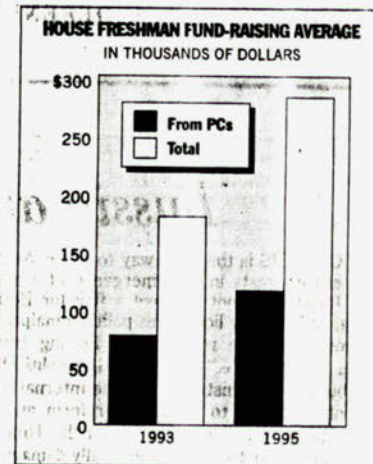
Patrick J. Kennedy of Rhode Island, who received \$425,629 to rank 13th.

The study also found that 22 of the freshmen raised more than 50 percent of their total contributions from PACs. On a total-dollar basis, Nevada's Ensign received the most money from PACs — \$295,963. Christensen was second in this category, with \$265,974, and New York Republican Daniel Frisa was third with \$252,050.

On average, freshmen raised \$114,334 in PAC contributions in 1995 — about one-and-a-half times the average of \$76,098 in PAC money raised by freshmen in 1993, the study found.

Of the 86 House freshmen, 73 are Republicans.

— Associated Press



JON CHRISTENSEN
(R-Neb.)



THOMAS M.
DAVIS III (R-Va.)



JOHN ENSIGN
(R-Nev.)



ROGER WICKER
(R-Miss.)



FRANK R. MASCARA
(D-Pa.)



SONNY BONO
(R-Calif.)

FRESHMEN WITH THE HIGHEST CAMPAIGN RECEIPTS

1. Jon Christensen (R-Neb.)	\$686,181
2. Thomas M. Davis III (R-Va.)	644,016
3. John Ensign (R-Nev.)	626,053
4. Greg Ganske (R-Iowa)	553,057
5. Frank A. Cremeans (R-Ohio)	543,231
6. Charles Whitlow Norwood Jr. (R-Ga.)	536,721
7. David M. McIntosh (R-Ind.)	474,171
8. Daniel Frisa (R-N.Y.)	456,567
9. Bill Luther (D-Minn.)	444,781
10. Jon D. Fox (R-Pa.)	439,049
11. Gerald J. Weller (R-Ill.)	431,890
12. Rick A. White (R-Wash.)	426,166
13. Patrick J. Kennedy (D-R.I.)	425,629
14. Robert L. Barr Jr. (R-Ga.)	405,782
15. Mark W. Neumann (R-Wis.)	396,391
16. Bill Martini (R-N.J.)	395,516
17. Randy J. Tate (R-Wash.)	394,201
18. Frank Riggs (R-Calif.)	387,016
19. Phil English (R-Pa.)	366,350
20. Dick Chrysler (R-Mich.)	364,808

FRESHMEN WHO GOT THE MOST FROM PACS

1. John Ensign (R-Nev.)	\$295,963
2. Jon Christensen (R-Neb.)	265,974
3. Daniel Frisa (R-N.Y.)	252,050
4. Charles Whitlow Norwood Jr. (R-Ga.)	231,114
5. Phil English (R-Pa.)	215,663
6. Frank A. Cremeans (R-Ohio)	209,473
7. Thomas M. Davis III (R-Va.)	203,230
8. David M. McIntosh (R-Ind.)	200,362
9. Greg Ganske (R-Iowa)	199,896
10. Rick A. White (R-Wash.)	190,021

PACS THAT GAVE THE MOST TO FRESHMEN

1. National Rifle Association	\$235,443
2. AT&T Corp.	224,625
3. United Parcel Service Inc.	172,875
4. National Automobile Dealers Association	168,625
5. American Maritime Officers	105,500

TWENTY-TWO HOUSE FRESHMEN RAISED MORE THAN HALF THEIR MONEY FROM PACS

1. Roger Wicker (R-Miss.)	84%	\$151,672
2. Frank R. Mascara (D-Pa.)	64	72,500
3. Sonny Bono (R-Calif.)	63	110,502
4. Thomas Paul Latham (R-Iowa)	62	132,687
5. Wayne Edward Whitfield (R-Ky.)	60	171,535
6. Phil English (R-Pa.)	59	215,663
7. Sheila Jackson Lee (D-Tex.)	59	94,350
8. Tom Coburn (R-Okla.)	59	189,096
9. John E. Baldacci (D-Maine)	58	132,096
10. Sue Myrick (R-N.C.)	58	101,563
11. Jim Bunn (R-Ore.)	57	79,550
12. Barbara Cubin (R-Wyo.)	56	112,061
13. Mark Foley (R-Fla.)	56	79,880
14. Daniel Frisa (R-N.Y.)	55	151,050
15. Ray LaHood (R-Ill.)	55	120,660
16. Ken Bentsen (D-Tex.)	55	177,952
17. Robert W. Ney (R-Ohio)	54	134,165
18. Sue W. Kelly (R-N.Y.)	52	132,710
19. Zoe Lofgren (D-Calif.)	52	40,250
20. Wes S. Cooley (R-Ore.)	52	70,150
21. Mike Doyle (D-Pa.)	51	81,500

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Prime Minister Shimon
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See ISRAEL, A15, Col. 1

THE PRESIDENT HAS SEEN
2/27/96
Farrakhan
Vows to Take
Libya's Aid

Defiant Speech Invites
'Showdown' With U.S.

By Michael A. Fletcher
Washington Post Staff Writer

CHICAGO, Feb. 25—Nation of Islam leader Louis Farrakhan today dared the U.S. government to stop him from accepting financial help from Libya, saying he is primed for a "showdown" with those who would punish him for aligning with the "outlaw" nation.

Making his first public appearance since returning from his controversial 23-nation tour of Africa and the Middle East, Farrakhan told a cheering crowd of 12,000 at the University of Illinois at Chicago that he would welcome congressional hearings into his trip.

If he is asked to testify before Congress, Farrakhan said, he would "call the roll of the members of Congress who are honorary members of the Israeli Knesset [parliament]." He also said he would call U.S. foreign policy priorities into question. "Every year, you give Israel \$4 [billion] to \$6 billion of the taxpayer money and you haven't asked the people nothing," Farrakhan said. "Who are you an agent of?"

Rep. Peter T. King (R-N.Y.) has called for hearings into Farrakhan's trip and several federal agencies began official inquiries after Farrakhan was quoted in foreign news agency reports making comments harshly critical of the United States and accepting a \$1 billion pledge from Lib-

See FARRAKHAN, A6, Col. 1

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yan leader Moammam Gadhafi. That report was later retracted by the Libyan news agency.

"If you're going to deny black people the help of their own brother, then we're going to rise up against you," Farrakhan said, as the audience applauded. "We don't have a damn thing to lose but our chains."

This time, Farrakhan said he would use the money to build homes, schools and factories. "What do you have to say about it, government of America?" Farrakhan said. "We're using the money to clean up the mess you made. Whatever Gadhafi gives me, I'm going to ask you to match it."

Farrakhan said the United States is wrong in blaming Libya for the deaths of 270 people in the downing of Pan American Flight 103 over Lock-

In Farrakhan's address before a huge crowd of Iranians celebrating the 17th anniversary of that nation's Islamic revolution, according to the Iranian News Agency, he called the United States "the Great Satan." But in his speech today, Farrakhan said: "I didn't say that. But if you

—Louis Farrakhan,
Nation of Islam Leader

Several African American leaders also criticized Farrakhan for meeting with heads of repressive regimes in Nigeria and Sudan.

the birth of Nation of Islam founder W. Fard Muhammad. Thousands of people holding \$10 tickets waited in orderly single-file lines more than an hour before the event began to be frisked before entering the arena for Farrakhan's speech.

Farrakhan maintained that his trip was a mission of peace to spread a message of "atonement and reconciliation"—the themes he used as a foundation for last fall's Million Man March, one of the largest demonstrations ever in the nation's capital.

During his four-hour address, Farrakhan said that while he was vilified at home he was treated like a visiting head of state in most of the nations he visited. He said he met with South African President Nelson Mandela in his home, spoke to millions in Iran, and flew on the Ghanaian presidential jet to Liberia.

He also compared himself to other black leaders throughout history—including Marcus Garvey, Malcolm X and the Rev. Martin Luther King Jr.—who he said were persecuted after becoming involved in foreign affairs.

"Whenever a black man from among us becomes international, he got in trouble," Farrakhan said, adding later: "I am the living inheritor of that legacy."

Throughout his talk, Farrakhan repeatedly alluded to the threat of being assassinated by the U.S. government or others who object to his work. But he warned against taking any action to thwart him.

"I knew the Million Man March was going to lead to my crucifixion," Farrakhan said. "You would be wise to leave me alone. But if you choose to crucify me, let it be known that Allah will crucify you."

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Bill Clinton

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THE PRESIDENT HAS SEEN

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Leon / Tony

Sen. Murr Mc.

Jayce Wells

Chuck Horner

for B-2 Study Panel

can we get them on?
It would be good to do

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Pres

~~Do you want them
invited for WH dinner?~~

THE PRESIDENT HAS SEEN

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Leon / Tony

This is very persuasive
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sounds persuasive -

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Mem to President Clinton
from Sam Krum

THE PRESIDENT HAS SEEN

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DEFICIENCIES IN THE 1995 IDA/DOD BOMBER STUDY

Both the methodology (the model and the way it was used) and the assumptions of the IDA bomber study, which was carried out under DOD's direction last summer, were badly flawed. Therefore, the results tell us little about the cost-effectiveness of additional B-2 bombers beyond the 20 now on order.

The methodological flaws are as follows:

- The test of cost-effectiveness is to compare two **equal-cost** forces and see which performs better. In this context, one force would be the DOD "baseline," and the other would be the "baseline" **plus** 20 more B-2s **minus** some other "baseline" forces equal in cost to the 20 B-2s.

- The actual study did **not** do this; it **added** 20 B-2s to the "baseline," and calculated the **marginal** value added by these 20 B-2s. This makes the B-2s -- the last forces added -- subject to diminishing marginal returns, downplaying their value.

* - This form of "marginal" analysis **assumes** that everything in the "baseline" is already **more** cost-effective than the last force increment considered -- in this case, the additional 20 B-2s. That is, this approach will **not** identify lower-effectiveness forces within the "baseline."

The study then looked at adding precision munitions equal in cost to the proposed 20 additional B-2s to the "baseline," and found that this was more effective than adding 20 B-2s. But this (1) demonstrates that the "baseline" was **not** optimal to begin with, and (2) says **nothing** about whether 20 more B-2s are **more** cost-effective than **other** aircraft in the baseline, **whatever** the supply of precision munitions.

- Both the Air Force's 1992 chart (attached) and the study on deep strike tradeoffs prepared by the staff of the Commission on Roles and Missions last year identified **other tactical air forces** that I believe are less cost-effective than buying additional B-2s. But only the study you have now directed, **if** carried out objectively and correctly, will show this for sure.

Some of the major flaws in the assumptions used are:

- The IDA study used assumptions about warning times, deployment rates, sortie rates, and operational effectiveness that are **extremely** optimistic when compared to Desert Storm experience and to the US response during October 1994 to Iraqi troop movements.

- In many cases, these assumptions are factors of three, four, or five higher than any **demonstrated** US capability.

- Although our forces are assumed to arrive far faster than during Desert Storm, the IDA study did **not** examine whether those forces could be **sustained** (enough fuel, munitions, supplies, and spare parts arriving prior to need). In Desert Storm, US forces needed nearly six months to deploy both the forces **and their logistics** necessary to sustain high-intensity warfare.

- Even in the year 2014, the IDA study did not assume **any** enemy ballistic missile attacks on our deployments, our operations once deployed, or our resupply capability.

- Finally, the study assumes an even dumber enemy than Saddam.

* - The **combination** in the IDA study of an inappropriate methodology and optimistic assumptions about warning times, deployment rates of US tactical forces to the theater, the effectiveness of those short-range forces once there, and our ability to defend them and resupply them while there, leads directly to their "finding" that the added value of longer-range forces like the B-2 is modest at best.

* - All of this should be a matter of **serious** concern to you, since **many** of these **same** assumptions are incorporated in the **real-world** contingency plans prepared for you by the JCS.

- In summary, the IDA study provides a wholly inadequate basis on which to assess the true cost-effectiveness of additional B-2 bombers **in place of less-effective forces in the baseline -- both those in today's inventory and those still on the drawing-boards.**

THE VALUE OF STEALTH

	PRECISION WEAPONS	PRECISION AND STEALTH	B-2
Bomb Droppers			
Air Escort			
Suppression of Enemy Air Defenses			
Tankers			
Total Aircraft	55	10	2
20-Yr. O&S	\$3.4 B	\$740 M	\$308 M
Crew Members at risk	116	16	4
Forward Based Support	1124	179	0
Fuel per attack	413,700 gal	110,300 gal	54,100 gal
To deploy: C-141 Loads	30	8	0
C-5 Loads	11	3	0
C-5 to deploy Patriot	33/base	33/base	0

Immigration Bill Yields Unusual Allies

By ERIC SCHMITT

— Congress on both sides of the issue, but Republicans are most deeply divided. Both parties support tightening the country's borders against the estimated 300,000 foreigners who enter the United States illegally or overstay their visas each year. But many Republicans also want to cut levels of legal immigration, now about 775,000 people a year, by 30 percent or more.

"The current legal immigration system is indefensible," said Representative Lamar Smith, a Texas Republican who is the chief sponsor of the House bill. "We just can't admit everybody who wants to come."

However, free-market-oriented Republicans like Representative Dick Armey of Texas, the House majority leader; former Education Secretary William J. Bennett, and former Housing Secretary Jack F. Kemp support high levels of legal immigration as a wellspring of economic growth and innovation.

"Immigration today simply is not in the crisis stage that critics portray it to be," Mr. Armey has written to constituents who ask his views on immigration. "Most immigrants today are not sponges off the system; they are hard-working, and they carry with them that work ethic that made America great."

The demographics of immigration raise the political stakes dramatically in a Presidential election year. More than 70 percent of the nation's legal and illegal immigrants live in six large, voter-rich states — California, Texas, Florida, New York,

Continued on Page A9, Column 1

SUZANNE AND PAUL, CONGRATULATIONS—ADVT.

story. The best of our youth has always been on the front lines."

From their home in West Hartford, the Eisenfeld family said yesterday in a statement that they hoped steps toward peace in the Middle East would continue and succeed "so that what happened to Matt never happens to anyone else in the future." They said that Mr. Eisenfeld was someone who always believed he could make a difference.

THE PRESIDENT HAS SEEN

2-27-96

Studies Suggest Older Minds Are Stronger Than Expected

By DANIEL GOLEMAN

The conventional image of the aging brain is that people lose neurons the way balding men lose hair. Brain cells are supposed to start falling away around the age of 20, with everything downhill from there. Some people go bald, or senile, early. Some lucky and unusual ones keep their hair, or their wits, about them into their 90's and beyond.

Science has precious little good news about hair loss, but new findings on the death of brain cells suggest that minoxidil for the mind is unnecessary. Data from men and women who continue to flourish into their 80's and 90's show that in a healthy brain, any loss of brain cells is relatively modest and largely confined to specific areas, leaving others robust. In fact, about 1 of every 10 people continues to increase in mental abilities like vocabulary through those decades.

New imaging techniques, like the PET scan and magnetic resonance imaging, or M.R.I., have shown that the brain does gradually shrink in life's later decades, just not as much as had been thought. Furthermore, the shrinkage of a healthy brain does not seem to result in any great loss of mental ability.

When Prime Minister Yitzhak Rabin was assassinated in November, Mr. Eisenfeld was chosen to speak about his death. Mr. Eisenfeld's roommate, Shai Held, said in an interview in Manhattan yesterday that he spoke about the value and importance of peace.

"He was sympathetic to the peace process," Mr. Held said. "But I hope

Continued on Page A6, Column 4

"We used to think that you lost brain cells every day of your life everywhere in the brain," said Dr. Marilyn Albert, a psychologist at Massachusetts General Hospital in Boston. "That's just not so — you do have some loss with healthy aging, but not so dramatic, and in very selective brain areas."

The new imaging techniques have also enabled neuroscientists to discover a flaw in many earlier studies of the aging brain: they included findings from people in the early stages of Alzheimer's disease. Now, both by scanning the brain and by more carefully screening to meas-

Continued on Page A10, Column 1

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Associated

Remembering a Revolution

As the Philippines observed the 10th anniversary of the revolution overthrew Ferdinand Marcos, President Fidel Ramos lit an eternal flame at a monument to "People Power" in Quezon City. Page A

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Studies Suggest Older Minds Are Surprisingly Strong and Brain Power Can Grow

Continued From Page 1

ure cognitive function, most people with Alzheimer's are excluded from such studies.

Researchers measure brain shrinkage by keeping track of the fjord-like spaces that crease the wrinkled surface layer of the cerebral cortex, the topmost layer that is critical for thought. These tiny creases are called ventricles and sulci, and the amount of space in them gradually increases with age, re-

flecting a loss in the overall mass of the brain.

From age 20 to 70, the average brain loses about 10 percent of its mass, said Dr. Stanley Rapoport, chief of the neuroscience laboratory at the National Institute on Aging in Bethesda, Md.

But that loss "seems related only to subtle differences in cognitive abilities," Dr. Rapoport said. "We think the brain's integrity is maintained because the massive redundancy of interconnection among neurons means that even if you lose

IN SCIENCE TIMES ON TUESDAY

The elderly are developing less chronic disease, and the reasons may have as much to do with social circumstances as with science.

Some, the brain can often compensate.

Compensation is precisely what studies of the "successful" elderly show. When neuroscientists weed out people with cognitive decline that is a sure sign of illness, the shrinkage is still there, but performance on mental tests is good. And what analyses of healthy old brains show is that old people may use different parts of the brain from young people to accomplish the same task. In some ways a healthy old brain is like a pitcher whose fastball has faded but who can still strike a batter out with other pitches.

Some of the data come from autopsies of 25 men and women from 71 to 95 years old who had volunteered to be part of a control group in a 16-year study of Alzheimer's disease. Dr. John Morris, a neurologist at Washington University in St. Louis who did the study, said the brains of the mentally alert group showed some of the tangles that, more than shrinkage, seem to be the main problem in Alzheimer's disease. But these tangles were in the hippocampus, a structure involved in memory, rather than the centrally important cerebral cortex.

Dr. Morris said his data, which will be published next month in the journal *Neurology*, suggest "there may be a pool of people who not only have no important cognitive declines, but no brain changes of consequence for mental function, even into their 80's and 90's." Changes in the hippocampus may only slow the rate of retrieval from memory, he said, but not diminish its accuracy.

Similar findings have been made by Dr. Brad Hyman of Massachusetts General Hospital. "We've found no appreciable neuronal loss in people from their 60's to 90's who had retained their mental clarity until they died," said Dr. Hyman, who studied two specific regions of the cortex. "The dire picture we've had of huge cell losses is wrong for a healthy person whose brain remains structurally intact into old age."

Apart from a reduction in the number of brain cells, another aspect of aging in the healthy brain seems to be a drop in the connections between them. Dr. Albert at Massachusetts General said her studies of brain tissue had uncovered specific struc-

tures deep in the brain that did show more neuronal loss, even with healthy aging. These include areas important for memory like the basal forebrain.

But, Dr. Albert said, "It's important for mental abilities that most of the neurons in the cortex are retained — they store information once you've learned it."

Some of the most intriguing evidence for the resourcefulness of the aging brain comes from PET scans of the brain at rest and while engaged in mental tasks. In one study using PET scans that compared people in their 20's with those 60 to 75, Dr. Cheryl L. Grady, a neuroscientist at the National Institute on Aging, found that the younger people were indeed quicker and more accurate in recognizing faces, and used more diverse areas of their brains during the task, than did the older people.

But in similar studies at the institute comparing people from 20 to 40 with those 55 and older, the older group was able to recognize the faces with about the same accuracy, though they needed more time to do so than the younger group, Dr. Rapoport said. Images of the brains of the older group showed less activity in visual areas of the brain, but more activity in the prefrontal cortex, suggesting increased mental effort.

Dr. Rapoport said that in older people there seemed to be some loss of circuits involved in visual memory. "So the brain has to recruit other circuits to get the task done," he said.

But recruit it does. The prefrontal cortex, which is the brain's executive area for intellectual activity, appears especially crucial in compensating for areas that no longer function so well in mental tasks.

All is not rosy. The number of people who do end up with Alzheimer's disease and fall into senility is still quite large.

"There are three very different groups among the elderly," said Dr. Guy McKhann, director of the Zanvil and Krieger Mind Brain Institute at the Johns Hopkins Medical School. "One does remarkably well, aging very successfully into their 80's and 90's. The second group slides a bit, having some problems with memory and recall, but the problems are typically more aggravating than they are real."

Dr. McKhann said that the third group, which largely consists of people with Alzheimer's disease, suffers inexorable losses in mental function leading to senility. That group accounts for about 15 percent of those in their 70's and 30 percent to 40



Marty Katz for The New York Times

Dr. James I. McKinney, 89, has just finished writing a biography.

At 89, Willing and Able

With a Ph.D. from Yale University, Dr. James I. McKinney, 89, has lived a life of the mind, teaching philosophy at universities and writing books.

His home is in Baltimore, where he is a visiting professor at Morgan State University, teaching a course in Christianity. He just finished writing a biography of Mordecai Wyatt Johnson, who was president of Howard University.

Dr. McKinney said he thought the infirmities of old age were often exaggerated by people who see an elderly person and assume

that he or she is feeble, if not senile.

"I was on a plane a few days ago and a man wanted to help me get my luggage off the rack," Dr. McKinney said. "He assumed that I would not be able to."

Despite its popular image, he said, old age, for him, is hardly a dreary time.

"I think part of my good fortune is that I have stayed around young people," Dr. McKinney said. "When I stay around young people, I don't realize how old I am."

percent of those in their 80's.

But for those without disease, the brain can withstand aging remarkably well. "Some people stay very good at intellectual tasks all their lives," said Dr. Judith Saxton, a neuropsychologist at the University of Pittsburgh Medical Center, who is analyzing data from a two-year follow-up of more than 700 men and women from 65 to 92.

"Their overall knowledge and vocabulary continues to grow as they age, even though their speed of retrieval slows a bit," Dr. Saxton added. "I'd guess up to 10 percent of

people above 70 fall in this range." The question that interests many people who are headed toward 70, as well as some new and unconventional researchers, is how and why one ends up in this 10 percent. Is a person's neurological fate predetermined? Or is there something that can be done to stay healthy and mentally alert?

More national news
appears on page A14.



Andrea Mohr/The New York Times

Mischa Frankel, 84, entertaining at Menorah House, Brooklyn.

Singing and Dancing at 84

Mischa Frankel celebrated his 84th birthday on Feb. 1 in the Virgin Islands, attending a seminar at the Omega Institute, dancing to African drumming and leading a group in an old folk song with the refrain, "Love is something that if you give it away, you end up having more."

That might well be his credo; for the last half century Mr. Frankel has dedicated himself to working with the elderly, leading them in folk dances and folk songs of his native Russia and other countries.

For 25 years, beginning in 1951, Mr. Frankel worked his magic at

the Henry Street Settlement House on Manhattan's Lower East Side; the social work agency's eminent director, Helen Hall, wrote of his work there, "He could make a zombie sing and dance."

For the last 26 years Mr. Frankel has worked with Alzheimer's patients in wheelchairs at Menorah House in Brooklyn, walking the half hour there and back from his home in Sheepshead Bay. Mr. Frankel credits his vitality to having been a fitness buff most of his life, an avid jogger, walker and dancer.

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Better Tools Needed on China

China's brazen export to Pakistan of magnets used in nuclear bomb production is creating more problems for the Clinton Administration than it has for Beijing. That is because Washington now finds itself with no credible way to respond that does not also inflict serious harm on United States business interests.

The best answer for now is to give priority to nuclear security and impose the penalties specified by law. But the Administration must also work to avoid similar dilemmas in the future by equipping itself with sharper policy tools. One obvious approach is to persuade America's allies (and business competitors) to join in coordinated economic penalties against reckless nuclear suppliers.

The magnets sale violates the Nuclear Nonproliferation Treaty, signed by Beijing. Under United States law, this violation automatically triggers a cutoff of taxpayer-backed loan guarantees for many of the biggest American business deals with China. The Administration can protect American business interests by waiving the penalties, but only at the cost of severely undermining its efforts to halt the spread of nuclear weapons.

The Administration, pressured by Congress to signal disapproval to China and pressured by business to avoid sanctions, is preparing to split the difference. It intends to impose, and then immediately waive, the statutory punishment and then apply less drastic economic penalties. Such a compromise would confirm Beijing's impression that Washington will never carry out its threats of damaging economic sanctions for fear of hurting American business. If that impression is correct, the United States urgently needs to find other policy levers that it is actually prepared to use.

Chinese challenges over nuclear technology

THE PRESIDENT HAS SEEN

Art, Anger and Anxiety

"Those whom God wishes to destroy, he first makes mad" is an axiom applicable to anyone wrestling with a tax return, a hospital bill or, it would seem, an application for a grant from the National Endowment for the Arts. At first glance, the N.E.A.'s revised and recently announced application process seems hopelessly convoluted, requiring an army of interpreters and accountants. On closer inspection, it marks a sensible attempt to deal with the vicious cuts in both the N.E.A.'s budget (now \$99.5 million) and staff.

"The old way of doing business is over," an N.E.A. official said of an agency suffering from Congressional parsimony and indifference. "The landscape has totally changed. What can we do with much less money for many fewer people?"

The N.E.A.'s answer is to ask candidates to route applications to one of four categories rather

and missile sales, copyright piracy and Taiwan cannot be ignored just because Washington has no available responses that do not also impose costs on Americans. Until less problematic forms of retaliation are developed, the United States must be prepared in cases as serious as this one to invoke the economic sanctions that are now on the books.

But the Administration is not wrong in thinking that penalties that affect only American business deals, leaving European and Japanese companies free to pick up the contracts United States companies might lose, are neither the smartest nor the most effective way to punish Beijing.

It would be far more effective if all major trading powers applied concerted economic penalties, from the withdrawal of government subsidies to tightened restrictions on high-technology imports. Some American allies might be reluctant to go along with a coordinated approach. But they can be reminded that any reduction in America's ability to influence Beijing on security issues damages them, too.

America has tried to discourage dangerous Chinese behavior in recent years by rationing high-level official visits and imposing limited economic sanctions. These measures have had little apparent effect. Futile as these calibrated policies sometimes seem, they are clearly preferable to flaunting the Seventh Fleet or making implicit military threats.

To restore its credibility, Washington must now try stronger forms of nonmilitary pressure. That means signing up American allies to apply coordinated penalties when international treaties are seriously breached. But until that can be achieved, Washington must be prepared to apply the full rigor of American law in cases like the magnets sale to Pakistan.

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MEMORANDUM

TO: THE PRESIDENT

FROM: DICK

DATE: FEBRUARY 26, 1996

VICTOR CRAWFORD, THE TOBACCO COMPANY'S SPOKESMAN,
IS NOW DYING OF LUNG CANCER IN JOHN HOPKINS HOSPITAL.
IT MIGHT BE A GREAT IDEA OR YOU TO DROP IN AND SEE WITH WITH
AN ANTI-SMOKING MESSAGE FOR KIDS.

THE PRESIDENT HAS SEEN

2/27/96

~~** LEON~~
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THE PRESIDENT HAS SEEN
2/27/96

S/LETTERS MONDAY, FEBRUARY 26, 1996

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on track - along w/ (FRA)
to move fast enough
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Failure to Make Trains Safer Is a Crime

To the Editor:

"In the Train Wrecks' Aftermath" (editorial, Feb. 21) notes that many safety hazards in our nation's rail system need examination and correction as a result of the two tragedies that occurred in New Jersey and Maryland.

It is clear that the application of existing technology could have prevented these incidents. Off-the-shelf technology like automatic train control systems can save lives if we have the will to require their use. In addition, installation of signal displays inside trains, appropriate signal procurement and easier escape routes are remedies that could prevent future accidents.

Failure to invest in our transportation infrastructure is a crime against the more than one-half million passengers and rail workers who ride the rails each day. We also need to analyze the causes of human error, especially fatigue, and revise work procedures to avoid life-threatening situations.

I am encouraged that the Transportation Secretary, Federico F. Peña, is taking the first steps to improve rail safety. As ranking minority member of the transportation appropriations subcommittee, I have asked its chairman, Mark Hatfield, to schedule hearings on rail safety.

FRANK LAUTENBERG
U.S. Senator from New Jersey
Washington, Feb. 22, 1996

Plan for Human Error

To the Editor:

Re "In the Train Wrecks' Aftermath" (editorial, Feb. 21): The common cause of the two railroad tragedies — human factors — is neither new nor unknown to the railroad industry or the Department of Transportation.

Human error has been cited as the cause of 72 percent of 643 railroad accidents between 1986 and 1992. As you suggest, the department's "belated but sensible stopgap rules" may prevent similar accidents. How-

ever, such a reactive and piecemeal approach to human error is unscientific.

To prevent railroad accidents, we need to improve the culture of this industry and address human factors. We need the coordination of equipment manufacturers, operating companies, trade groups like the Association of American Railroads and regulatory agencies like the Federal Railroad Administration.

The Transportation Department, with the help of the National Research Council, needs to develop a scientifically sound national plan to deal with human factors in the railroad industry. Congress should make sure this plan, unlike the Federal Aviation Administration's 1990 plan for human factors in aviation, stays on the front burner and is adopted in its entirety.

NAJMEDIN MESHKATI

Los Angeles, Feb. 22, 1996

The writer is associate executive director, Institute of Safety and Systems Management, University of Southern California.

That Elusive Butterfly, Gender Equality

Editor:

Pages of Gov. Pete Wilson
messman Ward Connerly
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ive



Britain Doesn't Insist On Irish Elections

To the Editor:

Re your Feb. 19 and 20 news articles on the resumption of the Irish Republican Army's bombing campaign:

You report that the IP
to end British

Abroad at Home

ANTHONY LEWIS

Voice of America?

BOSTON
On its cover this week The Economist, Britain's leading weekly, has a picture of Pat Buchanan. Next to it a headline asks, "Voice of America?" It is a good question, and a serious one.

The Buchanan surge has been treated by most of us as a phenomenon that will pass. But that is too easy an assumption. It does not reckon with what has happened to the Republican Party in recent years.

The Christian Coalition is a major power in the party today, and many of its members are working for Mr. Buchanan. Last week its director, Ralph Reed, pressed Bob Dole not to call Mr. Buchanan "an extremist." Senator Dole gave way.

Mr. Buchanan is the favored candidate of the anti-abortion movement. In Arizona the other day he said that women who are raped and conceive should have to carry the fetus to term. The audience cheered.

A party in which such views have substantial support could nominate Pat Buchanan. So we should be paying serious attention to what he says he would do as President.

His platform goes far beyond the two themes he has lately sounded, abortion and his economic message

put certain fundamentals — freedom of speech, for example, and the balance of governmental powers — beyond the reach of passing majorities. The Supreme Court has enforced that principle for two centuries. Mr. Buchanan would sweep it away.

Countries around the world have copied American constitutionalism in recent decades. Among them is the new South Africa, which has a Bill of Rights and a Constitutional Court to enforce it. Suppose Nelson Mandela's Government proposed to let that court's decisions be overridden by majority popular vote. The notion would be deplored by Americans, surely including Pat Buchanan.

James Madison and the other Framers of our Constitution deeply feared simple majoritarian democracy; that is why they wrote in so many checks and balances and protections for minorities. Mr. Buchanan, who used to write admiringly about Francisco Franco and other dictators, now says the majority should rule. The odd thing is that he is the very sort of person who has benefited from the First Amendment, which the Supreme Court has enforced to protect speech on the far right and left.

In a speech to the Heritage Foundation last month Mr. Buchanan asked whose rights had been protected by the Supreme Court. He did not mention such principal beneficiaries as women, racial minorities or the press. His answer was: "criminals, atheists, homosexuals, flag-burners, illegal immigrants (including terrorists), convicts and pornographers."

The Buchanan platform contains numerous other radical proposals. In foreign policy, for example, he has denounced U.S. participation in the International Monetary Fund and the World Trade Organization. He has said he would "totally zero-out foreign aid," a step that would cripple U.S. foreign policy.

All those are formal positions, given out by the Buchanan campaign. Then there are his rhetorical devices. When he denounces New York financiers, he frequently uses the firm of Goldman Sachs as his example. When he denounces the Supreme Court, he mocks Justice Ruth Bader Ginsburg. Is it a coincidence that he uses Jewish names?

That a Republican convention would nominate Pat Buchanan still seems hard to believe. But that the possibility has to be discussed shows how far the party has moved toward what used to be called the lunatic fringe. □

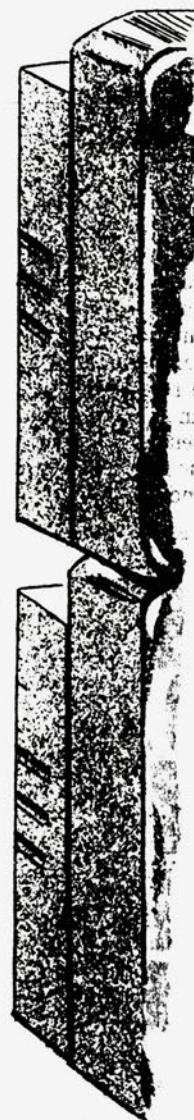
Time to take Pat Buchanan seriously.

of corporate greed and the need for tariff and immigration walls around the country. It tells us in considerable detail the kind of America Mr. Buchanan wants.

It would be an America, first of all, without meaningful protections for minority rights. Mr. Buchanan would strip away the protecting constitutional power of the institutions that have been the historic guardians of those rights, the Supreme Court and the other Federal courts.

Any court decision that held a state or Federal law unconstitutional would be subject to a national popular referendum. If a majority of voters did not like the decision, it would be reversed. And Supreme Court Justices would be subject to reconfirmation every eight years.

The whole reason to have a written Constitution and Bill of Rights was to



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always with great finesse or tact, to bring down
the huge trade imbalance with Japan, and that
has begun to pay off—Japan's surplus with the
United States posted its biggest decline in 16
years in January. While that is a huge and
welcome improvement, American firms are
still finding it difficult to crack some segments
of the Japanese market. The semiconductor

...con-
centrated in Okinawa. Measures that take into
account Japanese complaints about U.S. service
personnel's off-base behavior are crucial to
maintaining the trust and support of Japan for
the security agreement. These are the chal-
lenges for Clinton and Hashimoto.

THE PRESIDENT HAS SEEN ^{2/27/96} Paid Too Much Tax? Tough Luck

The IRS offers an expensive lesson in bureaucratic obtuseness

The Internal Revenue Service, having
already cemented a reputation as the govern-
ment agency Americans love to hate, ought to
go out of its way to avoid reinforcing a negative
public image. Yet that's exactly what the IRS
appears to have done by taking on the family of
a deceased Granada Hills man over money that
the agency wasn't even owed.

By all accounts, 93-year-old Stanley McGill
was not in full control of his senses when he
mistakenly mailed a \$7,000 check to the IRS
more than a decade ago to pay a \$700 tax bill.
For anyone keeping score, the accounting
clearly shows that the government owed
McGill a sizable chunk of change.

That, however, is not how the bureaucratic
minds at the IRS viewed it. Under agency rules,
the old man lost his money when he failed to
apply for a refund within a two-year statute of
limitations. When McGill died in 1988, his

surviving daughter discovered the disparity
and, after meeting considerable resistance, took
the tax agency to court.

The government, which won a victory in dis-
trict court but has since been reversed by the
9th Circuit Court of Appeals, now is appealing to
the U.S. Supreme Court. So far the issue that
the agency seems most concerned about is
whether the IRS or other agencies will be
exposed to a flood of claims if they are forced to
extend deadlines for disabled applicants.

But is the issue bureaucratic overwork, or
fairness? Should a family have to go all the way
to the Supreme Court to win back money that is
rightfully theirs? Cases like this give the IRS a
black eye; it's no wonder that people get so
exercised about the agency.

To paraphrase the old Smith Barney broker-
age ad, the IRS seems to be inviting contempt
the old-fashioned way: They earn it.

Salt Lake Fires a Blunderbuss

Salt Lake City's Board of Education, unable
to find a legal way to ban a high school club of
gay and lesbian students from meeting on
campus, has taken the extreme step of voting to
ban all campus clubs, thus depriving hundreds
of young people of facilities to discuss mutual
interests ranging from skiing to foreign lan-

Republican Sen. Orrin G. Hatch of Utah.

The blanket ban on school clubs represents
an absurdly malicious and destructive response
to a small if undoubtedly controversial matter.
It appears to be based on the assumption that a
school's recognition of the right of homosexual
students to meet on campus amounts to

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THE PRESIDENT HAS SEEN

2/27/96

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GEORGE FISHER

MAX BRANTLEY

2/27/96

POTUS Coffee February 12 Attendees

DEMOCRATIC NATIONAL COMMITTEE:

Chairman Don Fowler

Finance Chairman Marvin

~~Treasurer Scott Pastrick~~

Finance Director Richard Sullivan

BOB NASH

M. Bernard Aidinoff, Esq

Partner

Sullivan & Cromwell

New York, NY

Mr. Aidinoff is Counsel to the President's Legal Expense Trust. He also serves as an advisory Director of the Metropolitan Opera Association and member of the Council on Foreign Relations, Helsinki Watch and the Brookings Institution.

Mr. Edward H. Meyer (Ed)

President, Chairman of the Board and CEO

Grey Advertising, Inc.

New York, NY

Grey is one of the largest advertising and marketing communications companies in the world. Mr. Meyer is Director of the may Department Stores company, Ethan Allen, and Harman International Industries. He also served as a Trustee of the American Museum of Natural History, the Solomon R. Guggenheim Museum and on the board of the Film Society of Lincoln Center.

Mr. Eric Becker

Chairman and CEO

Sterling Capital, Ltd.

Baltimore, MD

Mr. Becker is a founder of Sterling and also President of Sylvan Learning Systems, the largest private sector education services firm in the country. He began his career as the founder of LifeCard International, a medical technology firm that developed medical and insurance record management systems, which was sold to Blue Cross and Blue Shield in 1985. Mr. Becker and his brother Doug are developing the new Baltimore Children's Museum.

Mr. George Becker

President

United Steelworkers of America

Pittsburgh, PA

Mr. Gene Hale

*Marka
Sunrise
8:30*

*Take → message → people
who make more the pay them*

Marina Scott

LOUIS / Sonmull / Baci
Fyl- Be

HE PRESIDENT HAS SEEN
2/27/96

San Jose Mercury News

Never count out Bill Clinton

BY STEPHEN BUEL

BILL CLINTON wasn't having a good day. An alliance of conservative lawmakers and big-business lobbyists had just neutered his legislative program in a fractious, mean-spirited legislative session.

"I don't know what's going on," Clinton confessed. "I'm not part of the process."

By questioning his own relevance, he hardly gave supporters reason to look forward to his scheduled speech the next day in the House chamber. Still, those who expected little from Clinton underestimated him.

By aiming his remarks over legislators' heads and appealing directly to the public, Clinton transformed the political realities confronting him. He also turned the tables on the sharp-tongued Senate leader who'd suddenly become his most vocal critic.

The year was not 1996, but 1988. And with his shrewdly timed speech to the Arkansas House of Representatives, Gov. Bill Clinton won back the political high ground he'd gradually ceded during four prior years in office.

Until that speech, the bold, reformist boy governor of the early '80s existed mostly in memory. In his place, it was agreed, the new Clinton had become an increasingly indecisive leader who'd gladly abandon his principles any time a public opinion poll suggested he might gain something by doing so.

Now, eight years later to the day, Clinton's 1988 epiphany is

See CLINTON, Page 3C

Stephen Buel, a Mercury News assistant city editor, covered Bill Clinton for 10 years as an Arkansas journalist, and on the campaign trail for United Press International.

■ CLINTON

from Page 1C

relevant still. For with his recent State of the Union address, and through his handling of the two budget standoffs with the Republican Congress, the president was relying on the same instincts. In fact, little of Clinton's first three years as president has surprised anyone familiar with his Arkansas record. It is uncanny at times how closely the tempo of his presidency mirrors that of his years as governor.

The 1988 speech in which Clinton rediscovered his nerve — denouncing an amended-past-recognition lobbying reform that he'd specifically convened lawmakers to pass — displayed his willingness to draw the line when pushed too far. Since the Arkansas Senate didn't like his proposal, he took it directly to the voters as an initiative — the manner in which it ultimately became law. Eight years later, this same Clinton would veto the GOP's balanced-budget and welfare-reform bills, and then invite voters to oust him if they disagreed.

Clinton is more often perceived as indecisive or weak — such a photo finishes notwithstanding — because he placates and agrees with his critics in the early stages of debate. Indeed, it wasn't all that long ago that Clinton felt the need to proclaim his relevance to the federal budget debate. The more resolute facet of Clinton's personality hardly ever surfaces before his opponents think they've already won the day. That's one of the lasting lessons to be gleaned from Clinton's down-again, up-again 1992 presidential campaign.

Consider his State of the Union address. With the partisan rancor of the budget standoff still in full bloom, Clinton strode into the domain of Newt Gingrich and delivered an utterly non-partisan

2-4-96

1C

1 of 2

San Jose Mercury News

Little of Clinton's first three years as president has surprised anyone familiar with his Arkansas record. It is uncanny at times how closely the tempo of his presidency mirrors that of his years as governor.

speech as the *de facto* kickoff of his re-election effort.

There were only six references to the GOP in his typically long-winded address: one point of agreement, one good-natured challenge and four instances of outright praise — once for Richard Nixon, no less, and another for Bob Dole himself. Even on Medicare and Medicaid, the Democrat's best issues, Clinton was non-partisan.

His opponents are invariably confounded by this impulse. Perceiving the president as someone willing to compromise his values away, his foes become incautious and impatient — usually with predictable results. What else could explain the failure of House Republicans to understand that even though Clinton gave most of the ground during the budget showdown, he'd receive all the credit, and for precisely that reason?

And why else would Dole — who had been the most conciliatory Republican leader during the budget stalemate, and the only one whose job-approval rating hadn't suffered accordingly — suddenly turn didactic and call Clinton "the last public defender of a discredited status quo."

Even while Clinton's out there campaigning against "the challenges of today and tomorrow," his malleability inevitably entices his opponents to make *him* the

major issue. So it was with the State of the Union address. Clinton issued challenge after challenge to the Congress and the nation, only to have the sharp-tongued Dole shoot straight for his head.

It's in his relations with people like Dole that Clinton has most clearly grown most since becoming president. In case it wasn't obvious, the governor didn't know much about dealing with Republicans when he first became president. In Arkansas he'd never had to. Most of the 12 years he was governor, only about 11 of the 100 members of the Arkansas House of Representatives were Republican. And those 11 Republicans were often more likely to vote with Clinton than were many members of his own party. Sure, Clinton had to reckon with plenty of conservative Democrats, but he'd never before tangled with a formal opposition party — and certainly not one that controlled both houses of the legislature.

Clinton's handling of the recent budget stalemates shows what he's learned. He's still the most conciliatory politician on the American landscape, but his adept transformation of Medicare into a Democratic wedge issue shows that he's adapted to his environment too. And as the State of the Union demonstrated,

an opponent like Clinton may be the most confounding possible foe for a partisan warrior like Bob Dole.

Which is why Clinton will be re-elected this November, and by a greater margin than in 1992. Because this is a man who understands that it doesn't really matter what the score is only three quarters into the football game. After all, Clinton was once a one-term governor whose youthful excesses cost him his job after just two years in office. And a mortally wounded Democrat who couldn't possibly overcome six rivals for his party's 1992 presidential nomination. And a damaged party nominee with no chance of unseating the GOP incumbent with the highest job-approval rating in history. And a weak and irrelevant president bound to lose his job to one of several more-decisive Republican challengers.

Truth is, Clinton was all of those people. But he was also the man who, by resigning to become president, fell mere days shy of breaking the record set by Orval Faubus for the longest term of any Arkansas governor. And that's the Bill Clinton it's often easiest to forget. ■

2-4-96

2 of 2

2/27/96

Yes - appears
it was approved

① plz fill NH

② log for me
+ log + send
to Doris

Nancy Hernreich

Can you all check to
see if this was
approved —

THIS WAS
FORM LETTER
TO MICHAEL
MOORE
DORSKIND FOUND
IN QUORUM
PRE APPROVED
BY TODD AND NSC

SPRING 1996

CANADA \$5.95 • CUBA \$6 • U.K. £4 \$4.95

CIGAR

Aficionado

**MATT
DILLON**

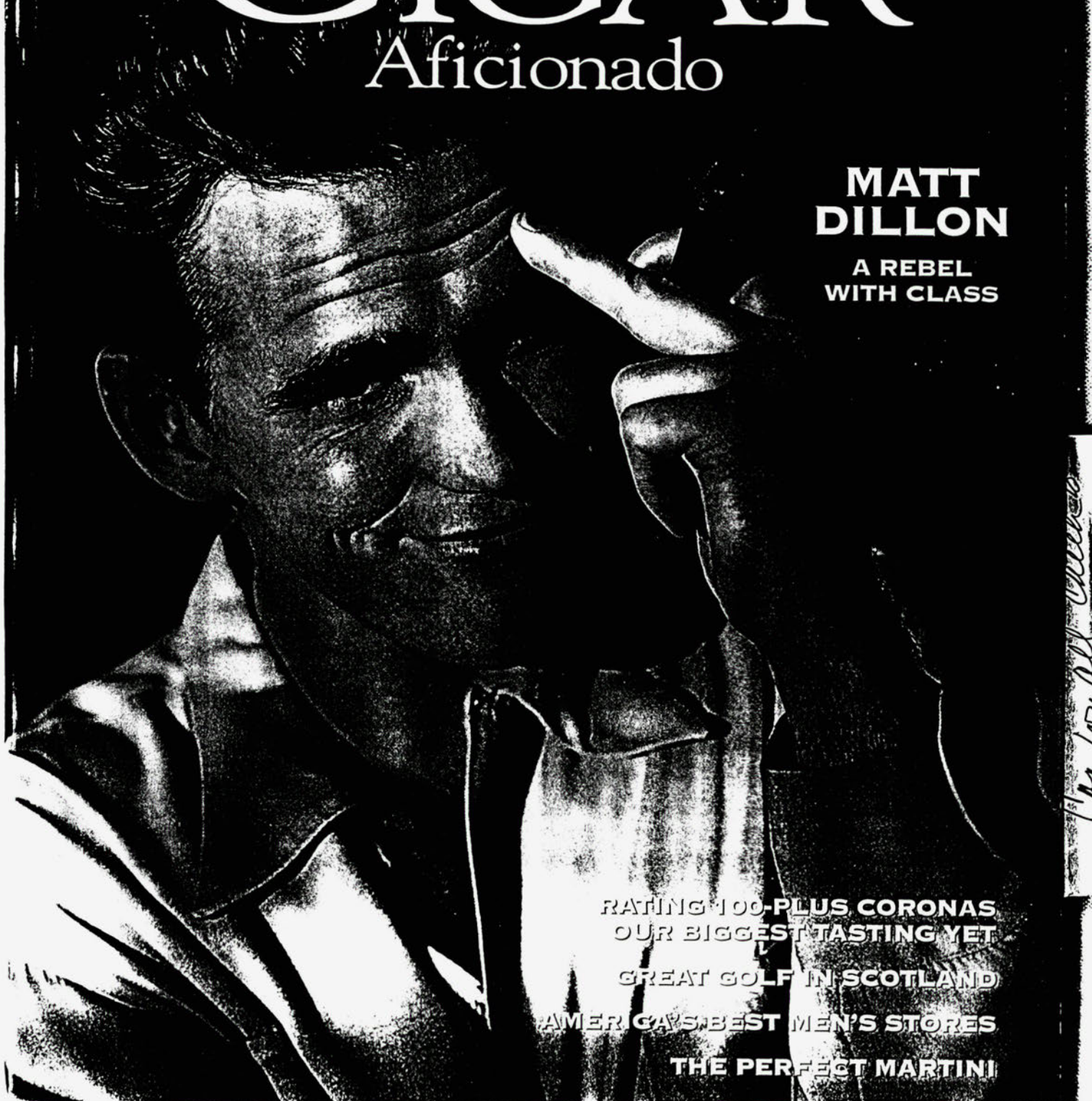
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CIGAR

Aficionado
VOL. 4 No. 3

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half-smoked cigar here
and a crowd of sou-
venir coveters
immediately
started a
fight for
the butt.
Some hands were
stepped on and some
kicks administered. A
woman who refused to give
her name won the stub. She
put it in her handbag and hur-
ried away.

Louis Phillips
New York, New York

Dear Marvin,

Your article on Tom
Selleck was particularly
insightful. I'm writing to put
Tom's mind at ease on an
issue so close to his heart.

My son, Max, and Tom's
daughter, Hannah, attend the
same school on the outskirts of
Los Angeles. I have, on
numerous occasions, seen Tom
and Jillie standing dutifully in
attendance at early Friday
morning school assemblies,
spending quality time "being
there" for Hannah. This at an
hour when many other, much
less-famous fathers are onto
their 10th telephone call or
third business meeting.

To you, Tom, take pride in
knowing that you are a great
father. Although we've never
met, I have a Cuban
Montecristo No. 2 waiting in
my humidor for just the right
early morning introduction, a
symbol of your commitment to
your family.

If only all daughters had
such concerned daddies.

Greg Ström
Malibu Lake, California

Dear Marvin,

In the Aut-
umn edition
of CIGAR
AFICIO-
NADO you
mentioned
that President

Clinton should
admit that he is a cigar
smoker. Then I read with
great interest the article in
which Arthur M. Schlesinger
stated that the Cuban embar-
go was now useless since the
Cold War was over and Cuba
is no longer aiding guerrilla
groups in Latin America.

So, I wrote a letter to
the president asking him
about his Cuban policy,
and also asked him about
his favorite cigars. I have
enclosed the letter I received
from his office.

Keep up the great work!
CIGAR AFICIONADO is truly a
superb publication. My only
grievance is that it is not
printed monthly.

Michael D. Moore
Franklin, Tennessee

Dear Michael:

Thank you for sharing your
views regarding U.S. policy
toward Cuba. As you know,
my administration has acted
to address the issue of Cuban
migration. The steps we
have taken address the
humanitarian problem at
Guantánamo and will deter
illegal migration, protect
political refugees, and enable
at least 20,000 Cubans to
enter the United States
legally every year. In addi-
tion, the regularization of
our migration relationship

will enable the United States
to focus on its fundamental
objectives in Cuba: a peace-
ful transition to democracy,
respect for the human rights
of the Cuban people, and an
open economy with opportu-
nity for all.

Taken alone, the measure
allowing migrants at
Guantánamo into the
United States might well
have triggered another mass
migration, endangering lives
and impairing our ability to
control our borders. I con-
cluded that the only way to
forestall such a dangerous
exodus was to signal our
determination to put an
end to illegal migration from
Cuba while maintaining
expanded opportunities for
legal admission.

My administration is
seeking a peaceful transition
to freedom and democracy in
Cuba. To accomplish this,
we are enforcing a compre-
hensive economic embargo
that presses the Cuban
regime to end human rights
abuses and adopt democratic
reforms. We are also reach-
ing out to the Cuban people
through private, licensed
humanitarian assistance as
well as an increased flow of
information. We would wel-
come an indication that the
regime in Havana is prepared
to take credible steps toward
democratic reform and
respect for human rights.

I appreciate knowing your
thoughts on these impor-
tant issues.

Bill Clinton
President of the
United States

.....Constituent.Summary.View.....

Record: 3144149.A	Revised: 23 Feb 96	Entered: 26 Sep 95
Mr. Michael D. Moore	.Contact.Aide.Type..Code.....Status	

159 Sturbridge Drive
Franklin, TN 37064

No business address

No additional information

No affiliations

.History.Aide.DateIn/Out..Letter/Subject.....			
2486372	vol3	26 Sep 95	/ma/robo/p/p-518
		02 Oct 95	FP.CUBA.N

Group:

Thank you for sharing your views regarding U.S. policy toward Cuba. As you know, my Administration has acted to address the issue of Cuban migration. The steps we have taken address the humanitarian problem at Guantanamo and will deter illegal migration, protect political refugees, and enable at least 20,000 Cubans to enter the United States legally every year. In addition, the regularization of our migration relationship will enable the United States to focus on its fundamental objectives in Cuba: a peaceful transition to democracy, respect for the human rights of the Cuban people, and an open economy with opportunity for all.

Taken alone, the measure of allowing migrants at Guantanamo into the United States might well have triggered another mass migration, endangering lives and impairing our ability to control our borders. I concluded that the only way to forestall such a dangerous exodus was to signal our determination to put an end to illegal migration from Cuba while maintaining expanded opportunities for legal admission.

My Administration is seeking a peaceful transition to freedom and democracy in Cuba. To accomplish this, we are enforcing a comprehensive economic embargo that presses the Cuban regime to end human rights abuses and adopt democratic reforms. We are also reaching out to the Cuban people through private, licensed humanitarian assistance as well as an increased flow of information. We would welcome an indication that the regime in Havana is prepared to take credible steps toward democratic reform and respect for human rights.

I appreciate knowing your thoughts on these important issues.

THE WHITE HOUSE
WASHINGTON, D.C. 20500

DATE: 2-26

TO: Tony Lake

FROM: Staff Secretary

Do you have any
interest in POTUS doing
this? I expect not, but
wanted to check.

Bob

cc: Sandy Bergen

Fordham Law Journal Given to Tony Lake

THE WHITE HOUSE
WASHINGTON
February 21, 1996

99 FEB 26 P 1:12

MEMORANDUM FOR TODD STERN

FROM: SUSAN BROPHY *SIB*
SUBJECT: CONGRESSIONAL CORRESPONDENCE

Attached are two letters the President has received from various members of Congress encouraging the acceptance of the invitation made by Gideon A. Moor, Editor-in-Chief of the International Law Journal, for the President to write the introduction to the Journal's forthcoming survey edition on international security in the post-cold war era. Please advise Jocelyn at x67500 as to whether or not this is something the President would want to do.

DANIEL P. MOYNIHAN
NEW YORK

United States Senate
WASHINGTON, DC 20510-3201

February 13, 1996

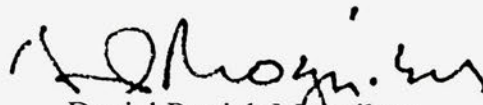
36 FF 15 P2 03

Dear President Clinton:

Enclosed is an invitation from Gideon A. Moor, Editor-in-Chief of the Fordham University School of Law's International Law Journal, to write the introduction to the Journal's forthcoming survey edition on international security in the post-cold war era.

Any consideration for this request would be appreciated.

Sincerely,


Daniel Patrick Moynihan

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

FORDHAM

UNIVERSITY

February 5, 1996

President William J. Clinton
The White House
1600 Pennsylvania Avenue
Washington, D.C. 20500

Dear President Clinton:

On behalf of the Fordham International Law Journal, I would like to take this opportunity to introduce you to the Editorial Board of Volume 19. Each academic year, the Journal publishes five books devoted to questions of international and comparative law. The Journal takes pride in its ability to attract contributions from leading international policy-makers as well as prominent legal scholars and practitioners. Our most recent editions include: Boutros Boutros-Ghali, Elie Wiesel, Lord David Owen, Madeleine Albright, Jacques Delors, Stephen Solarz, M. Cherif Bassiouni, Louis Henkin, Eleanor Fox, W. Michael Reisman, Paul Szasz, Barry Hawk, and James Silkenat.

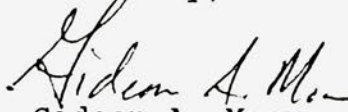
In Volume 19's final book, the Journal plans to conduct a survey, entitled: "International Security in the Post-Cold War Era: Can International Law Truly Effect Global Political and Economic Stability?" The Journal applauds your success in re-establishing the United States' leadership role in the World and your adroit management of international crises. Furthermore, your courageous commitment to principle in Haiti and Bosnia reflects the best traditions of America and reminds us, once again, that we are all citizens of the World.

The Journal would like to recognize your leadership in promoting international peace and security by inviting you to write the introduction to our survey issue. Introductions are normally three to fifteen pages in length and do not require footnotes. Madeleine Albright's introduction to Book 5, Volume 18 is an excellent example, should you wish to consult a recent Journal introduction.

We hope that you decide to publish your ideas with the Journal. Should you have any questions or require additional information, I can be reached at the Journal office either by phone (212-636-6931) or by fax (212-636-6932).

Thank you in advance for your time and consideration.

Sincerely,


Gideon A. Moor
Editor-in-Chief

Enc.

Congress of the United States

House of Representatives

Washington, DC 20515

February 15, 1996

96 FEB 21 P 1: 37

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

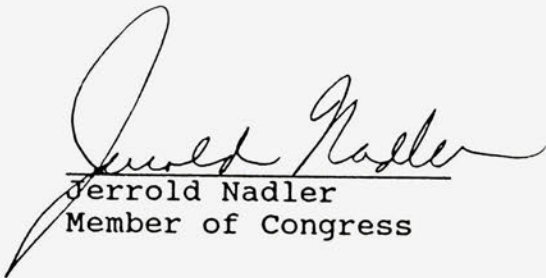
Dear Mr. President:

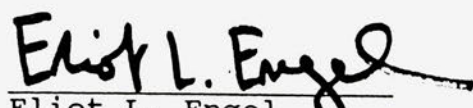
We are pleased to forward to you the enclosed invitation from Gideon A. Moor, Editor-in-Chief of the Fordham University School of Law's International Law Journal, to write the introduction to the Journal's forthcoming survey edition to be entitled "International Security in the Post-Cold War Era: Can International Law Truly Effect Global Political and Economic Stability?"

We have enclosed, as well, a copy of a recent edition of the Journal. Recent editions of the Journal have included such prominent contributors as: United Nations Secretary General Boutros Boutros-Ghali, Elie Wiesel, United States Permanent Representative to the United Nations Madeleine Albright, and many other leading policy-makers, scholars and legal practitioners. We are sure you will agree after reviewing the enclosed edition that the Journal is a publication of the finest quality. The Journal's editorial staff would be deeply honored by your participation in their forthcoming survey issue.

Thank you for your consideration of the Journal's request.

Sincerely,

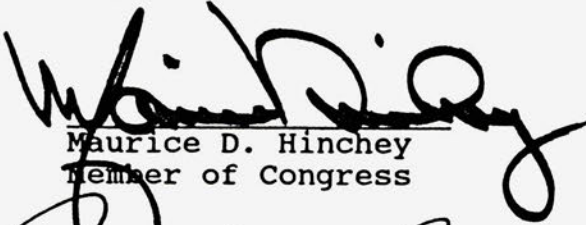

Ferrol Nadler
Member of Congress


Eliot L. Engel
Member of Congress

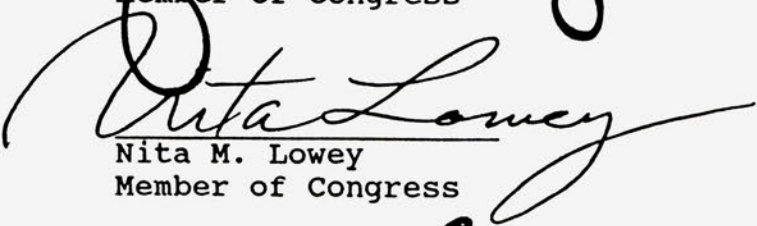

Gary L. Ackerman
Member of Congress


Floyd H. Flake
Member of Congress

Hon. William J. Clinton
February 15, 1996
Page Two



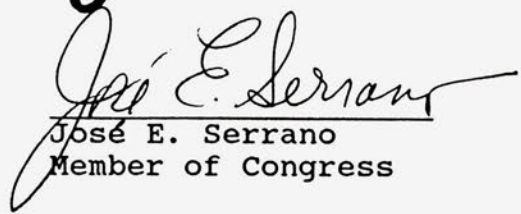
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Member of Congress



Nita M. Lowey
Member of Congress



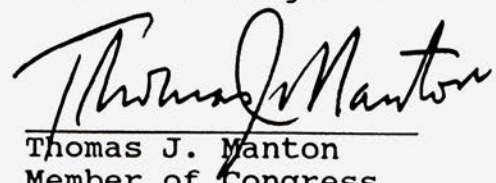
Major R. Owens
Member of Congress



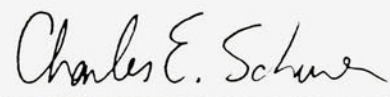
José E. Serrano
Member of Congress



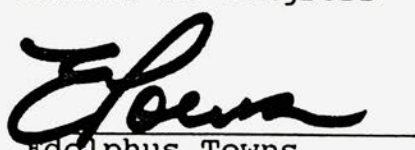
John J. LaFalce
Member of Congress



Thomas J. Manton
Member of Congress



Charles E. Schumer
Member of Congress



Edolphus Towns
Member of Congress

FORDHAM INTERNATIONAL LAW JOURNAL

DEDICATED TO JIMMY CARTER
PRESIDENT, UNITED STATES, 1977-1981

INTRODUCTION

INTERNATIONAL LAW APPROACHES THE TWENTY-FIRST CENTURY:
A U.S. PERSPECTIVE ON ENFORCEMENT *Ambassador Madeleine K. Albright*

ESSAYS

THE ROLE OF INTERNATIONAL LAW IN THE TWENTY-FIRST CENTURY

Boutros Boutros-Ghali
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Hon. J.J. Bossano
David Palmeter
Hon. Jane A. Restani/Ira Bloom
Ronald A. Brand
A. Peter Mutharika
Jacques deLisle
Elizabeth F. Defeis
Jelena Pejic

Harold J. Berman
James R. Silkenat
Karl M. Meessen
Gregory H. Fox
Paul Goble
John R. McIntyre
Ginger Lew/Jean H. Grier
Jutta Brunnée
Neil H. Aftran
Cynthia C. Lichtenstein

VOLUME 18

MAY 1995

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VOLUME 18

MAY 1995

NUMBER 5

THE WHITE HOUSE
WASHINGTON

February 27, 1996

Leon --

Here are two notes from the President on partial birth -- one asking for examples of what we mean by "serious adverse health consequences" (I have asked Elena Kagan, who works with Jack on this issue, to work on this); the other questioning whether we should send the old partial birth letters prepared last month to Eleanor Smeal and Cardinal Hickey (we shouldn't -- they should probably get copies of what we're sending to the Hill).

Re roll out of partial birth letters: my understanding is that Alexis is going to brief groups on this today and that Legislative is going to brief selective Members, but neither Alexis nor Legislative will share the actual letter; that we will leak the letter to the press this evening; and that the letters will actually be sent to the Hill tomorrow morning.

This is George's desired game plan and he is closing the loop on it with Alexis. **So unless I hear differently, I am holding the signed letters until tomorrow morning.** (I have given unsigned copies to Alexis and Legislative to assist them in their briefings.)


Todd

Bill Clinton

THE PRESIDENT HAS SEEN
2-27-96

Leon

we need to be ready
w/ answer to their
Question:

What are some
examples of "serious adverse
health consequences" This
bill ~~contains~~ a written word
not protect against

BC

President of the United States

2-26-96

THE WHITE HOUSE
WASHINGTON

February 26, 1996

MR. PRESIDENT:

THE PRESIDENT HAS SEEN
2-27-96

Here are the partial birth abortion letters for the chairmen and ranking members of the House and Senate Judiciary Committees.

This is text you have already signed off on. One word change has been made, in consultation with George, Leon and Jack: in the second to last paragraph, the word "election" has been replaced with "selection" out of concern that "election" is too close to "elective" and might confuse the issue of when you believe the procedure should be permitted (i.e., only when the *procedure itself* is deemed necessary to save the woman's life or avoid serious adverse health consequences -- even though the decision to have the abortion in the first place might have been elective rather than medically required).

The letters will be dispatched tomorrow, after Alexis and others have had an opportunity to make the appropriate calls. We should not say anything about the letters until tomorrow.



Todd Stern

THE WHITE HOUSE

WASHINGTON

The Honorable Orrin G. Hatch
United States Senate
Washington, D.C. 20510

Dear Senator Hatch:

I understand that the House is preparing to consider H.R. 1833, as amended by the Senate, which would prohibit doctors from performing a certain type of abortion. I want to make the Congress aware of my position on this extremely complex issue.

I have always believed that the decision to have an abortion should be between a woman, her conscience, her doctor, and her God. I strongly believe that legal abortions -- those abortions that the Supreme Court ruled in Roe v. Wade must be protected -- should be safe and rare. I have long opposed late-term abortions except, as the law requires, where they are necessary to protect the life of the mother or where there is a threat to her health. In fact, as Governor of Arkansas, I signed into law a bill that barred third trimester abortions except where they were necessary to protect the life or health of the woman, consistent with the Supreme Court's rulings.

The procedure described in H.R. 1833 is very disturbing, and I cannot support its use on an elective basis, where the abortion is being performed for non-health related reasons and there are equally safe medical procedures available. As I understand it, however, there are rare and tragic situations that can occur in a woman's pregnancy in which, in a doctor's medical judgment, the use of this procedure may be necessary to save a woman's life or to preserve her health. In those situations, the Constitution requires that a woman's ability to choose this procedure be protected.

I have studied and prayed about this issue, and about the families who must face this awful choice, for many months. I believe that we have a duty to try to find common ground: a resolution to this issue that respects the views of those -- including myself -- who object to this particular procedure, but also upholds the Supreme Court's requirement that laws regulating abortion protect both the life and the health of American women.

I have concluded that H.R. 1833 as drafted does not meet the constitutional requirements that the Supreme Court has imposed upon us, in Roe and the decisions that have followed it, to provide protections for both the life and the health of the mother in any laws regulating abortions.

I am prepared to support H.R. 1833, however, if it is amended to make clear that the prohibition of this procedure does not apply to situations in which the selection of the procedure, in the medical judgment of the attending physician, is necessary to preserve the life of the woman or avert serious adverse health consequences to the woman.

I urge the Congress to amend H.R. 1833 to ensure that it protects the life and the health of the woman, as the law we have been elected to uphold requires.

Sincerely,

A handwritten signature in cursive script, appearing to read "Bill Clinton".

THE WHITE HOUSE

WASHINGTON

The Honorable Joseph R. Biden, Jr.
United States Senate
Washington, D.C. 20510

Dear Joe:

I understand that the House is preparing to consider H.R. 1833, as amended by the Senate, which would prohibit doctors from performing a certain type of abortion. I want to make the Congress aware of my position on this extremely complex issue.

I have always believed that the decision to have an abortion should be between a woman, her conscience, her doctor, and her God. I strongly believe that legal abortions -- those abortions that the Supreme Court ruled in Roe v. Wade must be protected -- should be safe and rare. I have long opposed late-term abortions except, as the law requires, where they are necessary to protect the life of the mother or where there is a threat to her health. In fact, as Governor of Arkansas, I signed into law a bill that barred third trimester abortions except where they were necessary to protect the life or health of the woman, consistent with the Supreme Court's rulings.

The procedure described in H.R. 1833 is very disturbing, and I cannot support its use on an elective basis, where the abortion is being performed for non-health related reasons and there are equally safe medical procedures available. As I understand it, however, there are rare and tragic situations that can occur in a woman's pregnancy in which, in a doctor's medical judgment, the use of this procedure may be necessary to save a woman's life or to preserve her health. In those situations, the Constitution requires that a woman's ability to choose this procedure be protected.

I have studied and prayed about this issue, and about the families who must face this awful choice, for many months. I believe that we have a duty to try to find common ground: a resolution to this issue that respects the views of those -- including myself -- who object to this particular procedure, but also upholds the Supreme Court's requirement that laws regulating abortion protect both the life and the health of American women.

I have concluded that H.R. 1833 as drafted does not meet the constitutional requirements that the Supreme Court has imposed upon us, in Roe and the decisions that have followed it, to provide protections for both the life and the health of the mother in any laws regulating abortions.

I am prepared to support H.R. 1833, however, if it is amended to make clear that the prohibition of this procedure does not apply to situations in which the selection of the procedure, in the medical judgment of the attending physician, is necessary to preserve the life of the woman or avert serious adverse health consequences to the woman.

I urge the Congress to amend H.R. 1833 to ensure that it protects the life and the health of the woman, as the law we have been elected to uphold requires.

Sincerely,

Bill Clinton

THE WHITE HOUSE

WASHINGTON

The Honorable Henry J. Hyde
House of Representatives
Washington, D.C. 20515

Dear Mr. Chairman:

I understand that the House is preparing to consider H.R. 1833, as amended by the Senate, which would prohibit doctors from performing a certain type of abortion. I want to make the Congress aware of my position on this extremely complex issue.

I have always believed that the decision to have an abortion should be between a woman, her conscience, her doctor, and her God. I strongly believe that legal abortions -- those abortions that the Supreme Court ruled in Roe v. Wade must be protected -- should be safe and rare. I have long opposed late-term abortions except, as the law requires, where they are necessary to protect the life of the mother or where there is a threat to her health. In fact, as Governor of Arkansas, I signed into law a bill that barred third trimester abortions except where they were necessary to protect the life or health of the woman, consistent with the Supreme Court's rulings.

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I urge the Congress to amend H.R. 1833 to ensure that it protects the life and the health of the woman, as the law we have been elected to uphold requires.

Sincerely,

Bar Clinton

THE WHITE HOUSE

WASHINGTON

The Honorable John Conyers, Jr.
House of Representatives
Washington, D.C. 20515

Dear John:

I understand that the House is preparing to consider H.R. 1833, as amended by the Senate, which would prohibit doctors from performing a certain type of abortion. I want to make the Congress aware of my position on this extremely complex issue.

I have always believed that the decision to have an abortion should be between a woman, her conscience, her doctor, and her God. I strongly believe that legal abortions -- those abortions that the Supreme Court ruled in Roe v. Wade must be protected -- should be safe and rare. I have long opposed late-term abortions except, as the law requires, where they are necessary to protect the life of the mother or where there is a threat to her health. In fact, as Governor of Arkansas, I signed into law a bill that barred third trimester abortions except where they were necessary to protect the life or health of the woman, consistent with the Supreme Court's rulings.

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I urge the Congress to amend H.R. 1833 to ensure that it protects the life and the health of the woman, as the law we have been elected to uphold requires.

Sincerely,

Bill Clinton

THE WHITE HOUSE

WASHINGTON

January 26, 1996

His Eminence James Cardinal Hickey
Archbishop of Washington
Post Office Box 29260
Washington, D.C. 20017

Dear Cardinal Hickey:

Thank you very much for your thoughtful letter. I understand how you feel about the difficult issue of the so-called "partial birth abortion."

As you know, I have long believed the decision to have an abortion should be between a woman, her conscience, her doctor, and her faith. Abortions should be safe, legal, and rare -- and I'm working hard toward those goals. I have opposed late-term abortions, except where they are necessary to protect the life or health of the woman. Since currently proposed legislation fails to provide for consideration of the woman's health or, in the case of the House bill, even her life, I cannot support it.

This issue demands careful reflection and prayer, and I am fortunate to have your insights.

Sincerely,



ARCHDIOCESE OF WASHINGTON

5001 EASTERN AVENUE
POST OFFICE BOX 29260
WASHINGTON, D.C. 20017

OFFICE OF THE ARCHBISHOP

December 14, 1995

Dear Mr. President,

I find myself writing to you once again about a matter of some urgency concerning abortion. In the spirit of our past conversations, I appreciate your willingness to seriously consider my correspondence.

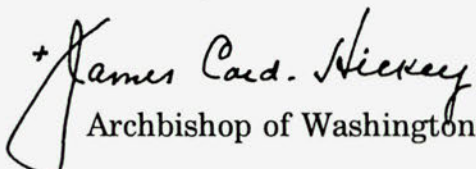
It is my understanding that you will soon be asked to sign the Partial-Birth Abortion Ban Act, which has been passed in both the House and the Senate (with a few minor differences between the bills which will likely be settled in favor of the Senate version). As both of us are aware at this point, the partial-birth procedure is a particularly awful form of abortion. A live child in the very process of being delivered with her body mostly outside of the mother, is brutally stabbed, and her head crushed before being completely delivered.

Supporters of abortion have attempted to deflect attention away from the partial-birth abortion itself. They have repeatedly made false claims about the nature of the procedure, the reasons doctors perform them, the actual cause of death of the child, and many other matters. Their claims are just as frequently contradicted by the very doctors who perform these and other late term abortions, and by other medical experts.

It is not possible in the case of this abortion, however, to avoid the thing in itself. Anyone reading about or seeing pictures of this procedure is confronted with the terrible reality of what is happening. The partial-birth abortion is one-fifth abortion and four-fifths infanticide. There is not moral justification for continuing to allow partly-born children to be killed in this brutal manner.

I urge you, Mr. President, to sign this bill into law. If there is anything further I can do to assist you in your consideration of this matter, please do not hesitate to call upon me.

Sincerely in Christ,


Archbishop of Washington

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

THE WHITE HOUSE

WASHINGTON

January 26, 1996

Ms. Eleanor Smeal
The Feminist Majority Foundation
Suite 801
1600 Wilson Boulevard
Arlington, Virginia 22209

Dear Ellie:

Thank you for your recent letter.

As you know, I have always maintained that the decision to have an abortion should be between a woman, her conscience, her doctor, and her faith. I also believe that abortions should be safe, legal, and rare. I have consistently opposed late-term abortions except to protect the life or health of the woman. Since H.R. 1833 -- contrary to Roe v. Wade -- fails to provide for consideration of the woman's health or, in the case of the House bill, even her life, I cannot support it.

I appreciate your counsel on this difficult issue as well as your continuing commitment to help ensure the health and safety of women across the country.

Sincerely,

Bill Clinton

~~Bill Clinton~~
Leon - Is this OK in
light of letter I've sent
Hearst? Shouldn't we
first send Ellie +
Kathleen a letter
we sent to Cong. Gaden
Bz

The Feminist Majority

January 9, 1996

The Honorable William J. Clinton
1600 Pennsylvania Avenue, NW
The White House
Washington, D.C. 20050

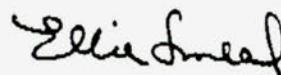
Dear President Clinton,

I am writing to urge you to veto the D&X abortion legislation which, if it becomes law, would outlaw a procedure necessary-- albeit rarely-- to save a woman's life, health, or future fertility, or to prevent severe fetal abnormalities. The criminalization of a medical procedure necessary to save a woman's life or fertility represents the first step in dismantling *Roe v Wade* and a woman's fundamental right to decide.

Since you have taken office you have advanced a woman's right to choose. Your Executive Orders to reinforce the gag rule, to facilitate the licensing of RU486, to repeal the Mexico City Policy, to restore abortion services in the military and to end the ban on fetal tissue research have helped and will help countless millions of women. Although vetoing the D&X procedure will help but a few hundred American women and their families yearly, it is still exceedingly important. We must stop extremists from foisting their radical agenda on women and must preserve the fundamental rights of a woman to choose a safe medical procedure without unprecedented government interference.

Thank you for your consideration and your support of women's rights.

Sincerely,



Eleanor Smeal
President

THE WHITE HOUSE
WASHINGTON

February 27, 1996

MRS. CLINTON:

I am forwarding a letter from Gary Johnson, a Harvard Law School classmate of mine whom I believe you know, on legal services funding. Gary is President of the Legal Assistance Foundation of Chicago and a first-class lawyer.

He writes to underscore what he sees as the crucial element of this fight -- the Republican effort to impose restrictions on the use of non-Legal Services Corporation funds by local LSC grantees. He believes that if this effort is successful it will sound the death knell for significant legal services work.


Todd Stern

cc: Melanne Verveer

GARY T. JOHNSON
SUITE 3500
77 WEST WACKER
CHICAGO, ILLINOIS 60601-1682
312-269-1599

(312) 269-1599

~~CONFIDENTIAL~~

February 26, 1996

VIA TELECOPY

Ms. Hillary Rodham Clinton
Office of the First Lady,
West Wing
White House
Washington, D.C. 20500

Re: Proposed Restrictions on Private Funding for LSC Grantees

Dear Hillary:

I have taken advantage of my friendship with your White House colleague, Todd Stern, because I think it is of vital importance for you to see the attached Memorandum regarding the Legal Services Corporation. As the memo states, from my vantage point as President of the Legal Assistance Foundation of Chicago, the key to saving legal services is preventing restrictions on our non-LSC funds. Please share the attached memo with your colleagues, as needed, and feel free to call me any time of the day or night.

It has been a couple of years since my wife, Susan, and I saw you at the wonderful reception you gave for the Lawyers' Committee for Civil Rights Under Law. More recently, I had warm reports about the Maine South and East reunions from my sister-in-law, Kathy Moore, and our friend, John Peavoy, among others. I want you to know that your friends and admirers from Park Ridge think about you every day.

DETERMINED TO BE AN ADMINISTRATIVE

MARKING INITIALS: OB DATE: 7/12/2019
2019-0774-S

Ms. Hillary Rodham Clinton

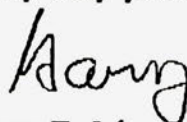
February 26, 1996

Page 4

The civic challenge that I have had as President of the LSC grantee in Chicago has been a real burden for me. Trying to keep the troops together at a time when even our current year funding has been in doubt has been a daunting task. Developing case acceptance priorities when we don't know what the scope of the new restrictions will be has been very difficult. Every day there is a new rumor; every few days we hear of the departure of another valued employee.

One of the things that keeps me going is knowing that what I face is just a pale reflection of the challenges that you face every day. I know that you are fighting the good fight, and we will, too.

Very truly yours,



Gary T. Johnson

Enclosure

MEMORANDUM

February 26, 1996

To: Hillary Rodham Clinton

From: Gary T. Johnson

Re: Negotiations Regarding Legal Services Corporation

As President of the Legal Assistance Foundation of Chicago, one of the largest grantees of the Legal Services Corporation, I would appreciate it if you and your colleagues could keep in mind the following point during your negotiations with Congress over the State, Commerce and Justice appropriation bill: **your top priority should be to prevent imposing restrictions on the use of non-LSC funds.** This is the key to preserving the important work of legal services to the poor.

Since the time that you served as Chair of the LSC board, a fundamental change has occurred in legal services programs. We now have greater access to non-LSC funds. With the sword of Damocles of the Reagan "zero budget" for legal services hanging over our heads, we diversified our funding base and gradually found non-LSC money from law firms, foundations, and attorneys' fee awards. State and local sources such as interest on lawyers trust accounts and, most recently, add-ons to court filing fees, have helped. We have lived with certain restrictions since the Reagan years but have remained effective by using unrestricted non-LSC funds. This non-LSC money is not sufficient to run a whole program, but it is enough to get the restricted work done.

The restrictions proposed by Congress on the LSC grant, and the proposed funding cuts, will be very difficult for us to live with, but the critical work for the poor will go forward as long as we can use our non-LSC funds. Consider our housing team, which is reshaping the West Side of Chicago through a class action involving the Henry Horner Homes. They could not carry on this work with LSC funding because of the proposed prohibition on the class action device and the use of attorneys' fees. If the lawyers handling this work leave our agency, the future of such representation will be bleak because private charity is stretched so thin. Such lawyers also will suffer from being cut off from their colleagues remaining in LSC supported programs. It is unthinkable that pro bono and other charitable programs will step into the breach and handle high-end, major

case litigation. If LSC grantees can use non-LSC money in an unrestricted fashion, then teams like these can remain with agencies like ours and their vital work will continue. The limited amount of non-LSC money available to us will be enough to get the job done.

The opponents of legal services to the poor are much smarter and more experienced now than they were in the Reagan years. They understand the point that I have made about the use of private funds, and they see this -- as do I -- as the battle that will win or lose the war. I have debated our ideological opponents here in Chicago, and know that this is simply a battle over power, not ideas. I would think that conservatives would find the idea repugnant of restricting the privately funded activities of locally controlled, locally incorporated non-for-profit corporations like the Legal Assistance Foundation of Chicago. But the goal here is simply to stop us dead in our tracks. Cutting our funding slows our work down, imposing restrictions on LSC grants ties our hands, but restricting our use of non-LSC funding puts an end to legal services, except for individual case work in unrestricted areas.

Please let me know if there is anything at all I can do to help you to save legal services for the poor. My office telephone is 312-269-1599. My home phone in Evanston is 847-328-2799.

Thank you for everything you, the President and your colleagues are doing to make equal justice under the law a reality.

G.T.J.

(how)

When did
the happy new
year statement
attached, come
from? ~~attached~~
I should do
Thank You to
Haim Heffer.

New year statement
must have come
w/ gift he no
one remembers.



02/26/96

Jim D.
POTUS' note

'Where did the Happy New Year Statement
attached, come from?
I should do Thank You to Haim Heffer.

This happy new year attachment was hooked onto the 01/03/96 Lea Rabin letter.
sharon

Jim pls flag this ltr to Carol or me
when it comes over.

5

January 3rd
1996

Lea Rabin

3, Balfour Street
92102 Jerusalem

Dear President & Hillary

To have been your "houseguest"
at the White House was truly a so-
very unique and heartwarming
experience for me and my children.

All this warmth and friendship,
you could not have made us feel
more welcome, but truly felt like
visiting with friends and the
White House with all its beauty
and glorious Christmas decorations
wasn't a factor of any sense of
distance or formality.

You are very special people
and we shall forever remember
this wonderful tribute to our
friend, husband - father.

We miss him awfully -
the sense of emptiness, the

Lea Rabin
3, Balfour Street
92102 Jerusalem

pain and sorrow are ever
growing and coping with a new-
credful reality without him is
so very hard.

We wish all our best wishes
for 1996 and lots of Good Luck.
May God bless you and yours-
Leo.

3. Balfour Street
92102 Jerusalem

Mrs. Rabin

THE WHITE HOUSE

WASHINGTON

GIFT UNIT CORRESPONDENCE TRACKING SHEET

Date gift presented

1/28/96

Date gift received in Gift Unit

1/31/96

Date contact made with State Dept
regarding salutation and address

-

Date information received from
State Department

-

Date gift draft written

2/1/96

Date of internal editing

Date sent to NSC for clearance

2/1/96

Date returned from NSC

2/8/96

Date sent to editing/
Presidential support/FLO office

2/8/96 *with*

Editing Date

2/5/96

Typing Date

Final Approval

TE Butterfield

THE WHITE HOUSE
WASHINGTON

DATE:

2/1

TO:

JOHN FICKLIN
RECORDS MANAGEMENT
NATIONAL SECURITY COUNCIL

FROM:

WHITE HOUSE GIFTS

ATTN:

Chris George or Tom Sculimbrene

Please review the attached Presidential letter
and indicate your recommendation by initialling
below.

Concur as is: _____

Concur with changes: _____

Alternate response: _____

Return form and attachment to White House
Gifts, Room 457 OEOB as soon as possible.

102/6

319

0625 D 3

White House Gift Record

Presented: 01/28/96
Arrival : 01/31/96
Entered : 01/31/96

Gift ID: 380468/lkk

Donor Information

Mrs. Lea Rabin
3, Balfour Street
92102 Jerusalem
Israel

Acknowledged By: Pending BC Gift Draft

Comments:

Recd when donor was WH Houseguest. Info forwarded by Betty Currie. Clear with NSC
Gift not received in the Gift Unit. *BC. SI 4*

Gift Information

Intended: President and First Lady

Disposition: President to Retain

Description:

Memorial state medal for Yitzak Rabin,
with presentation case that is inscribed
"President Bill and Hillary Clinton, With
my heartfelt thanks, Lea Rabin -
December 1995."

Location of Gift:

Total Gift Value: Pending Value

President ☒

Donor ☐

First Lady ☒

Chelsea ☐

DONOR INFORMATION

Name: Lea Rabin
Address: 3 Balfour Street
92102 Jerusalem Phone: _____

PRESENTATION

Date: 1.28.96 Event: House guest

Handed to President ☐ Other Method ☐

Gift Description: Memorial State medal — for
Yitzhak Rabin

Send Gift and Register to OEOB, Room 457 x7133

Potus has gift

Box is inscribed

"President Bill and Hilary Clinton
with my heartfelt Thanks

Lea Rabin

December 1995

YITZHAK Rabin

Clear w/NSC

* per Todd Stern,
this is a
newspaper

A HAPPY NEW YEAR

Haim Heffer
"Yediot Aharonot" *

Happy New Year, Mr. President from the depth of our loving heart
Many joys and pleasures to you and Hillary
And allow me to say without exaggeration:
Ever since we became a nation, we've never had a friend like you
It's not just the economic and security assistance and your
readiness to give
It's the feeling that, transcending politics,
you're our true friend
You're with us in the joy of peace,
you're with us in our grief and sorrow
You're with us,
your arms stretched out when the gates open
You're with us,
a wise leader and with a boy's winning smile
And you're the only President who touched our hearts
By saying in Hebrew after the murder 'Goodbye Friend'
And when we saw the bumper sticker
It was not only Rabin we saw, but the two of you as one man
Marching with courage, wisdom and love toward peace
None of us will ever forget this, Mr. President
Gratefully, we've made part of our eternal history
So Happy New Year, Mr. President to you and Hillary

A HAPPY NEW YEAR

שנה טובה לך, אדוני הנשיא, מלב אוהב וחם •
הרבה שמחות והנאות לך, לך ולהילארי גם • והרשה
לי לומר לך משפט, אשר בהחלט איננו מגזם: • לא
היה לנו ידיד כמותך, מאז היותנו לעם • ואין זה רק
הסיוע הכלכלי והבטחוני, והנכונות שלך - לתת •
זאת התחושה, שמעבר לפוליטיקה, אתה לנו ידיד
אמת • אתה לנו בשמחת השלום, אתה לנו ביגון
ובצער • אתה לנו בזרועותיך הפתוחות ובפתיחת כל
שער • אתה לנו בחכמת המנהיג ובחיוכו הכובש של
נער • ואתה הנשיא היחיד, אשר כל כך ידע אל לב
עמנו לדבר • כאשר דברת עברית ביום הרצח
ואמרת: "שלום, חבר" • וכאשר ראינו את הסטיקר
הכחל, על השמשה ועל הפגוש • ראינו לא רק את
רבין, כי גם אותך; ואת שניכם באותו הראש •
צועדים, באמץ ובחכמה ובאהבה, את השלום של
כלנו לפגוש... • - ולא נשכח לך זאת, אדוני הנשיא,
מזקן ואשה ועד הנער התם • ואתה חקוק
בתולדותינו, בתודה, ואנחנו הרי עם-עולם • אז שנה
טובה לך, אדוני הנשיא, לך ולהילארי גם ••

THE PRESIDENT HAS SEEN

2.24.96

D. S. Morris → CC: Leon, Miles, Smith
DUNGS GS, Maggie
VP Ambrose, C. Bold - C. Dood
Kennedy Baci, McCray, Sperry
Bleed, Caville
Caville

This was an
enclosure
to a ltr to POTUS
2/2/96 from

Norm Ornstein
American Enterprise
Institute for Public
Policy Research
Wash. D.C.

S

2.26.96

Ornstein

The good news is that campaign finance reform may finally be moving, with bipartisan support. The bad news? It could easily be the kind of "reform" that we are sadly familiar with, one that will only make the problems worse, leading to more obsession by candidates with raising money, even more suspicion of corruption, more barriers for good candidates to run, and even more cynicism and discouragement on the part of voters.

The reform plan that now seems poised to advance is the so-called "McCain/Feingold" bill, a bipartisan effort of conservative Republican Senator John McCain of Arizona and liberal Democratic Senator Russell Feingold of Wisconsin. It was given a ringing endorsement by President Clinton in his State of the Union message, and is building impressive support across a range of lawmakers and outside groups.

After years of partisan spitting matches over campaign finance ideas, a bipartisan approach is refreshing, and it all sounds good on the surface. But despite some positive features, the McCain/Feingold bill is built around the same hoary and misguided principle that has driven campaign finance laws and reformers for decades-- that we need to drain as much money as possible out of the campaign system.

If campaign reform can really move, it is time to rethink that principle and instead evaluate rigorously what kind of change we want and need. It turns out that there are fresh ideas out there to deal with the campaign finance problem-- ideas that are not just theoretical, but are being talked about by political actors from Reed Hundt, Chairman of the Federal Communications Commission to Senate Majority Leader Bob Dole, and

including a diverse range of members of Congress in both parties, ranging from Ed Markey(D-MA) to Tom Bliley (R-VA.)

The “new thinking” to replace the hoary principles of both parties starts with the following key premise: *the problem in campaigns is not too much money.*

For decades, through the several incarnations of campaign finance reform that have created the current horrific system, the mantra has been precisely the opposite. Generations of reformers, revulsed by the wheeling and dealing of politics and special interests, believing that politics is evil, that money drives politics-- and is the root of all evil-- have labored to squeeze as much money as possible out of the campaign system by cutting off or limiting as many sources of funds as possible.

In large measure, they have succeeded. We have tough limits on what individuals can give to campaigns, unadjusted for inflation for two decades; bans on corporate giving; and strict limits on organizationally-related contributions through political action committees (one of the key “reforms” of the past.) Obviously, these reforms have not worked as intended, rooting out corruption, ending incumbent advantages and reducing candidates’ obsession with raising money. The people who designed them are among those screaming the loudest for new reforms to replace them.

Why haven’t they worked? The answer is simple. Reducing the *supply* of money without reducing the *demand* for money is a recipe for disaster. In a large, diverse and cacophonous society where the costs of effective communication are rising rapidly, campaigns will require a lot of money. Why do candidates turn to PACs, raise funds out of state, run countless fund-raisers, spend hundreds of hours on the phone dunning

contributors? Because the demand for resources is high and growing, while the supply is limited and shrinking.

If the thrust of the latest campaign reform is to ban PACs, cap spending and require that 50%, or more of the money spent be raised in-state-- the foundations of McCain/Feingold-- it will end up making matters worse, not better. Temptations to corruption will be much greater-- hitting up business and labor officials and their families one by one to replace PAC contributions (in a fashion much less amenable to disclosure,) laundering out-of-state funds into the state, finding "in-kind" ways to spread the message without directly spending money. And, of course, sharp new limits on funds will give even more leverage to independently wealthy individuals and marquee figures like news anchors as candidates.

Instead, a truly new approach is needed, based on a different mindset. Most campaign finance reform focuses on the ills of the system, devising formulas to erase them-- which end up backfiring via unintended consequences. *Effective campaign finance reform should start with positive goals.* Here are five:

**Effective campaign reform means finding new sources of funds, untainted by their ties to "special interests," that will be available to challengers and incumbents alike to get effective messages across to voters.

** the campaign finance system should broaden the pool of possible candidates, by removing money as the key "barrier to entry," and enabling challengers an opportunity to raise the resources necessary to make their case to voters.

****the campaign finance structure should preserve as much of the market system as possible; candidates should compete for funds and compete for breadth of support, using their backgrounds, personal characteristics and ideas as “products” to attract voters; there should be some rough parallel to antitrust rules, creating a competitive marketplace; and there should be no direct public subsidies.**

****the campaign finance system should encourage the largest possible base of voters to be involved in election campaigns, through small contributions to candidates of their choice.**

****the campaign finance system should encourage more dialogue, debate and deliberation as the hallmarks of healthy campaigns.**

Ask yourself: will spending limits, elimination of PACs, and forcing candidates to raise 60% of their funds in-state, even if accompanied by direct grants of television time, accomplish any of these goals? The answer is no. Then what kind of reforms would work in a positive way? Here are some ideas:

1. Tax credits for small individual contributions. Before the 1986 tax reform act, the tax code allowed a 50% credit for a federal campaign contribution of up to 100 dollars. For the past nine years, there has been none-- and small individual contributions, the kind no one can argue are “interested money”-- have steadily declined. Put in a 100% tax credit for a hundred dollar contribution, and we will see small individual contributions go up, and candidates spend more of their time seeking them, and less of their time trolling for PAC money.

Voters will still have to write the check and have their accounts debited, getting their money back only indirectly the next April, and candidates will still have to compete in the marketplace for contributions, but the incentive system will change enough to provide a major boost to the kind of money we want more of in campaigns.

2. **Don't ax PACs-- tax PACs.** Banning political action committees is certainly unconstitutional and probably unwise. Providing major new incentives for candidates to raise other kinds of money is a better way of dealing with the problem. Another way to alter the playing field is to tax PACs, say requiring them to pay 50 cents for every dollar they contribute to a candidate. That money could in turn be used to defray the costs of the tax credits for small contributions, to undercut the argument that a tax credit is still a public subsidy

3. **Broadcast incentives tied to small individual contributions.** The impending "digital revolution" in broadcasting provides an unmatched opportunity to free up resources to candidates without resorting to direct grants of airtime. Within the next few years, there will be six digital channels available for every existing analog television channel. As these new channels, a dramatic expansion of the public airwaves, are distributed to broadcasters, providing a huge financial boon, it will be possible to secure public interest commitments in return-- namely, commitments to provide broadcast time, radio and television, to candidates for Congress.

But to make a better campaign finance system, the commitments of time should be distributed in the following way. *Once a congressional candidate has raised \$25,000*

- *in in-state contributions of \$100 or less, any such contribution will receive a matching voucher that can be used for radio or television time.*

Here is a golden way to accomplish several goals at once. This reform undercuts the enormous edge of the independently wealthy candidates-- the Michael Huffingtons-- who would not be able to raise large sums from small individual contributors, and would not qualify for the additional broadcast time. It also dilutes the inherent advantages of incumbents, who have no intrinsic edge in raising small individual contributions, as they do with other funding sources like PAC contributions. Make this change, and candidates of all stripes would have huge new incentives to raise money from average voters in their states, without being coerced to do so, and in the process would sharply expand the pool of voters with a stake in the campaign. And the dialogue of the campaign would be enhanced by providing more outlets for communications from the candidates.

4. **A frank for challengers-- with a special twist.** Want to equalize the playing field between challengers and incumbents while also enhancing the dialogue of the campaign? Instead of eliminating the frank, the free, district-wide mailing allowed members of Congress, *expand* it to challengers, but with this twist. During election season, each incumbent and challenger would be given an opportunity to send out two district-wide mailings, *but with the proviso that the messages would be bundled together* (the two mailings would alternate which message came first.) Voters would thus get a communication from *both* candidates, allowing them to compare and contrast, in a kind of package that more voters would be likely to read, and done in a way that would enhance dialogue and deliberation.

5. A **“seed money” mechanism to get potential challengers started.** Right now, the limit on individual contributions to campaigns is \$1,000. What if campaigns were allowed at early stages to raise up to \$100,000 in individual contributions of up to \$10,000? Such contributions would have to be promptly disclosed, to both election officials and the media, allowing voters to judge whether the candidates were being “bought” by a handful of wealthy contributors. At the same time, candidates who want to test the waters, get an organization moving, or simply get over the hump to run a respectable campaign, could do so if they could find ten well-to-do individuals willing to give them a chance.

This is a list of the kinds of ideas that should command bipartisan support, and could build a better, more effective, cleaner and fairer campaign finance system without continuing the pathologies that have made past reforms destructive rather than constructive in their impact. There *is* a better way, based on enhancing, not curtailing, the resources available to candidates to communicate with voters--and the time is right to make it happen.

THE WHITE HOUSE
WASHINGTON

02/26/96

JOCELYN JOLLEY:

For your appropriate handling.
(The Texas disaster declaration
was signed on Friday, 02/23)

Phil Caplan/sew

KAY BAILEY HUTCHISON
TEXAS

COMMITTEES:
ARMED SERVICES
SMALL BUSINESS
COMMERCE, SCIENCE,
AND TRANSPORTATION
SELECT INTELLIGENCE

United States Senate

WASHINGTON, DC 20510-4304

96 FEB 23 P5:57

February 23, 1996

The Honorable Bill Clinton
The White House
Washington, D.C. 20500

Dear Mr. President:

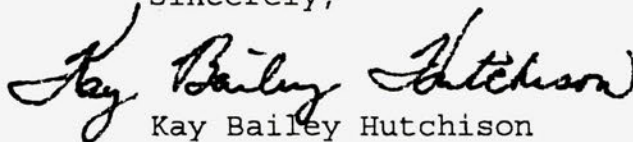
Governor George W. Bush has requested a federal disaster declaration for all 254 Texas counties. This extraordinary request stems from ongoing, unprecedented drought that affects the entire state, and the mounting risk of additional fires throughout the spring and summer.

As you know, scores of homes and tens of thousands of acres in North Texas were consumed by brush fires this week. The State of Texas will soon submit a request for specific federal disaster assistance in the wake of that destruction.

In the meantime, however, and for months to come, the threat of similar fires throughout Texas is acute. Approval of Texas' statewide disaster declaration request would allow pre-positioning of federal firefighting assets where fire danger is highest. This is critical. In the event of a fire outbreak, the ability to bring all firefighting resources to bear as quickly as possible can mean the difference between early fire containment and widespread destruction. This is truly a case of an ounce of prevention being worth a pound of cure.

I urge you to act on the pending disaster declaration as quickly as possible.

Sincerely,


Kay Bailey Hutchison

2/20/96

(D)

NYT Book Review on Mississippi: An American Journey by Anthony Walton.

Via Baer. A young African American man struggling with the racism he continually encountered in the North, travels to Mississippi to discover more about himself and his heritage. The memoir "becomes a compassionate meditation on this country and the South, their past, present and future."

(J)

Raskin letter commenting on your discussion with academics on Jan. 20. Via Harold. Rejects the ongoing "states' rights" arguments of those who would wage "cold war" against the federal government. Rejects "sophomoric" idea that baby boomers destroyed authority and community. Says important issue for Vietnam War opponents was that war was illegal and unconstitutional. Notes it was the federal government, not the states, that attempted to save and reconstitute communities in Appalachia, New York, the South, etc.

We have also received the following items:

•

Rahm note on school uniforms. Reports that several columnists, including George Will and Maureen Dowd, have written supporting your school uniform policy. During your California trip, you will be visiting a Long Beach public school whose uniform policy has reduced juvenile violence. And Rahm is working on events to be held in cities around the country on the day you announce the school uniform guidelines to highlight the positive impact your action can have on youth violence.

•

Rivlin note on funding for Everglades. Our plan provides strong support for Everglades restoration: (i) 25% increase in funding from \$104 million in FY 96 to \$131 million in FY 97 for agency programs, for science, land management, water projects and other programs; appropriations request of \$100 million/year for 4 years to create "Everglades Restoration Trust Fund;" support for 1 cent/pound assessment on Florida sugar production, to raise \$35 million/year for 7 years for the Trust Fund.

•

Follow-up from Leon on Nobel Peace Prize nomination. Per your request, Leon phoned Chris Dodd about your nomination by Rep. Rangel and former Rep. Frank Guarini.

•

Rep. Peter King letter on your meeting with Gerry Adams. Adams told him that he was honored and delighted that you met with him. "As Gerry told you, there would be no peace process without your efforts. Be assured that Gerry Adams will continue to support all your efforts for peace in Ireland -- and of course I will too."

•

Hand-written note from Rep. Steve Largent re: National Prayer Breakfast. "I felt your comments were right on target and were from your heart of hearts. I appreciated your sincerity and genuineness. I pray for you and your family."

1/20/96
Steve Largent

Jocelyn

2/20
original Baerney
memo + original Largent
sent to Baerney
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THE WHITE HOUSE
WASHINGTON

February 12, 1996

96 FEB 13 P12:09

MEMORANDUM FOR THE PRESIDENT

FROM: SUSAN BROPHY *SB*
SUBJECT: CONGRESSIONAL CORRESPONDENCE

Attached is a letter from Rep. Steve Largent (R-OK), that I thought you might like to see.

Enclosure



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

STEVE LARGENT
FIRST DISTRICT
OKLAHOMA

2/5/96

Dear Mr. President,

I want to thank you for your commitment to the National Prayer Breakfast. I felt your comments were right on target and were from your heart of hearts. I appreciated your sincerity and genuineness. I pray for you and your family. I cannot fully appreciate all the pressure on you all. May the Lord truly "enlarge" you to fulfill His task for you and our nation. Thank you and God bless you Mr. President.

In His grip -

Steve Largent

2120196

(1) **NYT Book Review on Mississippi: An American Journey by Anthony Walton.** Via Baer. A young African American man struggling with the racism he continually encountered in the North, travels to Mississippi to discover more about himself and his heritage. The memoir "becomes a compassionate meditation on this country and the South, their past, present and future."

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We have also received the following items:

✓ **Rahm note on school uniforms.** Reports that several columnists, including George Will and Maureen Dowd, have written supporting your school uniform policy. During your California trip, you will be visiting a Long Beach public school whose uniform policy has reduced juvenile violence. And Rahm is working on events to be held in cities around the country on the day you announce the school uniform guidelines to highlight the positive impact your action can have on youth violence.

cc: L.A. ✓ **Rivlin note on funding for Everglades.** Our plan provides strong support for Everglades restoration: (i) 25% increase in funding from \$104 million in FY 96 to \$131 million in FY 97 for agency programs, for science, land management, water projects and other programs; appropriations request of \$100 million/year for 4 years to create "Everglades Restoration Trust Fund;" support for 1 cent/pound assessment on Florida sugar production, to raise \$35 million/year for 7 years for the Trust Fund.

✓ **Follow-up from Leon on Nobel Peace Prize nomination.** Per your request, Leon phoned Chris Dodd about your nomination by Rep. Rangel and former Rep. Frank Guarini.

cc: USC ✓ **Rep. Peter King letter on your meeting with Gerry Adams.** Adams told him that he was honored and delighted that you met with him. "As Gerry told you, there would be no peace process without your efforts. Be assured that Gerry Adams will continue to support all your efforts for peace in Ireland -- and of course I will too."

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→ 1500 copy
Steve Largent

2/12/96
original

the
sent to
NSC

S



HOUSE OF REPRESENTATIVES
WASHINGTON, D. C. 20515

PETER T. KING
THIRD DISTRICT
NEW YORK

February 2, 1996

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

Dear Mr. President:

I just spoke with Gerry Adams this morning and he was honored and delighted that you met with him yesterday. As Gerry told you, there would be no peace process without your efforts.

Be assured that Gerry Adams will continue to support all your efforts for peace in Ireland -- and of course I will too.

All the best.

Sincerely,

A handwritten signature in dark ink, appearing to read "Pete", written over the word "Sincerely,".

PETER T. KING
Member of Congress

PTK/cr

THE WHITE HOUSE
WASHINGTON

THE PRESIDENT HAS SEEN
2/26/96

February 24, 1996

MEMORANDUM FOR THE PRESIDENT:

FROM: TODD STERN *TS*
HELEN HOWELL

SUBJECT: Recent Information Items

We are forwarding the following recent information items:

up new to high this answer govt

(A) **Rubin note on community development lending.** Upbeat note attaching Feb. 13 WSJ article on success of community development lending under the Community Reinvestment Act. Rubin says that the CDFI Fund is thriving in its new home at Treasury, and response to the Fund's first call for applications has been outstanding, with requests outstripping available resources by 10 to 1: "We have some exciting new initiatives coming on, including...Presidential Awards for microlending. I think we have a real opportunity to take your community development initiatives to scale over the next five years." Note the WSJ article The article states that regulators whose approval is needed for mergers are taking a harder line on banks' and S&Ls' performance under the CRA, which requires them to lend in every community where they take deposits. A weak lending record can slow or even derail a deal.

Leon new to go Mark

(B) **Lake response on river blindness.** A December NYT article said the U.S. "refused to contribute" to efforts to eradicate river blindness in Western Africa. In fact, USAID has funded a *global* eradication effort since 1974 and hopes disease can be destroyed by 2002. U.S. decision not to fund the West Africa program mirrors that of other major donors to the global effort. AID will lend technical support to the West Africa program, but cannot fund it because of AID's austere budget.

Congressional notes. *Markey* -- thanks you for the "magnificent" telecom signing ceremony, for the electronic pen, and for highlighting children's tv and V-chip. Asks to meet with you before you see entertainment leaders and such a meeting *has been* scheduled for Wednesday, February 28; *Nunn* -- thanks you for your recent note and the enclosed cross-word puzzle. "Mother has now moved from Perry to Atlanta in an assisted care home, so she will love this puzzle completed by our nation's leader;" *Leahy note and family photo* -- thanks you for your holiday greeting. "We want to send you our very best for 1996 as well as a photo of all the family celebrating our son Mark and Kristine's wedding at our tree farm in Vermont last summer."

The Honorable Robert Rubin
Department of the Treasury

VIA SPECIAL MESSENGER



THE PRESIDENT HAS SEEN
2126196

DEPARTMENT OF THE TREASURY
WASHINGTON, D.C.

SECRETARY OF THE TREASURY

96 FEB 22 P4:55

February 21, 1995

MEMORANDUM FOR THE PRESIDENT

FROM: SECRETARY ROBERT E. RUBIN *REN*
SUBJECT: COMMUNITY DEVELOPMENT LENDING

I thought you would be interested in the attached article, which highlights the success of community development lending under the Community Reinvestment Act (CRA). As you know, we have been fighting congressional attempts to eviscerate CRA, so far successfully. To get out the good word, we have distributed this article widely, to the press, Members of Congress and interested groups.

I also wanted to let you know that the CDFI Fund is thriving in its new home in Treasury. I recently opened the Fund's first Advisory Board meeting, and the level of excitement was high. Moreover, response to the Fund's first call for applications has been outstanding, with requests from mainstream financial institutions and community development funds outstripping available resources by roughly 10 to 1. We have some exciting new initiatives coming on, including establishing, at your direction, Presidential Awards for microlending. I think we have a real opportunity to take your community development initiatives to scale over the next five years.

I will be discussing these issues tomorrow at the Comptroller of the Currency's community development conference, as well as announcing the details of the brownfields tax incentive that you called for in your State of the Union address. I think this incentive holds out real prospects for helping to get abandoned, contaminated industrial sites productive again.

A1

Giving Credit

Mortgage Lending To Minorities Shows A Sharp 1994 Increase

Regulators and the Market
Both Fuel Trend, as Do
Low-Income Loan Plans
Buying With Nothing Down

By JOHN R. WILKE

Staff Reporter of THE WALL STREET JOURNAL
From the South Bronx to the suburbs of Los Angeles, mortgage lenders are making loans to blacks and Hispanics as never before.

The surge in credit is being fueled by tough fair-lending enforcement, federal community-investment rules that encourage such loans and required public disclosure of every mortgage lender's loans by race and income. And another reason: "It's good business," says Karen Wegmann, executive vice president at Wells Fargo Bank in California. "We're making money."

The rise in lending is most striking in hard-hit inner-city and rural areas, heavily populated by minorities, that long were underserved by banks and mortgage companies. Indeed, in many cities, low-income and minority borrowers can now find mortgage credit on better terms than affluent whites, Federal Reserve officials say.

The targeting of these borrowers is changing the makeup of the mortgage market. A Wall Street Journal computer analysis of millions of mortgages from the latest data available shows that home-loan approvals to blacks soared more than 38% in 1994 from 1993, while approvals of loans to whites rose just under 12%. Loan approvals for Hispanics rose steeply as well, by 31%, with approvals for Asians up 17%.

"It's a new day," says John Taylor, a longtime bank critic who heads the National Community Reinvestment Coalition. "Five years ago, most banks didn't take the community-lending laws seriously," he says. "Today there's more lending in low-income urban and rural communities than ever before."

Part of the reason is the wave of takeovers in the banking industry. Regulators whose approval is needed for mergers are taking a harder line on banks' and savings-and-loans' performance under the Community Reinvestment Act, a law that requires them to lend in every community where they take deposits. A weak lending record can slow or even derail a deal, while a strong one can speed approval and head off protests by community groups.

In recent months, some eye-popping community-lending commitments have

Approvals Soar

Mortgages approved, by race

	1994	RISE FROM 1993
Black	242,968	38.3%
Hispanic	236,186	30.9
Native American	20,134	27.1
Asian	116,432	17.0
White	3,038,940	12.0

been made by banks that are in the merger market. For example, Wells Fargo & Co., which is taking over California rival First Interstate Bancorp, promised \$45 billion for lower-income and small-business loans over 10 years.

Market forces have also helped. With slower growth in the demand for large and middle-size mortgages, lower-income borrowers of all races emerged as a source of new business toward the end of 1994. "Bankers discovered that the community-lending laws were a blessing in disguise," says Karen Shaw Petrou of ISD Shaw Inc., a Washington consulting firm. "It's the only part of the market showing robust growth right now."

Lenders' new focus on minority and low-income borrowers comes even as congressional Republicans seek to exempt many banks and S&Ls from the Community Reinvestment Act. Its critics call the 1977 law a heavy-handed affirmative-action program. But Democratic Rep. Joseph Kennedy of Massachusetts, a longtime advocate of more minority lending, says the latest numbers "clearly show that CRA works."

Much of the new wave of lending is at below-market terms, offering low closing costs, low down payments or relaxed standards for such things as a borrower's credit rating, income and level of debt. An unpublished survey by the Federal Reserve found such programs proliferating in almost every city, many offering as much as a one-percentage-point break on interest rates or on the "points" charged at the closing. The programs may become even more common because of newly revised CRA rules under which banks' lending records will be measured in part by comparison with their peers'.

"We're going to see banks offering cheap money to buy market share in low-income areas, especially after they realize that under the new rules, CRA ratings depend on it," predicts Catherine Bessant, a senior vice president at NationsBank Corp., of Charlotte, N.C.

This acquisition-minded "superregional" bank has itself begun offering one of the country's most aggressive low-income-loan programs. Working through a Boston nonprofit housing group, NationsBank is making available \$500 million of home loans in four Southeastern cities to as many as 10,000 borrowers with no need to come up with any down payment at all, nor to pay any closing costs.

While such programs help people who otherwise might have no hope of owning a home, they may also distort the market, discouraging lending by others that aren't ready to subsidize loans so heavily — and, ironically, squeezing traditional inner-city lenders. Boston Bank of Commerce, a black-owned institution serving the Massachusetts city's ailing Roxbury and Mattapan neighborhoods, was virtually knocked out of the mortgage market by a flood of cheap credit in the past two years from Fleet Bank, Bank of Boston and other big banks that had been criticized over their community lending.

"There's lots more credit on the street, and in the short term, that's good for the community," says Ronald Homer, Boston Bank of Commerce's chief executive. "But it hurt our bank, and over the long term, you have to ask how long these big banks are going to remain here when the regulators take the pressure off," he says.

Who Gets What

CORA

31

Lending

The below-market loan programs also raise the sensitive issue of fairness. "In some cases, it is now cheaper to get a home loan in the inner city than in the suburbs," says Lawrence Lindsey, the Fed governor who oversees community lending. The new programs "have not only leveled the playing field but begun to go in the other direction," he says, as big lenders aggressively move into the inner city to demonstrate to their regulators that they are complying with fair-lending laws.

Mr. Lindsey makes clear that he welcomes the new and easier credit flowing into the inner city, something federal regulators have been seeking for years. But ultimately, he says, "we want to end up as a society where all people are treated equally when applying for credit."

Another concern is that aggressive low-income loan programs may produce mortgages that go sour at a higher rate than other home loans. Many of these loans are too new to make such a judgment, however, and data are conflicting.

Many lenders say their low-income loans so far are performing as well as other loans. Some evidence suggests that lower-income borrowers often go to great lengths to meet a mortgage payment. But Federal Home Loan Mortgage Corp. raised a red flag on low-down-payment loans last summer, quietly telling bankers that it was beginning to see higher rates of default. Freddie Mac, as the company is called, buys mortgages and repackages them into securities.

And NationsBank is "starting to see some loss experience higher than in the general market" on affordable-loan programs, Ms. Bessant says. She believes that a modestly higher loss rate is acceptable if it is also predictable, so that mortgages can be priced properly when repackaged as securities.

Assessing Risks

Ms. Bessant says banks need to learn to assess risks in low-income underwriting. An applicant may have a spotty credit history or be able to make only a low down payment or may have a high level of debt to income, and while any one of these flaws may be acceptable, two or more could spell trouble. As low-income lending becomes a larger part of the market, "we have to learn where the line is between a stretch and a bad deal," she says.

Mr. Homer of Boston Bank of Commerce, the inner-city bank, adds, "You have to ask the fundamental question that if a person can't cover closing costs or doesn't have any savings for a down

payment, what happens if the furnace blows?"

Easing loan terms worries Mr. Lindsey, the Fed governor. He warns that "tinkering with underwriting standards could create more social problems than it solves if the result is that more families default."

Bruce Marks, who runs the nonprofit Neighborhood Assistance Corp. in Boston, dismisses such concerns. He says that people who obtain homes through his program get extensive support and post-purchase counseling to stay on top of their finances. By badgering lenders about their inner-city performance, Mr. Marks has helped line up commitments for a huge lower-income loan pool of \$850 million, including NationsBank's program. His group finds and "qualifies" the borrowers, who then get loans from banks cooperating with the nonprofit group.

Ratings Rise

As banks get involved in such programs to impress regulators, their Community Reinvestment Act ratings have been rising. A General Accounting Office survey shows that "outstanding" ratings have

more than doubled in four years, while "needs to improve" ratings have dropped by more than half.

Part of this is simply "grade inflation," contends Robert Gnaizda, director of a San Francisco advocacy group called the Greenlining Institute. In addition, banks faced with a weak CRA rating often bring in legal counsel to appeal such a decision. "Very often you can turn the regulators around, particularly as you move up the chain of command in an agency," says an attorney who has helped banks boost their ratings. "It's a very subjective process, and there's inconsistency among the different examiners."

But Federal Reserve regulators say the better ratings clearly do reflect improved lending performance, and the reports that lenders have to file bear this out. Under the Home Mortgage Disclosure Act, or HMDA, each lender must file an annual breakdown of its mortgage-loan applications by race, sex and several other categories, and state the outcome of each application. One thing these numbers show, Fed Chairman Alan Greenspan said last week, is that new home loans to lower-income households of all races expanded at more than twice the rate of lending to higher-income families.

Specifically, the Journal analysis of the HMDA numbers shows that lending to blacks rose more than 30% in 1994 in every type of census tract, from mostly black to mostly white, although the latter kind showed the greatest increase. And lenders reached further down the income ladder, granting mortgages to blacks with lower family incomes, on average, than in 1993.

Raw figures that exclude government-backed loans such as those guaranteed by the Veterans Administration show lending up even more sharply: Mortgage loans granted soared 54.7% for blacks in 1994 from 1993, compared with a 15.7% rise for whites.

Although the Community Reinvest-

Rising Approval Rates

Lenders whose approval rate for black applicants rose most*

LENDER/ LOCATION	1994		PERCENT CHANGE
	BLACK APPROVAL RATE	BLACK APPROVAL RATE	
Unity Mtge. Atlanta	77.5%	38.0%	103.7%
Home Owners Funding Dallas	39.0	25.8	51.0
MCA Mortgage Southfield, Mich.	85.4	60.5	41.3
South. Nat'l Bank of N.C. Lumberton, N.C.	75.4	53.8	40.0
CoreStates Bank Philadelphia	65.9	47.6	38.4
Compass Bank Birmingham, Ala.	65.5	48.1	36.4
Metmor Fin'l. Overland Park, Kan.	83.6	66.0	26.6
CTX Mtge. Dallas	100.0	79.3	26.2
Broadview Mtge. Worthington, Ohio	95.9	76.4	25.6
Worthen Mtge. Little Rock, Ark.	69.3	55.9	24.1

*For lenders with 200 or more black applications

COA ✓

Lending

ment Act doesn't explicitly mention race, the HMDA reports provide a yardstick for measuring institutions' fair-lending efforts each year. And the reports are available to activists as well as to regulators: Since 1990, lenders have had to make HMDA figures public, not merely report them to regulators.

Tough fair-lending enforcement by the Justice Department has also helped spur minority lending, with the department bringing six such cases in the past three years, after more than a decade with no significant actions. "There's no question that enforcement is tougher today," says Andrew Sandler, an attorney with Skadden, Arps, Slate, Meagher & Flom. Most cases target banks, but lenders that aren't required to comply with CRA are under scrutiny as well, he says.

The Journal analysis of the 1994 home-mortgage numbers shows that lenders still rejected a much higher percentage of black applicants than of whites — 31.2% vs. 16.71%. Thus, the greater number of loans made mostly reflected a surge in the number of applications taken.

The gap in rejection rates narrowed a little in 1994 as the black denial rate stayed virtually unchanged while the white denial rate rose. The black denial rate was down from more than 34% in 1992. The data don't track applicants' borrowing histories, debt levels or other issues of credit-worthiness.

A few institutions that did more lending to blacks made most such loans to families living in heavily white census tracts, where average income is higher. Bank of America FSB, an Oregon-based unit of BankAmerica Corp., had the third-highest number of home loans to blacks, making nearly twice as many in 1994 as in 1993. Yet 98.9% of them were to blacks living in largely white census tracts.

On the CEO's Desk

By contrast, Countrywide Funding Corp. reached aggressively into the inner city, even though it is a nonbank lender and thus isn't subject to the CRA. Its 1994 home loans to blacks more than quadrupled. More than 42% of them were made in census tracts that were at least 25% black.

Countrywide also sharply narrowed the gap between its rejection rate for black and for white mortgage applicants. Angelo Mozilo, its chief executive, says he resolved to do this after HMDA numbers were first published four years ago showing Countrywide turning down black applicants at four times the rate of whites. He ordered loan officers who had doubts about approving a mortgage for a low-income, minority applicant to send the file to him. He says he reviewed 200 such applications in 1994, approving about 70%.

"That sent a message to the rank and file that we were serious about turning this around," Mr. Mozilo says. But to do so, he adds, "lenders have had to stretch the rules a bit."

The new push in minority lending comes as federal housing funds and community-development grants are being slashed by the Republican-controlled Congress. Mr. Taylor of the community-investment coalition says this makes continued progress by the private sector vital if the renewal of poor inner-city and rural communities is to continue. "There is still so much more to be done," he says.

TERRY SHUMAKER
214 North Main Street
Post Office Box 1415
Concord, New Hampshire 03302-1415

Telephone
(603) 228-1181 (Ofc)
(603) 224-4682 (Home)

Fax
(603) 226-3334

THE PRESIDENT HAS SEEN
2 26 96

Josiah

FAX TRANSMITTAL SHEET

CONFIDENTIAL

Date: February 23, 1996

Fax #: (202) 456-6703

To: Nancy Hernreich

Phone #: (202)

Total Number of Pages (including cover sheet) 3

Time Sent: 12:40 am/pm (pm)

(memo w/clip)

IF YOU DO NOT RECEIVE THIS FAX PROPERLY, PLEASE CONTACT US AT (603) 228-1181. RETURN FAX NUMBER (603) 226-3334.

Remarks:

Nancy:

F.Y.I.

Best regards,

Ty
Terry

Fawn Lardy
Signature of Fax Operator

The information contained in this fax message is intended only for the personal and confidential use of the designated recipient(s) named above. This message may be an attorney/client communication, and as such, is privileged and confidential.

DETERMINED TO BE AN ADMINISTRATIVE

MARKING INITIALS: OB DATE: 7/2/19

2019-0774-5

MEMORANDUM

Final
New Hampshire
Vote totals

To: NH Clinton/Gore '96 File
From: Terry Shumaker (603-228-1181)
Date: February 23, 1996
Re: Final New Hampshire Vote Totals

=====

This memo and attached Union Leader clip supplement my 2/22/96 memo regarding the final vote tally in the New Hampshire Primary.

Highlights: In addition to the 76,797 Clinton ballot votes reported yesterday, the President received 395 Democratic write-ins (total Democratic Clinton vote = 77,192).

In addition, the President received 2,240 G.O.P. write-ins for a total New Hampshire vote for Clinton of 79,432. By comparison, General Powell only received 936 G.O.P. write-ins, Jack Kemp just 124, and Newt Gingrich 4.

Please call if you have any questions.

Attachment

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THE UNION LEADER, Manchester, N.H. — Friday, February 23, 1996

With Write-ins Counted, 1996 Primary Finally Final

By **DONN TIBBETTS**
State House Bureau Chief

CONCORD — A total of 304,904 ballots were cast in Tuesday's Presidential primary, official figures revealed yesterday.

A record high 210,218 votes were cast to decide Pat Buchanan's 2,052-vote victory over Bob Dole in what proved to be the second-closest GOP primary ever, topped only by the 1976 balloting that saw Gerald Ford top Ronald Reagan by 1,587 votes.

The vote count topped by 32,248 the number of Republican ballots cast in 1992.

The figures announced yesterday by Secretary of State Bill Gardner revised the totals for the Presidential candidates because they now include all the write-ins which were not tabulated until yesterday.

The revised final figures showed:

- Buchanan 57,081, 27.2 percent.
- Dole 55,029, 26.2 percent.
- Alexander 47,420, 22.6 percent.
- Forbes 25,635, 12.2 percent.
- Lugar 10,936, 5.2 percent.
- Keyes 5,678, 2.7 percent.
- Taylor 2,976, 1.4 percent.
- Gramm 795, 0.4 percent.
- Dornan 547, 0.3 percent.

Democrats

Official figures show that President Clinton garnered 82.5 percent of the 93,044 votes in the Democratic primary with 77,192. Of the 20 other political unknowns on the ballot, comedian Pat Paulsen was runner-up with 1,018 votes, followed by 664 votes for Carmen Chimento of Brookline, a former U.S. Senate hopeful.

The vote total for Democrats was the smallest since 1976.

Libertarians

Harry Browne of Franklin, Tenn., defeated Irwin Schiff of Las Vegas, Nev., 653-336, for the Libertarian choice for President.

The total vote cast by Libertarians of 1,642 fell far short of the 3,544 cast four years ago.

Write-in Battle

The battle of the write-in votes for President in the Republican primary was won by the nation's top Democrat — President Clinton. He claimed 2,240 of the 4,551 write-ins cast.

Former chairman of the joint chiefs of staff, retired Gen. Colin Powell, was runner-up with 936 write-ins.

There were also write-ins for candidates whose names were printed on the ballot. Either the voters couldn't locate the name or preferred to write in the name.

For example, Bob Dole got 158, Lamar Alexander 153, Pat Buchanan 112, Steve Forbes 96, Alan Keyes 96, Dick Lugar 87, Phil Gramm 41, Morry Taylor 26 and Bob Dornan 18.

Vice President Al Gore, a Democrat, got 46 GOP votes for President. Former Presidential hopeful Jack Kemp got 124 write-ins. Consumer advocate Ralph Nader attracted 98, businessman Ross Perot got 27 and comedian Pat Paulsen got 24. Former President George Bush received 11. House Speaker Newt Gingrich four, and Oliver North garnered two write-ins.

Write-ins for President on the Democratic ballot showed Republicans in the top four slots. Buchanan was tops with 3,347, Alexander attracted 1,888, Forbes got 1,294 and Dole received 1,257.

Gore got 679 write-ins and Clinton got 395. Powell had 280 write-ins on the Democratic ballots.

Leon THE PRESIDENT HAS SEEN
2.20.96

Can we give them
a little more? He's
good return - 2000 more

BC

FAXTHE PRESIDENT HAS SEEN
2 20 96funding for
Adult Education

Date 02/23/96

Number of pages including cover

TO: The President

FROM: Carolyn Staley
Nat. Institute for Literacy

Phone

Phone (202) 632-1526

Fax Phone

Fax Phone (202) 632-1512

CC:

REMARKS: ☐ Urgent ☐ For your review ☐ Reply ASAP ☐ Please Comment

Dear Mr. President:

I hope you are well today and that you enjoyed a wonderful California trip!

May I bring to your attention a concern about the administration's '96 recommended level of funding for adult education?

History: '92(Bush)	'93	'94	pre-resc. 95	post resc. 95	'96 recommend.
\$287m	\$304.7	\$304.7	\$302.2	\$278.9	\$277

The Department of Education draft request was \$315 million. I am really worried that the cut to \$277 million will look like the administration that cut Adult Education and Literacy. We looked great in '93 and '94 with \$304.7. The Adult Education and Literacy community will have a difficult time reconciling the fact that it is being asked to take on a larger student load and broadened partnership in administration efforts at streamlining welfare reform and workplace education/ training, but receiving a funding cut to do it.

I'm afraid Adult Education and Literacy may suffer in your budget request with all the pressure to cut, but we're down so drastically from '93 levels and now lower than rescission and Bush.

I very much appreciate your attention to my concern. Anything you can do to help get the budget up would be great—or help us translate it in a positive way. This quiet, overlooked and undervalued field is a big player in your reforms. Thanks!



original mailed
2/23/96



NATIONAL INSTITUTE FOR LITERACY

February 23, 1996

The Honorable Bill Clinton
President of the United States
The White House

Dear Mr. President:

I am sending you a copy of Literacy, the Economy, and Society: Results of the First International Adult Literacy Survey via messenger. This new and groundbreaking study of industrialized nations highlights how government policies can best cultivate a highly-skilled, educated, and technologically literate workforce.

Just as the National Adult Literacy Survey showed that the difference in literacy and basic skills creates an economic fault line among individual Americans, this report shows that we are developing the same fault line between nations, and that low literacy skills may put the United States at a disadvantage in the world economy of the next century.

→ The report -- the first to link the fast-changing international marketplace with our National Educational Goal 6, the goal of a fully literate America, -- confirms the connection between literacy skills and a nation's social and economic well-being. The report found that adult literacy levels are "...strongly correlated with life chances and use of opportunities," and that "...those with low literacy levels will have even fewer opportunities in the future." The report emphasizes that government policies on literacy and other workforce development issues have the important long-term economic and social consequences for all of the nations included in the study.

I hope this report is helpful to you. Please keep it in mind as you work on your 1997 budget proposal for adult basic education and literacy.

Sincerely,

Carolyn Staley
Deputy Director



P.O. Box 1910
Merrifield, VA 22116-1910

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PENALTY FOR UNAUTHORIZED USE

REFERENDUM
NUMBER:

RC58

RETURN
DATE:

02/27/96

NATIONAL CITIZENS REFERENDUM ON BILL CLINTON

Sponsored by Citizens United, Floyd Brown, Chairman ♦ ♦ ♦ Paid for by Citizens United • P.O. Box 1190, Fairfax, VA 22030-1190

The media has recently published polls saying that most Americans have a favorable opinion of Bill Clinton after his first two years in office. This National Referendum seeks to determine the true feelings of the American people. Please check the box beside the answer that best reflects your opinion. Then return your survey in the enclosed reply envelope.

1. Do you approve or disapprove of Bill Clinton's performance as President?
☐ Approve ☐ Disapprove ☐ Don't Know
2. President Clinton says he deserves "A-pluses" for his first two years in office. What grade would you give Bill Clinton?
☐ A+ ☐ A ☐ B ☐ C ☐ D ☐ F
3. Do you approve or disapprove of the following Clinton policies?
Gays in the military ☐ Approve ☐ Disapprove
Socialized Medicine Plan ☐ Approve ☐ Disapprove
Tax increase ☐ Approve ☐ Disapprove
Placing US troops under UN command ☐ Approve ☐ Disapprove
4. How much trust do you have in Bill Clinton?
☐ A lot ☐ Not much ☐ None at All

VALIDATION
SIGNATURE _____

Your signature required to validate survey.

URGENT REPLY TO FLOYD BROWN

- ☐ YES, I agree with you. These media polls don't show how I feel about Bill Clinton. I'm enclosing my National Citizens Referendum on Bill Clinton to let you know how I feel.
- ☐ YES, I'll help Citizens United continue to investigate and expose Bill Clinton's scandals. Enclosed is my check to Citizens United for:

☐ \$20* ☐ \$25 ☐ \$50 ☐ \$100 ☐ \$250
☐ \$500 ☐ \$1000 ☐ Other: \$ _____

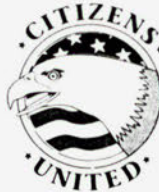
Please make check payable to Citizens United.

Contributions are not tax-deductible.

* \$20 entitles you to our regular Citizens Agenda newsletter.

DO NOT MARK
INSIDE THIS BOX

Date Received _____ Date Tabulated _____



Floyd Brown
Chairman

Dear Friend:

Will you please fill out the enclosed National Citizens Referendum on President Bill Clinton and return it to me in today's mail?

Washington establishment is already grading Bill Clinton's first two years as President:

- ABC News Poll says more Americans approve of Clinton than disapprove.
- USA Today headline: "Clinton's rating inching up."
- White House Chief of Staff Leon Panetta claims that Clinton has "an unrivaled record of accomplishment."
- Washington Times reports: Clinton himself said he deserves "A-pluses" for his first two years in office!

Do you believe Clinton deserves "A-pluses" for his first two years in
(Over please)

NATIONAL CITIZENS REFERENDUM ON BILL CLINTON

Sponsored by Citizens United. Floyd Brown, Chairman ♦ ♦ ♦ Paid for by Citizens United • P.O. Box 1190, Fairfax, VA 22030-1190

office? Please let me know on your Citizens Referendum on President Bill Clinton.

I think these "polls" showing Bill Clinton with a favorable rating are a bunch of liberal propaganda put out by the news media.

And I believe results from this Citizens Referendum on Clinton will show that most Americans oppose Bill Clinton and his liberal policies. But I need your poll response to prove to the media that Americans are fed up with Bill Clinton.

As a candidate, Bill Clinton promised to restore ethics to government. But Clinton's Administration has been filled with scandal after scandal.

Citizens United (CU) has been the leading group in America exposing Bill Clinton's corruption. CU investigators have spent over 10,000 hours studying documents and interviewing witnesses on Clinton scandals like Whitewater. Our research was so well-known that FBI Agents working for the Special Prosecutor investigating Whitewater actually visited our offices to get thousands of pages of documents about Bill Clinton from us!

Yes, the documents obtained from Citizens United are being used right now by the Special Prosecutor to build a criminal case against Bill Clinton's

(Next Page Please)

friends and associates.

As Time magazine wrote, "Floyd Brown is feeding information and hard-to-find documents to reporters and Congressional Republicans looking into the Whitewater affair."

The damaging information contained in our documents could blow the lid off the White House - and stop Bill Clinton for good. Even the liberal media would be forced to quit publishing ridiculous polls saying that Americans like Bill Clinton.

Just one problem. Citizens United doesn't have the funds necessary to wage a massive public information campaign to get our research out to the public. We've done the research - now we need the funds to get the facts out to every single American. Citizens United desperately needs your financial help in a hurry to keep the heat on Bill Clinton - before the liberal media can resurrect his standing in the polls.

Can you please rush Citizens United a check for \$20, \$50, \$100, \$250 or even \$500?

Your Citizens Referendum on Bill Clinton and your check of \$20, \$50 or

(Over please)

, more will help Citizens United expose Bill Clinton's corruption and stop Slick Willie's liberal agenda dead in its tracks.

If you'll send \$15 or more to Citizens United today, I'll send you our regular Citizens Agenda newsletter which is full of information about Bill and Hillary Clinton.

So please rush your Citizens Referendum and your check for \$15 or more back to me in the attached reply envelope.

Thank you.

Sincerely,

Floyd G. Brown
Floyd Brown, Chairman

P.S. The liberal media has launched a major public relations campaign claiming that Americans support Bill Clinton. Do you support Clinton or oppose him? Please let me know on the enclosed Citizens Referendum so I can let the media know what the American people really think about Bill Clinton. Right now we've got Bill Clinton on the run. Your check for \$15 or more will help me keep him there. Thanks again.

FROM: _____

Please
Place
Stamp
Here

National Citizens Referendum on Bill Clinton
c/o Tabulation Center
Citizens United
P.O. Box 1910
Merrifield, VA 22116-1910

Notes
to Brian Green

THE PRESIDENT HAS SEEN
2.26.96

\beginstory

The rat that roared.

There was a time in our more recent history when attacking the sovereignty of the United States was a sure-fire recipe for financial success.

Even Hollywood got into the act of poking fun at this country's foreign policy which seemed to punish those who dared strike out at us with defeat and, ultimately, economic victory.

'The Mouse that Roared' was one very good example of a two-bit dictator who could think of no other way to shore up his country's sagging economy than to declare war on the United States. His grand plan was to ingratiate himself with the victim of his harmless barbs and, thereby, secure his country's future.

But that was Hollywood. In the real world, declaring war on the United States of America has never been a wise move for any country or government looking forward to celebrating its next birthday. The punishment for such stupidity, when it finally did come, usually far outweighed any perceived short-term political gain achieved by those in charge.

President Bill Clinton is considering the appropriate response to Cuba's aging dictator Fidel Castro's barbaric attack on two unarmed, single-engine Cessnas that may or may not have flown into Cuban airspace. In doing so, he will help all Americans determine the strength of his resolve as commander-in-chief and the wisdom of his leadership as president of the most powerful nation on Earth.

The U.S. policy towards Cuba has been under review for some time. With the inevitability of change in Cuba because of Castro's advancing age, American strategists have been wrestling with the various notions of how best to help the Cuban people determine their own destiny, with or without the communist leader's blessing.

Until Saturday, there were good and responsible reasons for changing our attitude toward Castro in the hopes of effecting an earlier resolution to the continued question of what to do with Fidel. All that changed when Fidel Castro left the ranks of two-bit dictators and joined the cadre of killers who care not for convention and law but only for some demented version of history that only they can see.

All that changed when airplanes flying the flag of the United States of America were deliberately shot out of the sky by a dictator

His Vegas Sun To Honolulu President Clinton From PWI CESA

unafraid or unconcerned about the consequences of his uncivilized and inhuman actions.

No longer is this country's Cuban policy a matter of political expediency that either the Democrats or Republicans could exploit come election time. When Castro ordered those missiles fired, he made the issue a simple one of right versus wrong.

It was wrong to murder those innocent people aboard the Cessna airplanes. It is right that the most powerful nation in the world respond swiftly and decisively.

This doesn't mean that we should declare war on Cuba. While such an action would be a military no-brainer, it would hurt the very human beings we have tried to help all these years with policies designed to squeeze the government while sparing the people.

Rather, I believe the President should come up with some specific and measured military action that inflicts pain on Fidel's meager war machine and, at the same time, encourages the people of our nearby neighbor to rise against the insanity of a leader who has forfeited his right to lead.

Castro has boasted that he was just trying to teach us a lesson about Cuban sovereignty. If that's true he picked the wrong student with whom to play his childish games.

He has given us a reason and an excuse to teach him that when a mouse roars at the United States, we might smile and throw down some cheese.

But when that mouse is a rat and a murderer like Fidel Castro we lose our sense of humor.

The President should act timely and appropriately. And when he does, the entire country should stand behind him as he defends the honor and good name of the United States.

Red, Plaid and Nutty

With Pat Buchanan commanding the spotlight, very little attention is being paid to the bizarre proposals of the other extremist among the leading Republican Presidential hopefuls.

Lamar Alexander's soothing voice and folksy style are deceptive. He is a trafficker in truly nutty ideas. For Mr. Alexander, the current armed forces lineup of Army, Navy, Air Force and Marines is insufficient. He wants to establish a fifth branch to patrol the nation's borders (probably in red plaid shirts) in search of illegal aliens and drugs.

One can assume that Mr. Alexander plans to do this while also cutting taxes. One can also assume he doesn't know how. The Times's Kevin Sack reported that the candidate, when asked how much his proposal would cost, replied as follows:

"I don't have any idea. But I think it's one of the things we have to do. It's just like, 'How much does it cost to liberate Kuwait?' We hope as little as possible, but we have to control our borders."

The extremists are obsessed with the borders. Pat Buchanan wants to build a great wall. Mr. Alexander wants a military curtain. Bob Dole looks at these fellows and wonders if he's wandered into a lunatic asylum.

On welfare, Mr. Alexander is equally absurd, and far more dangerous. "I want to end Washington welfare," he says, "and replace it with neighborhood charity."

Mr. Alexander, who has gotten rich with a lot of help from his friends, would literally take the food

The G.O.P.'s other extremist.

off the tables of poor children. He is very specific about this. His campaign literature says, "Take the approximately \$50 billion we now spend on major income assistance programs — including Aid to Families with Dependent Children and food stamps — and end them as Washington welfare programs."

Mr. Alexander wants the entire Federal welfare apparatus replaced by local, quasi-governmental foundations that would funnel local money to charities that help the poor.

Just like that. No more welfare. Oh, there would be a five-year transition period, but after that — poof! The Federal Government would wash its hands of the matter.

To encourage this back-to-the-Depression, return-to-the-bread-lines proposal, Mr. Alexander favors a Federal tax credit for individual contributions to "local charities and faith-based organizations." When pressed, he allows as how the Federal Government might pick up the states' cost of Medicaid to help ease the financial shock to localities of millions of former welfare recipients showing up for a bowl of soup, a cup of milk and maybe a handout or two to help with the rent.

Abroad at Home ANTHONY LEWIS

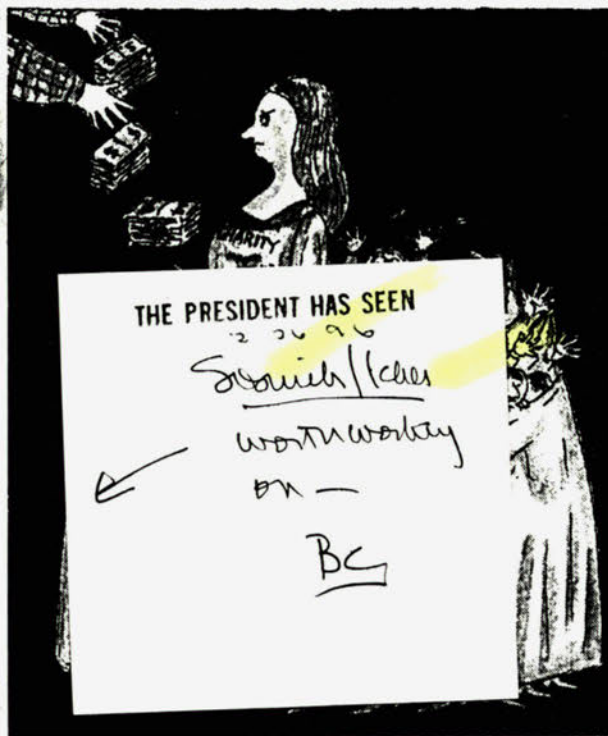
Pat Calls the Tune

And it goes, 'Stop the world...'

BOSTON
Give him credit. Pat Buchanan has forced attention to the most important political fact in the country today: the belief of ordinary people that they are losing out in economic status and security.

Many Americans have seen their earnings stagnate or decline over the last 20 years. Thousands of middle-class people have lost their jobs in downsizings by blue-chip companies and merged banks. So voters respond when Mr. Buchanan says: "When AT&T lops off 40,000 jobs, the executioner that does it, he's a

message is really a challenge to other political leaders, Republicans and Democrats, to offer serious remedies. For one, education is the key to individual and societal advancement in today's sophisticated economies. Yet American schools are crying out for reform and enrichment.



"It is really important to look at the details here," said Sharon M. Daly, the social policy director of Catholic Charities U.S.A. "We are talking about 10 million very poor children and their parents who are on A.F.D.C. alone. With food stamps, there are millions more — working people, the elderly, disabled people — who are not on A.F.D.C. So we're talking about 20 million to 25 million people who are very poor, who don't

earn enough money on their own to meet their basic human needs for food and shelter."

Local charities do not have the capacity to cope with so large a population of poor people, Ms. Daly said. "The idea that the Federal Government can get out of this completely and turn it over to the charitable sector is absurd."

The role of churches and charitable organizations, said Ms. Daly, is to supplement the Government's efforts, not take them over. Poor families already are lining up at soup kitchens and food pantries across the country. If the Government were to further abandon its responsibility to the poor, she said, "the churches and charities would drown."

The most contemptible aspect of Mr. Alexander's welfare proposal is its utter emptiness. It is not about anything. There is no research behind it, no data, no careful study, no deeply held beliefs.

Mr. Alexander is a flimflam man, a seller of snake oil to citizens in need of real solutions. Like his plaid shirts and hip boots, his preposterous welfare plan and his fantasy about a fifth branch of the armed forces are campaign gimmicks that he hopes will catch on.

As to the consequences of his proposals, he hasn't a clue.

What Dole Owes Us

"We didn't plan it this way. I didn't realize that jobs and trade and what makes America work would become a big issue in the last few days of this campaign."

Bob Dole blurted that out in the final hours of the New Hampshire campaign, a dreadfully self-destructive but sadly honest confession. It showed that he had handed the primary to Patrick Buchanan — and how he might possibly find himself again before he is too long gone.

Mr. Dole did not realize what was happening in the last days because he did not grasp it in the first days — the anxieties eating at Americans across the whole blessed country.

"Where has he been?" asked Patrick Buchanan. So should we all, particularly those who see Mr. Buchanan, his bigotry, his nut-wing pals and his mean cockamamie nationalism as dangers to America.

Hunkered down, head in shell, in a dreary political hole of his own digging — these are answers to where Mr. Dole was. Democrat or Republican, planning to vote for Mr. Dole or not, he hurt us all by giving Mr. Buchanan the primary. Pray Mr. Buchanan does not get the nomination, but Mr. Dole has increased his chances. The Senator owes us now.

Mr. Buchanan is an intellectual mediocrity and stands for nothing new. His proposals are numbskullism. They would push America into a depression of economy and mind,

age to face the issues — including Mr. Buchanan's bigotry. The Democrats are not showing much stomach for it either. Mr. Buchanan gets a free ride as a symbol of American values, can you believe it.

Like Mr. Dole, other Americans also did not grasp the anxiety issues. For instance: Those businessmen, economists and writers who believe that workers and mid-level executives laid off during prosperity will be downright grateful once they see their invaluable role: today's manure to nourish tomorrow's flowers. "What makes America work," said Mr. Dole. A lot more is involved than "It's the economy, stupid."

Do the rich, middle class and workers of America have a common interest, or is that sentimental garbage? Will the income of workers and middle class rise along with that of the wealthy? Or will more American pie be stuffed into fewer faces?

If downsizing insecurity makes so many Americans susceptible to a demagogue at a time of 5.5 percent unemployment, how much will his power increase if it becomes 10?

If we accept, as we must, that Americans will be displaced by increasing high-tech productivity, will we simply tell them that some day more jobs will be created and until then, tough on you? Or will we put profits and taxes into raising the entire American economy so it produces more good jobs quickly, not in the distant bye-and-bye?

Is it conservative or liberal to say that government, business and labor have joint responsibility in making America work — and who cares?

When does bottom-line obsession endanger something more important than profits: trust in a society democratic and intelligent enough not to treat too many people as dispensable lest they think so is the society?

I do not know yet how I will vote. But America deserves a choice between two good candidates. Lamar Alexander has not yet shown the country exactly why he should be President. Steve Forbes could use a few years for public achievements that might qualify him for office, say Mayor or Governor to start.

Praise Senator Lugar for staying in the race; maybe he will come up stronger. But it is Senator Dole who has the clearest duty to face American realities — including showing Mr. Buchanan, consistently and plainly, as a danger to true American values and ideals. New or never; that's the decision, Senator. □

Choice: now or never.

leave us at once without allies and soon without customers. They would do more damage to America than all the left-wing multicultural movements laid end to divisive end.

New? We have seen his kind since the first demagogue picked up the scent of public fear and used it to attain power. I do not know if he studied Fascist and Communist propaganda techniques or just has a natural talent for them.

Any experienced opponent with the wit God gave him could have ripped Mr. Buchanan to shreds. As the leading Republican, Mr. Dole had that responsibility.

He failed because neither he nor his G.O.P. colleagues had the cour-

Abroad at Home

ANTHONY LEWIS

Pat Calls the Tune

And it goes, 'Stop the world...'

BOSTON
Give him credit. Pat Buchanan has forced attention to the most important political fact in the country today: the belief of ordinary people that they are losing out in economic status and security.

Many Americans have seen their earnings stagnate or decline over the last 20 years. Thousands of middle-class people have lost their jobs in downsizings by blue-chip companies and merged banks. So voters respond when Mr. Buchanan says: "When A&T lops off 40,000 jobs, the executioner that does it, he's a big hero on the cover of one of these magazines, and A&T stock soars."

Another service Mr. Buchanan has performed is to show that Gingrichism is dead. Voters do not share the obsession of House Republicans with balancing the budget and gutting environmental protection. They care about their economic pain, not the Contract With America.

The trouble is that Mr. Buchanan offers quack remedies. Put a 40 percent tariff on all Chinese goods coming to this country: a nice round number. But what would China do about the American entrepreneurs trying to enter its huge market? And what would happen to political and military stresses in Asia?

The Buchanan program is essentially Stop the world, I want to get off. And that is a fantasy. The world market is here to stay. If America tried to wall itself off, we would simply fall behind other countries in economic creativity and growth.

Mr. Buchanan's success with his

message is really a challenge to other political leaders, Republicans and Democrats, to offer serious remedies. For one, education is the key to individual and societal advancement in today's sophisticated economies. Yet American schools are crying out for reform and enrichment.

The need for better-trained Americans to compete in the world is a favorite theme of the Secretary of Labor, Robert Reich. This week it was taken up by the chairman of the Federal Reserve Board, Alan Greenspan, who said we were falling behind and called for "renewed commitment to effective education and training, especially on-the-job training."

So voices on both left and right point to the need for better-educated Americans. (Mr. Buchanan's main comment on the subject has been a demand to "shut down the Department of Education and return authority to the states and to the people.")

It is extremely important for Bob Dole and Lamar Alexander — and President Clinton — to address the public's economic fears. For unless they are convincingly addressed, they are the classic invitation to demagoguery.

American history has been

marked again and again by populist movements that worked off economic grievances by attacks on foreigners, bankers and "the elite." There were the anti-Catholic Know-Nothings in the middle of the last century, the Populists at the end of it (turning racist in the South), Huey Long in Depression Louisiana, the anti-Semitic radio priest Father Coughlin, the racist George Wallace.

The American economy is not, in fact, in the dreadful state the doom-sayers claim. Unemployment is half the rate in major European countries. But people do feel menaced, and that is a critical reality.

The danger is increased by the growing disparities of wealth and income in this country. I recently saw an investment policy letter from PaineWebber, the financial house, that foresaw a widening gulf and advised its clients to invest accordingly. In five years, it said, the number of people with a net worth over \$1 million excluding residences had "increased a whopping 91 percent."

That way — toward the rich getting an ever-larger slice of the pie — lies a resentful society. The other day a woman in California telephoned to say that I did not understand why people were for Pat Buchanan. She said:

"Big business and Government have wed. They don't care about this country. They pledge allegiance to the dollar of any country where they can get the most. None of the other Republicans can see that a few people control the United States of America when it was designed by the people, for the people." □

efforts, not take them over. Poor families already are lining up at soup kitchens and food pantries across the country. If the Government were to further abandon its responsibility to the poor, she said, "the churches and charities would drown."

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As to the consequences of his proposals, he hasn't a clue. □

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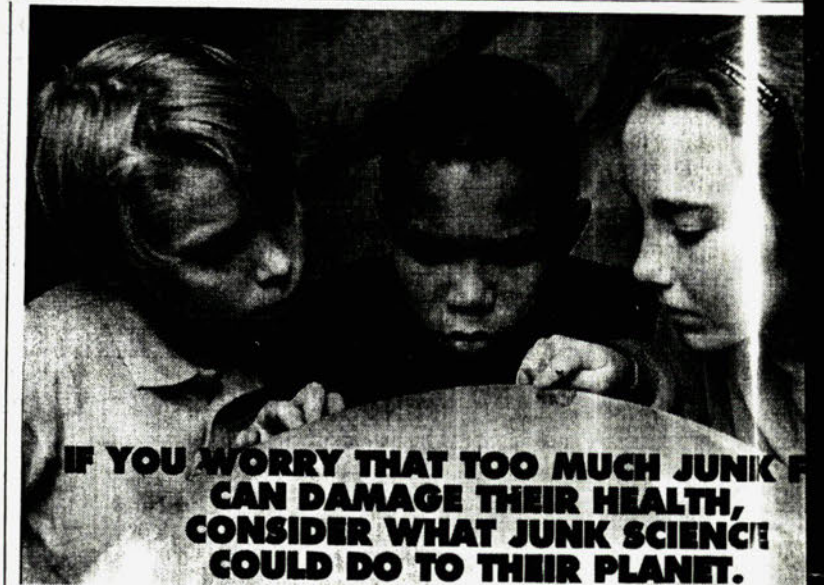
He failed because neither he nor his G.O.P. colleagues had the cour-

endanger something than profit; trust cratic and intelligent treat too many people they think so.

I do not know y But America's desec between two good c Alexander has no country exactly v President. Steve H few years or pu that might quality Mayor or Govern

Praise Senator. In the race mayb stronger. But it is has the cle est d can realize —

Mr. Buchanan, plainly, as change values and deals that's the decision



IF YOU WORRY THAT TOO MUCH JUNK SCIENCE CAN DAMAGE THEIR HEALTH, CONSIDER WHAT JUNK SCIENCE COULD DO TO THEIR PLANET.

What's junk science? It's all that "data" and "research" that some corporate interests and radio talk show hosts have been force-feeding America.

There's so much junk science out there that policymakers can't see the forest for the trees. Pick an issue: climate change, ozone depletion, species extinction. There's no "science" to support any position, no matter how insane.

So what's the danger? It's that we'll continue to abuse the atmosphere and poison our planet because we won't hear the voices of scientists whose work has been carefully reviewed and approved by their peers. Scientists who understand that threats to the environment are real and need real action.

For more than 25 years, the Union of Concerned

Wanted: Jobs of Last Resort

By Sheldon Danziger and Peter Gottschalk

Members of the National Governors' Association were on Capitol Hill yesterday, once again pressing their case for welfare reform. The group has captured glowing reviews from both President Clinton and Congressional Republicans for a package of proposals that would favor block grants to the states over a guarantee of Federal aid.

Liberal Democrats in the House have criticized the plan, saying its cuts in Federal spending are simply

But the proposal must be more realistic about the current demand for low-skilled workers, which has dropped steadily over the last two decades.

To take just one small but alarming example, the number of high school dropouts who are employed has steadily dropped since 1970 — while the number of employed college graduates has risen by more than 40 percent.

Economists of all political persuasions have documented the increased extent of insecurity among

Real wages for low-skilled workers steadily diminished under Presidents Jimmy Carter, Ronald Reagan and George Bush, just as they continue to erode today. But these Administrations do share responsibility for the extent of the hardship. Government simply has not adapted its policies to deal with an economy in which the number of industrial jobs is shrinking.

The consensus among most Democrats and Republicans that welfare should be transformed from a cash-based to a work-based safety net is a promising development. But it will not be fulfilled by the governors' compromise unless their plan provides emergency help for people who have tried to find work and can't.

What's missing in

FEDERAL AUDITS FIND RISING RISKS IN LOAN PROGRAMS

WARNING ON OVERSIGHT

ownsizing of Government
May Weaken Monitoring
of Mounting Liabilities

By JEFF GERTH

WASHINGTON, Feb. 22 — When President Clinton delivered his State of the Union Message last month, no part was more warmly applauded than his declaration that the "era of big government is over."

To the audience and the President, "big government" meant the huge Federal bureaucracy, with its thousands of programs and workers. But even as the number of Federal workers has begun to shrink significantly for the first time in decades, there has been enormous growth in a largely unnoticed side of the ledger: Federal liabilities.

Each time a student or small business takes out a Federal loan, or a home buyer seeks a Federally guaranteed mortgage, or a farmer seeks Federal insurance against crop damage, the Government's liabilities grow. And the list of Federal liabilities, including loans, loan guarantees and insurance, is expanding so fast that by 1998 Federal loan guarantees alone are expected to exceed \$1 trillion, up from \$600 billion in 1992, according to the Office of Management and Budget. And in 1995 the Government set aside between \$180 billion and \$300 billion to cover costs and estimated losses on these programs.

"People want the Government to go away, to be less intrusive, less bureaucratic and more efficient," said John A. Koskinen, O.M.B.'s deputy director for management. "But they also want all the guarantees, the insurance, the promises. It's built into the fabric of their assumptions about what their lifestyle is like."

But with this unheralded growth of the Government's liabilities has come major cuts, beginning with Ronald Reagan, in the numbers of inspectors, auditors and regulators to oversee Federal loans, promises and projects. And with less oversight, experts warn, the financial health of the Federal Government's loan and insurance programs is at increased risk.

The Comptroller General, Charles A. Bowsher, said the General Accounting Office's recent audits have found that the Government now has insufficient financial accounting systems and managers to insure that those liabilities are properly monitored.

Continued on Page A20, Column 1

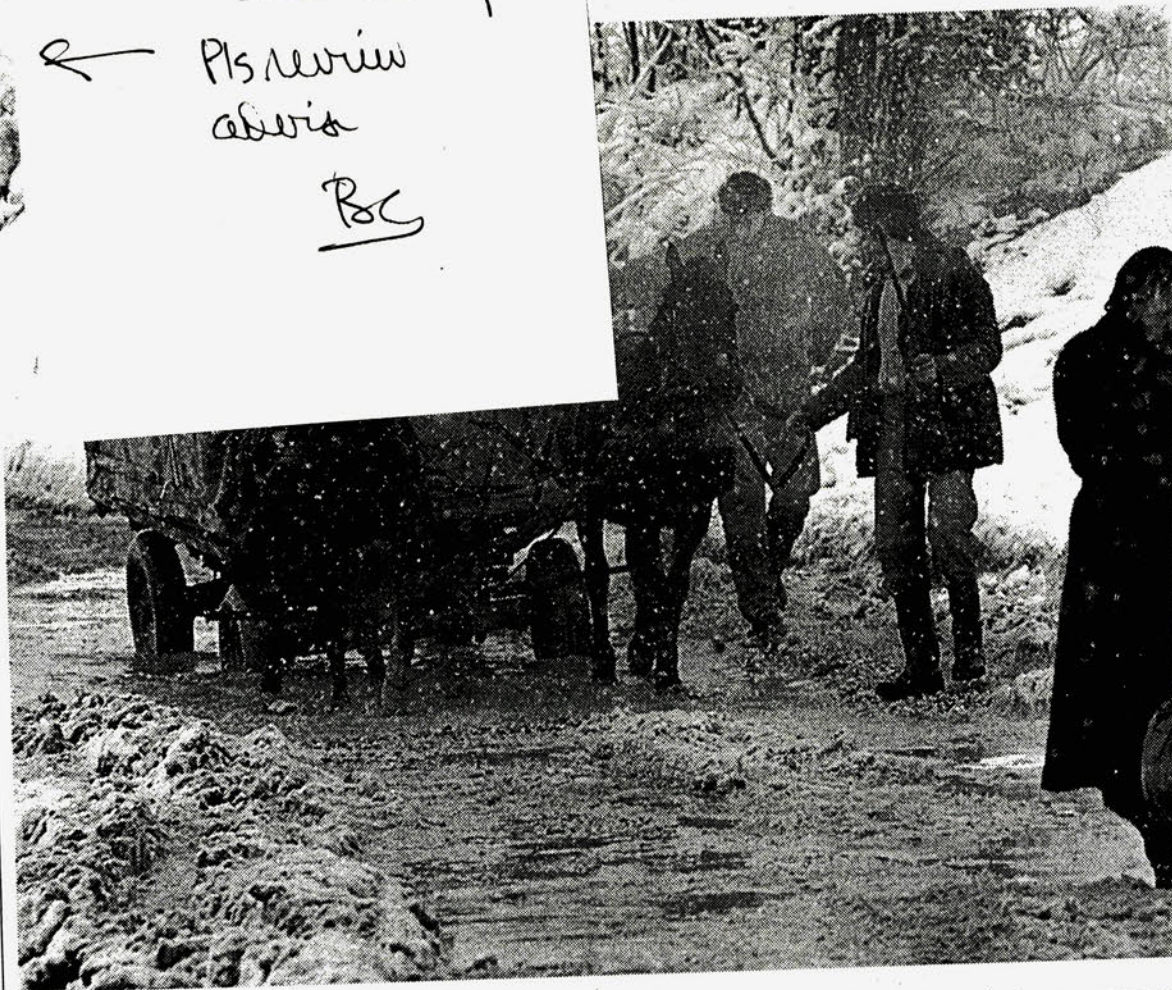
THE PRESIDENT HAS SEEN

Gone Spring

Pls review above

BC

YORK, FRIDAY, FEBRUARY 23, 1996



Bosnian Serb refugees, fearing Muslim reprisals for the long siege of Sarajevo, slogged along a snow-c

Two New Faces Join Greenspan As Fed Choices

By ALISON MITCHELL

WASHINGTON, Feb. 22 — President Clinton today renominated Alan Greenspan as chairman of the Federal Reserve Board and filled two other vacancies with appointees considered unlikely to strongly dispute the chairman's slow growth strategy to control inflation.

The decision gives a third four-year term to Mr. Greenspan, 69, who was originally named by President Ronald Reagan in 1987 and whose priority has been to fight inflation by keeping the economy from becoming overstimulated. Mr. Clinton named his budget director, Alice M. Rivlin, as vice chairman, the first woman to hold the post, and appointed Laurence H. Meyer, 51, an economic consultant in St. Louis, to a second vacancy on the seven-member Federal Reserve Board.

Ms. Rivlin, 64, who will give up her White House budget job, and Mr. Meyer, 51, while both Democrats, are considered less likely to rock the boat at the Fed than Felix G. Rohatyn, the New York investment banker whom Mr. Clinton originally hoped to name as vice chairman. Analysts said the appointments indicated that Mr. Clinton had backed away from using his appointees to

Continued on Page D6, Column 1

Dole Adopts a New Persona Savior of the Grand Old Party

By KATHARINE Q. SEELYE

COLORADO SPRINGS, Feb. 22 — Thanks to Patrick J. Buchanan, Bob Dole is starting to find his voice.

In speech after speech on the stump, he has begun portraying his race for the Republican Presidential nomination as a struggle on behalf of the party itself. "We're fighting now for the whole party," the Senator tells reporters on his campaign plane, "not not just Bob Dole."

Until Mr. Buchanan defeated him in the New Hampshire primary on Tuesday, threatening to spoil Mr. Dole's last bid for the Presidency and fracture the party in the process, Senator Dole had delivered desultory campaign speeches based chiefly on the notion that his 35 years in Washington entitled him to the White House.

But in the last two days he has started to argue, with some verve, that he is the candidate who can hold the party intact and defend it against extremism.

"We're the party of Abraham Lincoln, we're the party of Ronald Reagan, we're the party that brings people together," he said at a Chamber of Commerce breakfast in Englewood, Colo., this morning.

Later, at a factory tour here in Colorado Springs, he said: "I want to unify. I want to bring our party together." He said the party had "a big

tent with a lot of room in it," sharpening his attack on Mr. Buchanan, he added, "What we never do is play on people's fear we will never get anywhere."

His audiences are responding with delight to the anti-Buchanan message.

"I may not be a good talker," Mr. Dole said with understatement at this morning's breakfast. "But I'm a good listener. I've been in the real crossfire wasn't on television, it was on Italy somewhere, a long time as a World War II infantryman."

The gathering of about 1,000

Continued on Page A23, Column 1

Buchanan Draws Extremist Support And Problems,

By DOUGLAS FRANTZ
and MICHAEL JANOFSKI

It was an awkward moment for Patrick J. Buchanan as his campaign car pulled up outside a ban New Orleans hotel last night. Inside was a room jammed with about 200 of his supporters. Among them was David Duke, the Louisiana politician best known as a leader of the Ku Klux Klan neo-Nazi sympathizer.

Mr. Buchanan and his aide died quickly at the curb. The aide did not want to be photographed with Mr. Duke, campaign aide who was reluctant to skin-

Queens School Is Succeeding on a Shoestring

By MARIA NEWMAN

In what was once the boys' shower

Federal Audits Find Loan Programs' Risks Rising

Continued From Page A1

tored. Consequently, he believes the Government cannot afford to further weaken this system of controls as it continues to take on more responsibilities for loans and financial promises.

"When you don't have the management systems in place," Mr. Bowsher said, "you're taking a really big risk in downsizing, especially when there are a lot of things on the liability side of the balance sheet that are going up. You have to extend oversight."

During the 1980's, Government commitments grew, but, in the name of deregulation, Federal oversight was all too often lax, numerous reports show. Eventually, little-noticed Government insurance and credit programs lost hundreds of billions of dollars as the savings and loan industry collapsed, and farm, student and housing loan programs experienced large defaults.

This led to the Federal Credit Reform Act of 1990, a widely praised law that requires that agencies annually set aside anticipated losses in credit programs.

Mr. Koskinen of the O.M.B. pointed to that law in saying that he did not share Mr. Bowsher's worries. He said he believed that the Government has a better understanding of the cost of credit programs, and that the Administration has appropriate systems in place to do better with less.

He added that overseeing rising liabilities with dwindling resources presents "a risk if agencies don't have enough resources, if they cut willy-nilly."

Indeed, the Clinton plan to reinvent Government has won wide praise for making the Government more in tune to consumers; Mr. Bowsher is one of those who applaud the improved customer relations. Moreover, many of the new loans are aimed at people most in need.

For example, guaranteed loans to small businesses have gone to \$25 billion in 1994, from \$12 billion in 1990. Loan guarantees for companies doing business abroad have almost tripled over the same time frame.

Less Supervision, Mounting Liabilities

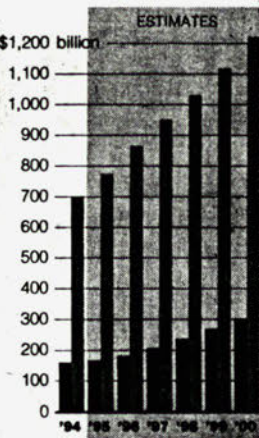
Since Mr. Clinton took office, more than 200,000 Federal positions have been cut from the Government pay-

DOLLARS AND CENTS

Growing Promises

Two areas where the Government's liabilities are expected to grow the fastest are its direct loans and loan guarantees.

■ Direct loans
■ Loan guarantees



Source: Office of Management and Budget

The New York Times

rolls, a point the President repeats time and time again. His Republican opponents on the campaign trail are also championing the cause of a smaller Federal Government. But neither the Republicans nor Mr. Clinton are talking about the potential dangers that can come from shrinking the Government.

There is no Government-wide survey showing exactly which Federal positions have been eliminated under Mr. Clinton. But his plan to reinvent Government specifically targeted supervisory personnel, budget analysts, accountants and auditors.

Meanwhile, the Government's insurance and credit backing programs stood at \$7.3 trillion in 1994, up from \$4.4 trillion in 1985.

"The United States Government is like a big holding company, a big insurance company that's underwriting all the catastrophes. These entities are like underground rivers, only when it rains do you see them,"

said Edward J. Kane, a professor of finance at Boston College who in the mid-eighties made the most accurate prediction of the impending savings and loan debacle, which bankrupted a Federal deposit insurance fund.

Some of this recent growth in guaranteeing loans stems from the Clinton Administration's emphasis on making Federal credit more accessible to women and minorities. At the Small Business Administration last year, for example, loans to women-owned businesses went up 84 percent, and loans to minority-owned businesses went up 53 percent.

Moreover, traditional business interests, like real estate developers and lenders, continue to benefit from Federal credit programs. The Labor Department is helping Federally insured pension funds invest in urban mortgages; the student loan program is being expanded, and agencies like the Export Import Bank and the Overseas Private Investment Corporation are doing more to help American businesses operating abroad.

Cutting the Staffs That Monitor Programs

The G.A.O. is charged with auditing the Federal Government for Congress and is another tier in the internal controls system. On average, the G.A.O. says it saves the Government \$15 billion a year through its audits.

Even though a new law increases the G.A.O.'s responsibilities for oversight, Congress has cut the G.A.O.'s staff by about 30 percent in four years. Mr. Bowsher, the head of the accounting office, said that he was worried that his agency has lost scores of accountants and other technical specialists, but that according to the agency's latest annual report, the G.A.O. has been able to fulfill its supervisory responsibilities by investing in new management systems.

But studies by the G.A.O. show that other parts of the Government generally have been unable to figure out how to build modern computerized systems to manage their risks.

Mr. Bowsher said one bright spot is the improved oversight of student loans by the Education Department.

Another level of Federal oversight consists of inspectors general, who perform somewhat like independent auditors.

The inspector general of the Small Business Administration, James F.

Hoobler, has had his budget and number of positions reduced. While Mr. Hoobler said in an interview that the S.B.A. was making significant progress in deterring people from misstating their income on loan applications, he also said the combination of dwindling resources and expanded programs was a risky combination.

"You cannot increase the Government's loan guarantees and cut the personnel for managing them and reduce or hold steady the oversight without increasing the risk," he said, adding, "It is a formula for disaster over time."

An Agency Tries Doing More With Less

Philip Lader, the S.B.A. administrator, said his agency was a model for how the Administration has reinvented Government by slimming the agency in partnership with the private sector, producing results by expanding Federal credit opportunities yet protecting the Government's assets. Earlier this month, President Clinton talked about the S.B.A. in an appearance in New Hampshire.

"One of the things I'm proudest of about our Administration and all the work we've done to try and give the American people a Government that costs less and does more is that we have reduced the budget of S.B.A. by about 40 percent and we've doubled the loan volume," Mr. Clinton told the gathering.

The President praised an 18-month-old S.B.A. pilot program, called Lowdoc, in which applicants for loans of up to \$100,000 can obtain approval in a few days with only minimal S.B.A. paperwork. The Lowdoc program accounted for 56 percent of the agency's 55,600 loans last year.

Mr. Lader said that "doing more with less increases somewhat the taxpayer's exposure" for the S.B.A., which backs \$32 billion in loans, but that one solution has been to rely more on private lenders, whose loans the agency guarantees.

Already those lenders are sounding an alarm.

"Clearly in Lowdoc they pushed it out the door too soon," said Tony Wilkinson, the president of the National Association of Government Guaranteed Lenders. His biggest concern was that the program was begun without guidelines. "They had no program guide detailing what the standards are," he said. "You should

A CLOSER LOOK

The Government's Liabilities

In 1994, the value of the Federal Government's insurance and credit-backing liabilities was \$7.3 trillion. The Government makes three main types of financial commitments: direct loans and loan guarantees, Federal insurance and Government-sponsored enterprises. Some examples of the more than 150 programs involved, with each category's overall share of the liability:

DIRECT LOANS AND LOAN GUARANTEES 11.6%

Student loans	Small business loans
Farm loans	Single family mortgage loans
Rural housing and utility loans	Multi-family mortgage loans
Export loans	Veterans' mortgage loans
Foreign military sales loans	Commodity export loans

FEDERAL INSURANCE 67.9%

Deposit insurance (banks, thrifts and credit unions)
Pension insurance
Flood insurance
Crop insurance
Overseas private investment insurance

GOVERNMENT-SPONSORED ENTERPRISES 20.5%

Freddie Mac (home mortgages)
Fannie Mae (home mortgages)
Federal Home Loan Banks
Sallie Mae (student loans)
Farm Credit System

Source: Office of Management and Budget

The New York Times

have the standards first, then implement the program second." He and others say it is too soon to tell what the loss experience will be on the Lowdoc program.

An S.B.A. spokeswoman said a draft program guide was recently completed.

Acting on lender concerns that default rates might rise as a result of Lowdoc, Mr. Hoobler, the inspector general, recommended reducing Government risk on Lowdoc loans by lowering the S.B.A.'s guarantee from 90 percent to 75 percent. Mr. Lader opposed that proposal, but Congress reduced the rate to 80 percent with S.B.A. support.

Under Mr. Clinton, each S.B.A. district office has a list of goals of how many loans it should make each year to various groups. Lenders have been pushed to meet the goals, and some have relaxed their review standards, prompting some S.B.A. officials to complain to Congress, according to agency documents, officials and Congressional aides.

One senior S.B.A. manager, who

asked not to be identified, said many of the agency's district offices were finding that Lowdoc's promise of reduced Government red tape had mistakenly led many small banks to think they could reduce their own review of borrowers. This in turn increases the risk of the S.B.A., which guarantees these loans but relies on the banks to evaluate the worthiness of the borrower.

The loan goals are consistent with the Administration's ideas about evaluating Government performance. The President's budget last year listed as a performance measure and indicator of "Well-Being," the "numbers of loans extended for Federal credit programs."

Mr. Bowsher said using quantity, not quality as an indicator of success, was something that worried him.

In fact, the S.B.A. once used numerical goals for its direct lending program in the 1970's, but ended the practice in the early 1980's when officials discovered that their use had lessened standards, causing higher default and loss rates.

2. 20. 90

THE PRESIDENT HAS SEEN

To ~~the~~ Con/Toy

Some of this is
quite peculiar

Be

THE VALUE OF STEALTH

	PRECISION WEAPONS	PRECISION AND STEALTH	B-2
Bomb Droppers			
Air Escort			
Suppression of Enemy Air Defenses	 		
Tankers	 		
Total Aircraft	55	10	2
20-Yr. O&S	\$3.4 B	\$740 M	\$308 M
Crew Members at risk	116	16	4
Forward Based Support	1124	179	0
Fuel per attack	413,700 gal	110,300 gal	54,100 gal
To deploy: C-141 Loads	30	8	0
C-5 Loads	11	3	0
C-5 to deploy Patriot	33/base	33/base	0

January 4, 1995

The President
The White House
Washington, DC 20500

Dear Mr. President:

We are writing you to express our concern about the impending termination of the B-2 bomber production line. After spending over \$20 billion to develop this revolutionary aircraft, current plans call for closing out the program with a purchase of only twenty bombers. We believe this plan does not adequately consider the challenges to U.S. security that may arise in the next century, and the central role that the B-2 may play in meeting those challenges.

At present the nation's long-range bomber force consists primarily of two aircraft: the B-52 and the B-1. The 95 B-52's are all over thirty years old, and their ability to penetrate modern air defenses is very doubtful. The 96 B-1's were procured as an interim bomber until B-2's were available.

Even after all twenty B-2's are delivered, the inventory of long-range bombers will total barely 200 aircraft. This is not enough to meet future requirements, particularly in view of the attrition that would occur in a conflict and the eventual need to retire the B-52's. As the number of forward-deployed aircraft carriers declines and the U.S. gradually withdraws from its overseas bases, it will become increasingly difficult to use tactical aircraft in bombing missions. It therefore is essential that steps be taken now to preserve an adequate long-range bomber force.

The B-2 was originally conceived to be the nation's next generation bomber, and it remains the most cost-effective means of rapidly projecting force over great distances. Its range will enable it to reach any point on earth within hours after launch while being deployed at only three secure bases around the world. Its payload and array of munitions will permit it to destroy numerous time-sensitive targets in a single sortie. And perhaps most importantly, its low-observable characteristics will allow it to reach intended targets without fear of interception.

The logic of continuing low-rate production of the B-2 thus is both fiscal and operational. It is already apparent that the end of the Cold War was neither the end of history nor the end of danger. We hope it also will not be the end of the B-2. We urge you to consider the purchase of more such aircraft while the option still exists.

THE IMPACT OF THE NORTHROP B-2 PROGRAM ON THE ECONOMY OF CALIFORNIA

Final Report

May 6, 1994

UCLA-Business Forecasting Project

Impacts of The Northrop B-2 Program on California Employment

Introduction

The B-2 Aircraft Program of the Northrop Corporation plays several important roles in the economy of California. Paramount in these roles are that:

- The B-2 advances the state of aerospace technology and provides a magnet for firms in related industries.
- The B-2 hires highly skilled professionals and other staff who live in California and support employment in services, trade and other industries by their purchases of goods and services.

The purpose of this study is to estimate the impacts of employment of the Northrop B-2 Program on the economy of California based on the second role; that is, how much additional economic activity is generated by the B-2 program?

At the request of the Northrop Corporation, the UCLA Business Forecasting Project (UCLA-BFP) has updated a study performed in January 1992 examining the impacts of the Northrop B-2 program on California employment. The present study analyzes the employment impacts of two different procurement schedules for the B-2: The current contract, in which production and upgrading will be completed in the year 2000, and a reconstitution alternative, in which production would be re-established at a sustained low-rate production, a nominal rate of 3 aircraft per year, continuing through 2008. Under this scenario, which assumes availability of FY 95 funding to preserve the production option, FY 96 funding for advanced procurements, and production authorization in FY 97, aircraft deliveries would begin in 2001.

Employment by Northrop and Subcontractors Working on the B-2

The starting point of the study is a profile of the aggregate employment in California of the B-2 Program, both at Northrop Corporation and its subcontractors, from 1995 to 2008.

Northrop has surveyed its subcontractors regarding how much of their California employment is dependent upon the B-2. The results of this survey have been provided to the UCLA-BFP. The UCLA-BFP was not involved in the design or conduct of the employment survey, and cannot verify the validity of the survey data. This report updates our earlier study, utilizing these new data.

The input data were Northrop's direct employment for the years 1995-2008, and Northrop's estimates of employment for subcontractors in California for the years 1995-2008, for each of the alternatives outlined above. The two alternatives simulated were 1) the B-2 program is phased out by the year 2000 and 2) that the B-2 program is reconstituted to continue to produce aircraft through the year 2008. All Northrop B-2 jobs are contained in Standard Industrial Code (SIC) 372 (Aircraft and Parts).

Methodology of The Impact Study

The estimated employment impact of the B-2 Program is based on a simulation of the UCLA Econometric Model of California under the two alternatives as outlined above.

The simulation used as a base forecast is a March 1994 update of the long run forecast produced by the UCLA-BFP in December of 1993. That forecast assumes that California will lose 80,000 more aerospace jobs between 1994 and the year 2000. (This is in addition to the 150,000 defense jobs lost in the period 1986 to 1993). The UCLA base forecast thus assumes the Department of Defense announced phase-out of the B-2 program.

To simulate the impact of the current B-2 program on the California economy, we produced two simulations that changed employment in the aerospace sector by the total jobs shown in the last two columns of Table 1. By comparing the two simulations to the base forecast we can compute the aerospace jobs in California that disappear if the B-2 program, as currently constituted were to disappear. That is shown in Column 4 of Table 1. Similarly to look at the impact on California of a higher level of B-2 production we can change employment in the aerospace sector to reflect a reconstituted B-2 program which would still be producing aircraft in California in 2008. That number is shown in Column 5 of Table 1. Tables 2 and 3 are the same tabulations for total employment and personal income in California.

Results of the Simulations

I. The Impact of the B-2 on Total Employment and Personal Income in California

If the B-2 program were terminated in 1995 California would lose almost 91,000 person-years of employment over the next 6 years. The loss of jobs would mean a reduction of personal income in California of \$3.7 billion in constant 1995 dollars. This would produce a loss of California general fund revenue of \$244 million over the next six years.

By contrast, the reconstitution of the B-2 program would add 121,000 person-years of employment to the California economy over the next 14 years. This would be associated with an increase in personal income of \$5.3 billion over the next fourteen years and a gain in general fund revenue of \$350 million in 1995 dollars. These revenue collections use an effective tax

rate of 6.6% of personal income as calculated from data provided by the California State Commission on Finance.

II. The Current Program

By the year 2001, production and upgrading of the B-2 is slated to be completed, with the exception of spares, sustaining support and block upgrades. In 1995 direct employment on the B-2 program (Northrop plus sub-contractors) will be 8,950 workers. In that year a total of 25,700 jobs in California would be lost if the B-2 program were not in California. In the six year period from 1995 to 2001 the B-2 program will provide 32,400 person-years of employment at Northrop (and its subcontractors) and a total of 90,900 person-years of employment in California in all sectors.

The creation of additional jobs in industries outside aerospace by the B-2 program is called the job multiplier effect. The job multiplier is calculated by dividing the total employment change induced by the B-2 program by the direct B-2 employment. These indirect jobs, totaling 58,500 man-years of work in the period 1995 to 2001, are primarily those that provide services for the people directly employed on the program. The jobs that dominate in the induced secondary employment are in business services, trade and construction. As was explained earlier, direct employment by Northrop anchors the entire simulation and since Northrop's employment varies from year to year, so does the increment to total employment in California generated by the B-2.

III. The Reconstitution Program

Under this alternative simulation, the B-2 Program is reconstituted so that the program continues to generate substantial employment through 2008. The maximum difference between the reconstitution alternative and the current program occurs in 2001, the year following the end of the current program. In Table 1 is the direct employment assumed under the reconstitution scenario and the total employment and personal income gains that would result from the B-2 program at this level of reconstitution are shown in Tables 2 and 3.

Table 1, column 5 shows the differences in employment between the current program and the reconstituted program. The effect is substantial on the manufacturing sector. Reconstitution would add almost 25% to the growth of manufacturing jobs in California after the year 2000.

The attached charts are visual representations of 1) the change from the baseline forecast of total employment that results from a loss of the B-2 program as contrasted with the reconstitution scenario and 2) the forecast of employment in the aircraft and parts sector of the economy (SIC 372) under the three scenarios (baseline forecast, forecast without the B-2 and the forecast with the reconstitution of the B-2)

The Size of the California Multiplier

The multiplier process tends to amplify an initial shock by the consumption-income linkages between employees of firms like Northrop, which sell services to buyers outside of the local economy, and the employees of firms dependent on local sales. The former employment, sometimes called "Base" employment, earns income from other regions, which sustains imports of goods and services from other regions. The latter employment, called "Nonbase" employment, tends to sell mostly to local residents. An economy that is relatively isolated from neighboring economies tends to have a larger multiplier than an economy where residents can easily shop for goods and services "...across the street." California is one of the most isolated economies, since most of its residents live on the western coast and its eastern border has no large and close shopping areas (unlike the situation of Washington, D.C., where employees can live or shop in Virginia or Maryland). The California multiplier is estimated to be about 50% larger than the multiplier of smaller and more open economies.

By dividing total jobs generated in Table 2 by the direct B-2 employment in Table 1, the multiplier estimates for the UCLA California Model/Northrop B-2 simulations from 1994 can be calculated. The multiplier values are very stable and average about 2.8 for the current program and over 2.7 for the reconstitution program. The impact of the multiplier is that for each primary job at Northrop or its subcontractor, 1.8 additional jobs are created in other industries in California under the current program.

Summary

The B-2 Program has a substantial impact on the California economy. In 1995 the B-2 generates an estimated 25,700 jobs under the current program. These jobs, under the current program, will disappear by the year 2001. Under the reconstitution alternative the B-2 would add 121,000 person-years of employment to the California economy over the next 14 years. This would be associated with an increase in personal income of \$5.3 billion over the next fourteen years and a gain in general fund revenue of \$350 million in 1995 dollars.

It is important to note that these employment estimates are conservative. The direct employment attributed to the B-2 program includes only the first-tier subcontractors of Northrop in California. Any additional primary employment would also generate additional non-defense jobs in the state in the same proportion (i.e., a multiplier of 2.8) as Northrop and its first-tier subcontractors.

Finally, while employment is the most tangible effect of the B-2 program on the California economy, the expertise involved in the development and production of the B-2 has also contributed strongly to California's position, unparalleled since World War II, of technological leadership among states. With the sharp decline in federal defense procurement in recent

years, California's aerospace industry has lost more than 40% of its work force, which is continuing to decline. The expertise involved in the Northrop B-2 program is thus an important part of the remaining nucleus of a research and production capability whose preservation is critical to the varied and uncertain threats facing the United States.

Table 1. Impacts on Employment in Aircraft and Parts Industry
Jobs in Thousands

	COL1 Baseline Forecast	COL2 Without B-2	COL3 Recon- stitution	COL4 COL2-COL1	COL5 COL3-COL1
1995	81.8	72.9	81.8	-8.9	0.0
1996	70.7	63.3	70.8	-7.4	0.1
1997	62.7	56.2	63.2	-6.5	0.5
1998	57.6	53.0	59.2	-4.7	1.5
1999	54.5	51.2	56.2	-3.3	1.7
2000	52.9	51.3	56.3	-1.6	3.4
2001	52.8	52.8	57.5	0.0	4.7
2002	53.4	53.4	58.1	0.0	4.7
2003	54.1	54.1	58.8	-0.0	4.7
2004	54.8	54.8	59.4	0.0	4.7
2005	55.4	55.4	60.0	0.0	4.7
2006	55.9	55.9	60.5	0.0	4.6
2007	56.3	56.3	60.9	0.0	4.5
2008	56.7	56.7	61.0	0.0	4.4
Total	819.1	786.7	863.4	-32.4	44.3

Table 2. Impact of B-2 Program on Total Employment in California
Jobs in Thousands

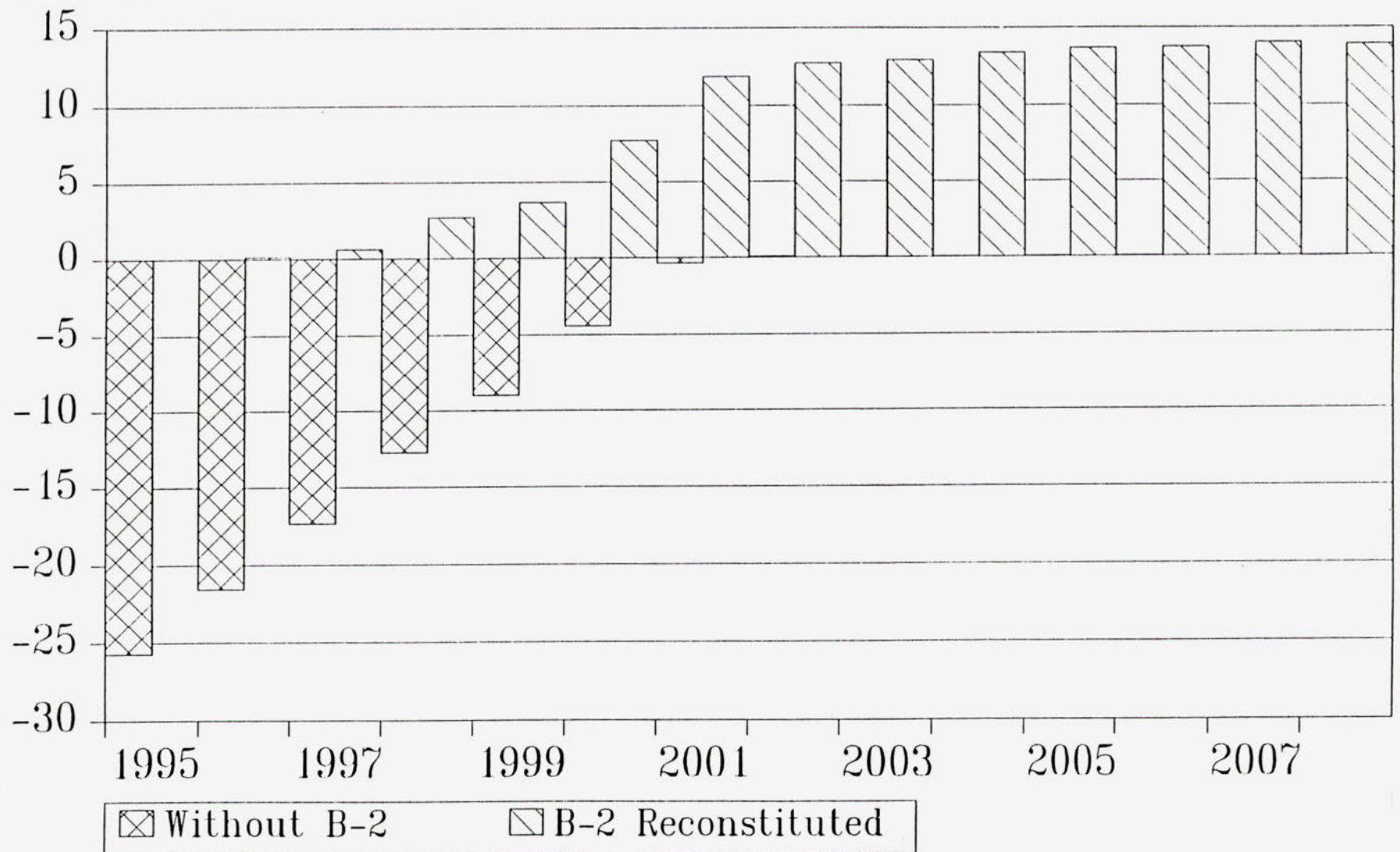
	Col1 Baseline Forecast	Col2 Without B-2	Col3 Recon- stitution	Col4 Col2-Col1	Col5 Col3-Col1
1995	12107.5	12081.8	12107.5	-25.7	0.0
1996	12358.9	12337.3	12359.0	-21.6	0.1
1997	12682.1	12664.8	12682.7	-17.3	0.6
1998	13070.3	13057.5	13073.0	-12.7	2.7
1999	13469.2	13460.3	13472.9	-9.0	3.7
2000	13866.1	13861.7	13873.8	-4.4	7.7
2001	14276.8	14276.4	14288.7	-0.4	11.9
2002	14714.3	14714.4	14727.1	0.1	12.7
2003	15182.1	15182.2	15195.0	0.1	12.9
2004	15705.6	15705.6	15718.9	0.0	13.4
2005	16256.5	16256.5	16270.2	0.0	13.7
2006	16835.6	16835.6	16849.3	0.0	13.7
2007	17447.4	17447.4	17461.4	0.0	14.0
2008	18092.7	18092.6	18106.5	-0.0	13.9
Total	206064.9	205974.1	206185.9	-90.9	121.0

Table 3. Impact of B-2 Program on Personal Income in California
Dollars in Billions

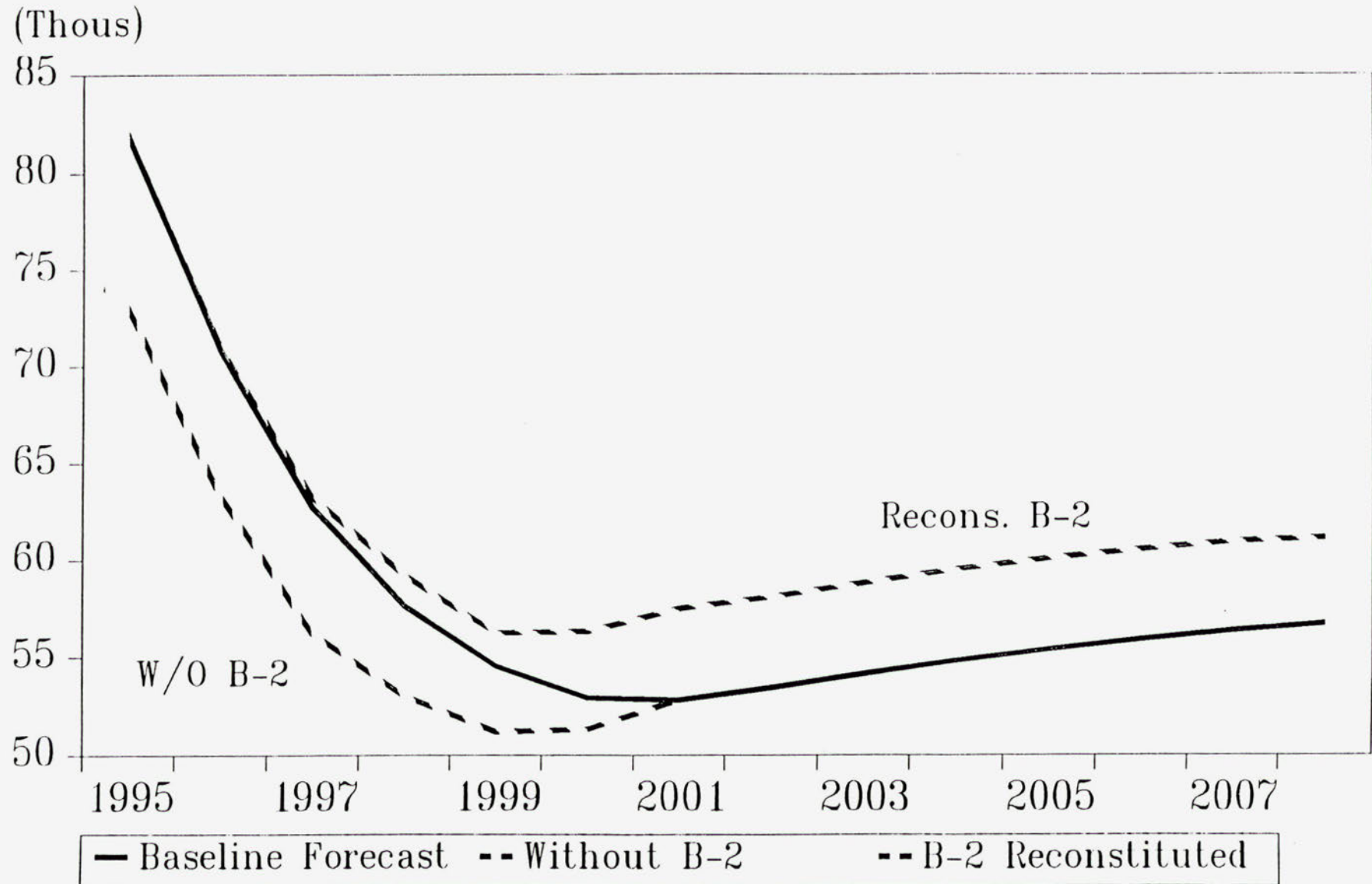
	Col1 Baseline Forecast	Col2 Without B-2	Col3 Recon- stitution	Col4 Col2-Col1	Col5 Col3-Col1
1995	738.4	737.2	738.4	-1.3	0.0
1996	785.5	784.4	785.5	-1.1	0.0
1997	832.7	831.8	832.7	-0.9	0.0
1998	887.4	886.7	887.5	-0.7	0.1
1999	952.0	951.5	952.1	-0.5	0.2
2000	1026.8	1026.5	1027.2	-0.2	0.4
2001	1104.2	1104.2	1104.9	-0.0	0.7
2002	1185.3	1185.3	1186.1	0.0	0.8
2003	1277.8	1277.8	1278.7	0.0	0.8
2004	1377.0	1377.0	1377.9	0.0	0.9
2005	1481.5	1481.5	1482.5	0.0	1.0
2006	1591.7	1591.7	1592.8	0.0	1.0
2007	1708.3	1708.3	1709.4	0.0	1.1
2008	1831.6	1831.6	1832.7	-0.0	1.1
Total	16780.2	16775.5	16788.5	-4.7	8.3

Impacts on Total Employment (Alternative Forecast Minus Baseline Forecast)

(Thous)



Employment in the Aircraft Industry Under Three Scenarios



January 4, 1995

The President
The White House
Washington, DC 20500

Dear Mr. President:

We are writing you to express our concern about the impending termination of the B-2 bomber production line. After spending over \$20 billion to develop this revolutionary aircraft, current plans call for closing out the program with a purchase of only twenty bombers. We believe this plan does not adequately consider the challenges to U.S. security that may arise in the next century, and the central role that the B-2 may play in meeting those challenges.

At present the nation's long-range bomber force consists primarily of two aircraft: the B-52 and the B-1. The 95 B-52's are all over thirty years old, and their ability to penetrate modern air defenses is very doubtful. The 96 B-1's were procured as an interim bomber until B-2's were available.

Even after all twenty B-2's are delivered, the inventory of long-range bombers will total barely 200 aircraft. This is not enough to meet future requirements, particularly in view of the attrition that would occur in a conflict and the eventual need to retire the B-52's. As the number of forward-deployed aircraft carriers declines and the U.S. gradually withdraws from its overseas bases, it will become increasingly difficult to use tactical aircraft in bombing missions. It therefore is essential that steps be taken now to preserve an adequate long-range bomber force.

The B-2 was originally conceived to be the nation's next generation bomber, and it remains the most cost-effective means of rapidly projecting force over great distances. Its range will enable it to reach any point on earth within hours after launch while being deployed at only three secure bases around the world. Its payload and array of munitions will permit it to destroy numerous time-sensitive targets in a single sortie. And perhaps most importantly, its low-observable characteristics will allow it to reach intended targets without fear of interception.

The logic of continuing low-rate production of the B-2 thus is both fiscal and operational. It is already apparent that the end of the Cold War was neither the end of history nor the end of danger. We hope it also will not be the end of the B-2. We urge you to consider the purchase of more such aircraft while the option still exists.



RESOLUTION

William Jefferson Clinton

President of the United States of America

February 26, 1996

WHEREAS, the *National Aerospace & Defense Workforce Coalition* acknowledges your commitment to the aerospace industry, its workforce and the industrial base

WHEREAS, we value maintaining U. S. superiority in stealth technology, which is so essential in preserving our national security

WHEREAS, the B-2 Bomber represents the ultimate achievement of American military technology, which could not have been developed without the tens of thousands of aerospace and defense workers, subcontractors and suppliers who contribute to the economic well-being of our country's tax base

WHEREAS, political instability in developing nations and the spread of nuclear technology is still a major concern in the international arena

WHEREAS, sending abroad the men and women of our armed forces to face foreign-supplied weapons systems without the protection of an adequate number of stealth bombers assumes an inherent risk America cannot afford

THEREFORE, be it resolved that the *National Aerospace & Defense Workforce Coalition* urges you to direct that the \$493 million FY96 funds be used for sustained industrial base activities and further urges you to include the B-2 Stealth Bomber in your FY97 budget.

NATIONAL AEROSPACE and DEFENSE WORKFORCE COALITION

July 1995

B-2 PROCLAMATION

Catherine J. Vezzetti

Executive Director

Ed Olson

President

Southern California Professional
Engineering Association
Westminster, California

Mike Hall

President

UAW Local 848
Grand Prairie, Texas

Harold J. Ammond

Executive Director
Association of Scientists &
Professional Engineering Personnel
Mt. Laurel, New Jersey

Charles H. Bofferding III

Executive Director
Seattle Professional Engineering
Employees Association
Seattle, Washington

Bob Duncan

Chairman
Council of Engineers & Scientists
Organizations
Westminster, California

Wayne Blawat

Chairman - Technicians

Steve Skattebo

Chairman Engineers

Leon M. Rapant

Committeeman

Al Zdrojewski

Labor/Management Coordinator
Local 92 International Federation of
Professional & Technical Engineers
Cudahy, Wisconsin

Frank Souza

President

UAW Local 887
Paramount, California

Dale Herron

President

Engineers & Scientists Guild
Palmdale, California

Joseph Smarrella

Treasurer

United Steelworkers of America
District 1, Local 1190
Steubenville, Ohio

Paul Almeida

National President

International Federation of
Professional & Technical Engineers
Silver Spring, Maryland

Captain Duane E. Woerth

First Vice President

Air Line Pilots Association
Washington, D. C.

Bill Boetger

IAM Business Rep

District Lodge 725, Area 2
Ontario, California

Thelma Franklin

IAM President

Local 821
Ontario, California

Doug Burrell

President

UAW Local 1921
New Orleans, Louisiana

Ed Willis

President

UAW Local 647
Evendale, Ohio

Frank Gyarmathy

President

UAW Local 1666
Kalamazoo, Michigan

Allen Holl

President

IAM & AW, LL 2020
Wichita, Kansas

Harold Landry

Business Manager Local 3

International Federation of Professional
& Technical Engineers
Philadelphia, Pennsylvania

Gary Eder

President

Salaried Employees Association
Hanover, Maryland

Gary Hawkins

President

UAW Local 128
Troy, Ohio

Jeffrey D. Manske

President, Local 92

International Federation of Professional
& Technical Engineers
Cudahy, Wisconsin

Michael J. Gavin

President, Lodge 1509

Frank Bunek

Committeeman

Blacksmiths
Cudahy, Wisconsin

Francis J. Owen

Committeeman, Local 663

International Brotherhood of Electrical
Workers
Cudahy, Wisconsin

Anton Milewski

Vice President

William Gregson

Committeeman, Local 140

International Association of Machinists
Die Sinkers
Cudahy, Wisconsin

Michael J. Yokofich

President, Local 1862

Gerald Svcek

Chairman, Local 1862

International Association of Machinists
Cudahy, Wisconsin

Sandra L. Paradowski

Vice President

Local 85, Office & Professional
Employees International Union
Cudahy, Wisconsin

February 16, 1996

THE PRESIDENT HAS SEEN

Mr. President:

2/21/96

Per your request, attached is
the Al Hunt article entitled,
"GOP to Cops: Get Lost" refer-
enced in Rahm's weekly report.

Phil Caplan

To Obama
Ann Levin
W. Bennett

Mr. President -

Good point.

Could you be sure to
send me copies too?

Orly

THE PRESIDENT HAS SEEN
2, 20/96

- (D) **McCurry memo on disaster actuality for Washington and Oregon.** Ran on 62 Washington and 31 Oregon radio stations.
- (E) **Sec. Reich speech.** On February 6, he spoke at George Washington's School of Business and Public Management on "Pink Slips, Profits, and Paychecks: Corporate Citizenship in an Era of Smaller Government."
- (F) **"Never Count out Bill Clinton."** Via Wendy Smith. February 4 San Jose Mercury News article by Stephen Buel. "Little of Clinton's first three years as president has surprised anyone familiar with his Arkansas record. It is uncanny at times how closely the tempo of his presidency mirrors that of his years as governor."

- (G) **Scranton Times-Tribune article on Sen. Santorum and GOP Medicare proposal.** Via Leon. He had boasted that given 30 minutes, he could convince 80 seniors in an audience of 100 to support Republican proposals to overhaul Medicare. Few of the seniors who gathered for his presentation on February 2 bought his pitch. Of the 83 who cast written ballots after his presentation, 63 opposed the GOP plans and 20 supported his arguments.

- (H) **Kansas City Star clip on John Carlin from Bob Nash.** Via Leon. John is getting good press. His former critics are praising him: "I think he's doing very well so far. He's trying to remake the agency and create a new culture and institute a strategic plan. It's a huge task and I commend him," said the Society of American Archivists, which fought his nomination. Article is surrounding himself with good people that he

- (I) **Sen. Leahy letter on Foreign Ops** | the bill with his amendment to impose antipersonnel landmines, except along these programs will not be operating of the year . . . "On landmines: "A casualty among NATO forces in Bosnia that the Administration embrace this

- (J) **Howard Reed memo on upcoming** | you asked Reed for this memo from Counsel at USTR, argues that the up appropriate forum for the U.S. "to provide leadership, generate U-7 support; and establish a unified position on the issues of jobs, technology, and the product life cycle." He says the "unified position" should then be presented to the WTO, and stresses the importance of incorporating developing countries in the process.

Translation
Laura/ony

2/26/96

gning

Pls review advise - that
I asked him for remainder
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Laura/ony
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THE PRESIDENT HAS SEEN
2/26/96

96 FEB 13 A10:07

12 February 1996

MEMORANDUM TO THE PRESIDENT

CC: Leon Panetta (w/o enc.)
Evelyn Lieberman (w/o enc.)

From: Harold Ickes *HI*

Re: Hugh Cannon

Hugh Cannon, a longtime parliamentarian from South Carolina, who has been parliamentarian for a number of Democratic National Conventions, asked me to transmit to you his recent book "Cannon's Concise Guide To Rules of Order: A New Approach to Holding Successful Meetings" and his The Democratic Manual for the 1992 Democratic Convention.

*Do try to
get to sign-
show rules book
to (clerk) UP-
Bc*

JIM DORSKIND:

Please coordinate
the reply.

THE DEMOCRATIC MANUAL
FOR
THE 1992 DEMOCRATIC CONVENTION

To President Clinton -

These Rules are unchanged
for 1996. They are totally restrictive.
no one can speak unless the Chair

HUGH CANNON
PARLIMENTARIAN
of the
Democratic National Committee

wants them to
speak. Thus,
no 1972 meetings
until 4AM -
and no 1968-
Chicago -

/ Jyk