

Congratulations

Correspondence

07 FEB 7 PM 2:46

217197

Send to Donskmid?

Yes ☒

No ☐

C

Chiron

—

Congratulations
to You



2/5/97

President Clinton,

Just a short note to tell you how great your "State of the Union" speech was. I truly believe that you are uniting both parties enabling the country to once again prosper. Your ideas on ...

Bringing warm congratulations,

along with a special wish that the future

will continue to hold every happiness!

... education are stellar!

★ I'm proud to be an American and you should

be prouder that you are working hard to lead our country into the 21st Century. Sincerely,

Randy Kaplan

All the Best
to You

P.S. I look forward to speaking with you again - hopefully you will be able to address our group at the National Association of Realtors meetings in D.C. this year.

Randy

Randy L. Kaplan
Manager,
Media & Governmental Relations

LIBOR/MLS
300 Sunrise Highway
West Babylon, N.Y. 11704

(516) 661-4800, ext. 121 (718) 739-8700
Fax: (516) 661-5202

2/7/97

Send to USC?

Yes

No

C



57 FEB 18 1997

EMBASSY OF THE REPUBLIC OF GUYANA

2490 TRACY PLACE N.W.
WASHINGTON, D.C. 20008
Tele: (202) 265-6900
Fax: (202) 232-1297

The Embassy of Guyana presents its compliments to the Office of Protocol, Department of State and has the honour to request the favour of onward transmission of the enclosed New Year's Greeting Card from the Minister of Foreign Affairs of Guyana, the Honourable Clement Rohee to the Honourable William Jefferson Clinton, President of the United States of America.

The Embassy of Guyana avails itself of this opportunity to renew to the Office of Protocol, Department of State the assurances of its highest consideration.

Washington, D.C.

January 23, 1997





A Happy and Prosperous 1997

"In the test of Democracy, it is not the first but the
second election that matters"

President Aristide at the White House
September 15, 1994

*Have a Happy
New Year!*



Clement J. Rohee

Minister of Foreign Affairs
Cooperative Republic of Guyana

Send to ~~Bar~~ > Dostan

Yes ✓

No

C.

From: Bob Nash
Director, Office of Presidential
Personnel

Date:

2/3 File

To:

Nancy Hennrich

JF/wa

☐ For your signature☐ Rewrite-text☒ Please return call☐ Prepare reply for my
signature☐ Rewrite-not enough
information☐ As you requested☐ For President's signature☐ For your action☒ For your information☐ Reply directly-copy to me☐ For your approval☐ Please file☐ Please locate resume☐ For your comments☐ Set up meeting on this☐ Call me on this☐ To West Wing, ASAP☐ For Resumb☐ Ask Me/See Me☒ Acknowledge
Referral☐ Acknowledge
POTUS' Referral

REMARKS:

Action Date: _____

FAX COVER SHEET

'97 FEB 7 PM 3:46

DATE: January 28, 1997

TIME: 1:53 PM

TO: Robert J. Nash
Asst. to Pres.

PHONE:

FAX: (202) 456-2259

FROM: Ellen Ruark
Mortgage Broker

PHONE: (203) 264-1148

FAX: (203) 264-2990

RE: Poem -- William Jefferson Clinton
on his second Inaugural Day

Number of pages including cover sheet: 4

Message:

To commemorate this eventful day, Ellen Ruark has written a poem. If you think that the President would enjoy having a copy of it, please see that he gets one.

Mrs. Ruark is a licensed Mortgage Broker in the State of Connecticut. A graduate of Washington College in Chestertown, MD, she has been writing poetry for many years.

Although not a registered Democrat, she has a great admiration for President Clinton and his wife, Hillary Rodham Clinton.

Ellen Ruark

**WILLIAM JEFFERSON CLINTON
PRESIDENT,
on
His Second Inaugural Day**

THE PARTYING STARTED EARLY.
CONSTITUENTS AND CELEBRITIES CAME,
READY TO FROLIC AND MINGLE,
WATCHING SHOW-PEOPLE ENTERTAIN.

THE FOLKSY KIND CAME LATER,
SCHOOL CHILDREN, SO PROUD WITH THEIR BANDS,
WORKED HARD THE PREVIOUS SEASONS,
RAISING FUNDS FOR THEIR TRIP'S DEMANDS.

THE ARMED FORCES WERE STRONG AND VISIBLE,
ARRIVING IN THEIR FINEST FULL DRESS,
STANDING TO ATTENTION AND WAITING,
FOR THEIR PRESIDENT'S 2ND INAUGURAL ADDRESS.

GUESTS WERE SEATED ON THE PODIUM,
WAITING FOR THE CEREMONY TO START.
BILLY GRAHAM'S INSPIRING INVOCATION,
TOUCHED EACH AND EVERY HEART.

THE MAGNIFICENT VOICE OF THE DIVA,
THE CHOIRS, THE BANDS AS THEY PLAYED,
"HAIL TO THE CHIEF" AS HE, WITH THE FIRST FAMILY, ENTERED,
WHAT AN AWESOME PICTURE THEY MADE.

CHIEF JUSTICE RENQUIST STEPPED TO THE DAIS,
IT WAS TIME FOR THE INSTALLATION TO BEGIN,
AS TRADITION WAS KNOWN TO HAVE IT,
VICE PRESIDENT GORE WAS THE FIRST SWORN IN.

THEN A STATELY AND CONFIDENT PRESIDENT,
RETURNING FOR HIS SECOND TERM,
AROSE TO TAKE THE OATH OF OFFICE,
ASSURING ALL, HIS DEDICATION WAS FIRM.

HE PLACED HIS HAND ON THE BIBLE,
HELD BY DAUGHTER, CHELSEA AND HILLARY RODHAM, HIS WIFE.
THE SERIOUSNESS OF THIS ACCEPTANCE
WOULD BE THE GREATEST MOMENT OF HIS LIFE.

AFTER THE CHEERS AND APPLAUSE SUBSIDED,
THE SECOND TERM PRESIDENT DID TELL,
TO THE MANY WELL-WISHERS ABOUT HIM,
AND TO THE PEOPLE AROUND THE COUNTRY AS WELL...,

THAT NOW, WITH FOUR TUMULTUOUS YEARS BEHIND HIM,
HIS PROGRAMS WOULD SURGE AHEAD.
HIS GOALS ARE SECURITY FOR THE AGED,
"STRONG FAMILY TIES," HE SAID.

OPPORTUNITIES AND DIGNITY FOR WOMEN,
FREE ENTERPRISE FOR THOSE WHO CARE,
HE REMEMBERED THE MIDDLE CLASS CITIZENS,
WANTED ALL TO HAVE THEIR FAIR SHARE...,

TO REMOVE, MORE FROM WELFARE TO THE WORK FORCE,
FREEING THEM FROM FAILURE AND STRIFE,
"COMMON DREAMS, MUST ADVANCE FOR ALL,
WITH OPPORTUNITY FOR A BETTER LIFE."

HE ASKED FOR POLITICAL UNITY,
TO WORK TOGETHER IN A BIPARTISAN WAY,
SO THAT THE PROBLEMS FACING THE COUNTRY,
CAN BE SOLVED WITHOUT FURTHER DELAY.

AGAIN WITH APPLAUSE OF APPROVAL,
THE CEREMONY CAME TO AN END.
FOLLOWED BY A LUNCHEON, A PARADE, & 15-ELEGANT BALLS,
WHICH THE PRESIDENT AND FIRST LADY WOULD ATTEND.

ARRIVING AT EACH RECEPTION,
THEY WERE A DELIGHTFUL, HANDSOME SIGHT,
DANCING TOGETHER AT EVERY BALL,
INTO THE WEE HOURS, OF THE NIGHT.

AFTER AN EXHILARATING DAY, OF CEREMONIES & CELEBRATION,
THE PRESIDENT AND THE FIRST LADY RETIRED,
REMINISCING ABOUT THEIR UP AND DOWNS,
AND HOW THEY REACH THE GOALS, THEY DESIRED.

FOUR MORE YEARS, MANY CHALLENGES AHEAD,
PROSPERITY WILL FLOURISH, OPPORTUNITIES WILL GROW.
A DEDICATED STAFF, HARD WORK AND PERSEVERANCE,
WILL FULFILL AIMS SET, IN DREAMS LONG AGO.

IN THE HISTORY OF THE UNITED STATES OF AMERICA,
NOW IT CAN AND WILL BE WRITTEN,
THAT ON THE 20TH DAY OF JANUARY, 1997,
THEY INAUGURATED, TO HIS SECOND TERM, THE 42ND PRESIDENT,
WILLIAM JEFFERSON CLINTON.

By, *Ellen Ruark*
ellen ruark, 1997

Send to ~~Desk~~ WSC?

Yes _____

No _____

Coordinate w/ WSC?

Yes _____

No _____

c.



3745 South 96th East Ave. • Tulsa, OK • 74145-3531 • E-mail: mchard7@aol.com
Phone/Fax (800)721-6800 or (918)627-8534

January 23, 1997

TO: President Bill Clinton

MultiTech Corporation hereby makes application for permission to make an agricultural investment of up to \$500,000 in the Rajin-Sonbong Free Trade Zone of the Democratic Peoples Republic of Korea (DPRK). Capacity will be in the 1,000 to 2,000 head of cattle range, which in America is a large on-farm facility (a tenth the size of commercial lots). Their government already has approved this project.

This project will provide employment and cash and will help that malnourished country stabilize its faltering beef industry, which is urgently needed to provide protein in the diet of the people. It should also turn a profit, because they continue to liquidate herds at low prices, while the market for quality beef and beef cattle is quite strong in nearby China, South Korea (where the traditional Korean Yellow Ox is preferred) and Japan. The project will also offer to provide custom feeding for DPRK cattle owners and to provide herd improvement by artificial insemination of superior females.

Conventional feedstuffs (corn and soybeans) may be purchased duty-free in China and the United States. Additionally, the unique, traditional Korean practice of cooking rice straw and corn stalks (cheaply available in DPRK, China and Russia) will be improved upon by the installation of a globe rotary digester and medium-pressure boiler that will permit pressure cooking, which doubles the digestibility of these lignocellulosic wastes. The Company also plans to add a proprietary oxidizer to further enhance digestibility. Success with this technology will open markets throughout Asia and Africa ... a major consideration in proposing this investment, because our young company's strategy is to develop agricultural technologies that are appropriate to developing economies and we know of no other society that cooks its lignocellulosic waste to produce animal feeds.

The equipment, new and used, including grinder, mixer, digester, and boiler will mostly be purchased in the United States, with some in China. DPRK should be able to provide fence posts, concrete and labor. A residence for the American manager will also be built. We would like to commence construction early in the spring of 1997 and be in operation by the end of summer, when local cattle owners are faced acute seasonal feed shortages.

Respectfully submitted,

Dean McHard

Dean McHard
President

Green Revolution II

cc: w/inc. Katie McGinty

ok'd by CBA

BEVP

THE WHITE HOUSE
WASHINGTON

February 6, 1997

David Roe
Environmental Defense Fund
Rockridge Market Hall
5655 College Avenue
Oakland, California 94618

Dear David:

Thanks for your letter on using information to help protect the environment and build better communities. As always, I appreciate your insight. I've made Katie McGinty aware of your letter and hope you'll continue working with the Administration on this.

Sincerely,

Bill Clinton

Truller

January 23, 1997

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

California Office
Rockridge Market Hall
5655 College Ave.
Oakland, CA 94618
(510) 658-8008
Fax: 510-658-0630

Dear Mr. President:

Winograd and Buffa's book highlights a California law, which I helped write 11 years ago, as a "remarkable" success story of using information as a tool to protect the environment. Low bureaucracy, fast results, and lots of business self-discipline (to avoid disclosing bad news) are the features that caught their eye (see pp. 82-84).

I and others are now working with your Administration on proposals to translate this state success into federal law. We hope you will make them a priority.

As you know, information is an even more powerful tool than usual when it comes to the environment. Because the public is so sympathetic to environmental goals, no one wants to have to report bad environmental or health impacts. The California experience shows that the result can be very little actual reporting, and a great deal of creativity in cutting back the impacts that would otherwise have to be disclosed.

All my best,
David

David Roe

cc: Vice-President Albert Gore
Kathleen McGinty
Carol Browner

National Headquarters

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(212) 505-2100

1875 Connecticut Ave., N.W.
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(202) 387-3500

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(303) 440-4901

128 East Hargett St.
Raleigh, NC 27601
(919) 821-7793

44 East Avenue
Austin, TX 78701
(512) 478-5161

Project Office

6 Faneuil Hall Marketplace
Boston, MA 02109
(617) 723-2996

JK271
.W55
WH

TAKING CONTROL

**POLITICS IN THE
INFORMATION AGE**

.....
**MORLEY WINOGRAD
AND DUDLEY BUFFA**

☆☆☆☆☆☆☆☆☆☆

A JOHN MACRAE BOOK
HENRY HOLT AND COMPANY • NEW YORK

each major sporting event, for instance, an army of kids scurries up and down the aisles of the venue carrying large garbage bags and grabbing every can and bottle they can find for redemption. The law, which expresses the interest of the community in a litter-free environment, created a private market to accomplish a public purpose. The second rule is that every private enterprise—no matter what its size—that sells beverages in cans or bottles must redeem such containers whether or not it sold them in the first place. This makes returning bottles at least as convenient as buying them.

Michigan created a market in used beverage containers by the simple expedient of making the reward for collecting them greater than the cost of handling them. Rather than seizing upon the community's interest in a clean environment as an excuse for governmental restraints on personal behavior, the Michigan law actually expanded individual freedom. It says, in effect, "you can litter if you want to, but it will cost you ten cents each time you do it. Better yet, even if you decide to ignore the wishes of the community, there is a market mechanism in place that will repair the effects of your bad behavior without forcing the community to pay for it."

By establishing the rules within which a market functions, government in the information age can create systems capable of regulating themselves. The California electorate did precisely that when it passed Proposition 65 by a two-thirds vote in 1986. Because of Proposition 65, patrons of California restaurants are greeted with perhaps the least inviting sign ever hung on a barroom door: "Warning: Drinking Distilled Spirits, Beer, Coolers, Wine and Other Alcoholic Beverages May Increase Cancer Risk, and During Pregnancy Can Cause Birth Defects." The statement, which may seem obvious and obtrusive, has, in fact, produced remarkable reductions in the production and sale of potential toxins. It has done so without a bureaucracy and without costly enforcement mechanisms at a more rapid rate than anything ever accomplished under the command and control approach of industrial age regulation.

The Environmental Protection Agency, which has become one of the favorite targets of Gingrich Republicans, determines, on the basis of scientific evidence, safe levels of exposure to particular chemicals and promulgates rules to enforce them. Because it can take years to make a scientifically accurate assessment of the risk at various levels of exposure, those who produce any chemical under review have no incentive to hasten the time at which they have to comply with a rule that could cost them a great deal of money. Proposition 65 reengineered the process by shifting responsibility for determining safe levels of exposure from the government to the producers. It dealt with this threat to the "commons" by giving the functions of investigation and enforcement to the marketplace.

The governor of California is required to regularly compile a list of chemicals known to the scientific community to cause cancer or birth defects. Any business that a year after publication of a list is still using any of the listed chemicals must either warn the public or pay a fine of \$2,500 for each person exposed. The potentially enormous fine, combined with a provision allowing anyone to sue on behalf of the public, created the kind of risk every business wanted to avoid. The only way to avert the penalties is to either have clear agreements on what levels are safe or not use the substance at all. The burden is on industry to conduct its own tests to determine what, if any, levels of exposure will meet a legal challenge, creating a rather unusual situation in which business requests that government give its approval to their research and conclusions.

More than 280 chemicals have been limited in their use through the procedures created by Proposition 65; only two dozen have been limited by the federal EPA.³⁹ The governmental action identifying a substance as carcinogenic has caused industry to eliminate chemicals as diverse as lead in crystal wine decanters and trichloroethylene in liquid paper.⁴⁰ The budget for the entire program is less than 1 percent of the money spent by the state EPA. Like the bottle bill in Mich-

igan, Proposition 65 in California combined the spread of information with the power of government to establish rules that redefine markets in ways that build a better community. Whether litter, carcinogens, or any other threat to the commons, government can protect the public interest by imposing a cost that will either eliminate the problem or pay for its effects. Contrary to the ideology of new Republicans, this does in fact require the full participation of government. Contrary to the desire of old Democrats, the shifting of costs of compliance to business and the private citizen will eliminate the need for certain bureaucracies.

The finite nature of our natural resources creates a sense of urgency for finding the right government policy to efficiently and effectively preserve our environment. One study done by Global Futures estimated that, if current policies are not changed, in the United States by the end of the next century fossil fuel consumption will be four times greater than it is today, carbon emissions will triple, and the standard of living will be approximately half of what is today defined as the poverty level. If, on the other hand, environmental policies are changed to reflect the information age approaches embodied in Michigan's bottle bill and California's Proposition 65, an alternative future is possible. Shifting taxes from income to consumption, improving our education system, and providing equal opportunity and reasonable security are policy changes that, combined with land stewardship, will make it possible to triple the standard of living during the same period.⁴¹ But all of these changes must begin with an understanding of the fundamental principle of the commons. Whenever the actions of some members of a society adversely affect the well-being of the entire community, government must set rules for the marketplace that put the interests of the commons ahead of the avarice of private interests.

REENGINEERING AMERICAN GOVERNMENT

The results of the 1994 election had convinced Al Gore. It was not enough, the vice president decided, to make government "less expensive and more efficient"; the administration needed to make government more effective. The National Performance Review, led by Elaine Kamarck, had "focused on how government should work, not on what it should do."¹ Now it was time to examine each agency and program of the federal government in light of the four strategies of corporate reengineering. First, should the activity be eliminated altogether? Second, should it be moved to a different division, in this case, the states? Third, should it be "outsourced" to private business? And fourth, should the activity be reengineered to create a new and better way by which to accomplish its objective?² Gore wanted government to "work better and not just cost less, but do less."³ The Republicans were way ahead of him.

At first Kamarck thought it might be possible to eliminate three entire departments: Energy, Transportation, and Housing and Urban Development. Yet all of them survived. Energy was saved because control over nuclear energy would have gone to the Department of Defense. Civilian control had been a fundamental principle of nuclear policy since it was first established by President Eisenhower, and the Clinton adminis-



Nancy Hernreich
Deputy Assistant to the President
The White House

Dear Nancy:

Will you put this on the desk?

Thanks very much.

Sincerely,

A handwritten signature in cursive script, appearing to read "David Roe", is written over the printed name.

David Roe

1/23/97

PC + the
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to the

we don't
have
one

Did we
get

FedEx

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1/23/97

1000-0320-

David Roe

0100050-0000

ENVIRONMENTAL DEFENSE FUND

3653 COLLEGE AVE STE 304

OAKLAND

123

Nancy Hernreich

202 456-1414

Deputy Assistant to the President

The White House

Washington, D.C.

20500

For hold at FedEx location, check here:
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Hold Saturday



8 Release Signature



238

WCSL 0000
Rev. Date 3/90
PART #147896

BusinessWeek

JANUARY 27, 1997

A PUBLICATION OF THE MCGRAW-HILL COMPANIES

\$3.50

THE PRESIDENT HAS SEEN
William J. Clinton
President of the United States 2-7-97
The White House
1600 Pennsylvania Ave. NW
Washington DC 20500

Tanaka

↳ worth making
Japan stories - JZ

0 JAPANESE

What's
really
happening
to the
Japanese
economy?
The answer
might
surprise
you.



You can see it in the faces of dispirited traders streaming out of the Tokyo Stock Exchange or sense it in the mood of homebound commuters transfixed by the neon-lit market numbers flashing on a giant electronic display at the Tokyo central train station. After seven straight years of distress, the Nikkei stock average is melting down again.

What started as a modest decline last fall (chart) and accelerated in recent weeks has cast a pall over Kabuto-cho, Tokyo's Wall Street. The Nikkei has tumbled 20% from its 1996 high, extending a bear market that has eliminated \$2 trillion worth of value from the Tokyo Stock Exchange's blue chips since their 1989 peak. With the Nikkei now down

50% from its record high and with some pundits predicting it

Cover Story

may have an additional 25% or more to fall, "we haven't seen the worst day yet," figures Toshimitsu Aonuma, a trader with Okasan Securities Co.

Traders mouthed the same grim sentiments when the market lost its footing back in 1992 and 1995, only to see stock prices recover some ground. But this rout feels different. To many observers in and out of Japan, the market is sending a powerful message that the global economy is finally closing in on the country's protected, overregulated domestic economy. The decline is now provoking a serious rethinking of how far Japan should experiment with liberalization and edge closer to a profound transformation that will get its economy moving again after five straight years of fits and starts (charts, page 27).

What has set the rethinking in action is the emergence of the two-tier economy (tables). Look closely at the Nikkei's latest sell-off, and you'll see a reordering of Japan's \$5 trillion economy into divergent camps—cosseted, un-

**WORLD-BEATER:
AT THE SONY
STORE IN NEW
YORK CITY**



DYNAMIC JAPAN

MAIN INDUSTRIES All the top multinationals with sales and operations expanding globally. Includes Toyota, NEC, Toshiba, Sony. They benefit from a weak yen.

COSTS Getting lower, thanks to new low-cost plants in U.S., Latin America, Europe, and East Asia.

STOCK PRICES The top performers in the Nikkei, especially auto and technology issues.

FINANCES Healthy. The best multinationals have billions in cash and can raise money worldwide at favorable rates.

COMPETITIVENESS Strong, thanks to exposure to rivals in overseas markets.

TWO JA

The gulf between corporate wi



MAY 31, 1996
21,956

NIKKEI STOCK
AVERAGE

JAPANS

ate winners and losers is growing

THE NIKKEI'S LATEST COLLAPSE

JANUARY 14, 1997
18,093

DATA: BLOOMBERG FINANCIAL MARKETS

competitive domestic industries vs. a core of highly competitive multinationals.

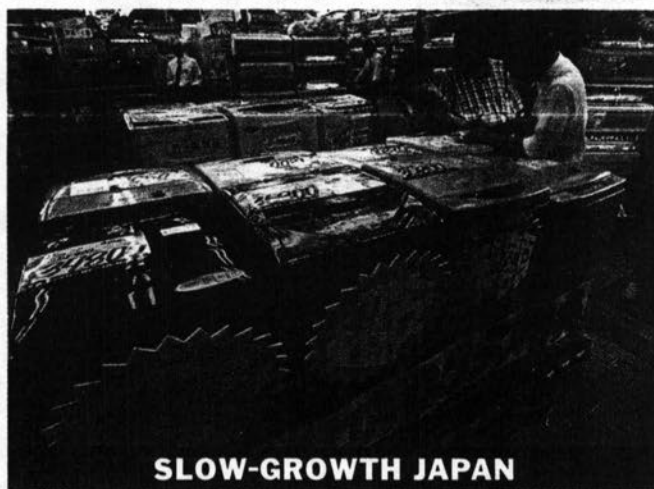
Behind both lie thousands of midsize and small businesses that depend on the health of large companies for their livelihood. These second-tier businesses, along with huge protected industries, employ about 70% of Japan's private workforce. As nameplate companies like Toyota and Toshiba accelerate the shift of their business to Asia and America, many of their suppliers are being left out in the cold. At the same time, thousands of service-company employees who work for big regulated industries may now also see their future threatened. It's the early stage of what could be a long and painful struggle to bring protected domestic industries up to world standards of efficiency. "Japan cannot develop further if it does not become the world's economic front-runner," says Nikko Research Center Ltd. Chairman Masao Yokomizo.

Over time, this quest to remain ahead of the global pack will force Japan to refashion its vaunted system of close mutual dependence among government, industry, and all classes of workers. And it will have to promote deregulation and administrative reforms to lessen the intrusion of the government into Japan's daily economic life.

LEAN AND MEAN. This will mean sweeping change—and that realization is shaking up the stock market. Led by banks groaning under \$260 billion in bad debts, companies in protected sectors have seen their shares tumble some 10% since the start of the year. Some companies' shares are now trading at a small fraction of their highs at the Tokyo market's peak in 1989. Since two-thirds of the market is controlled by large companies investing in each other, the message is doubly clear. Corporate Japan is turning on itself, with the strong dumping the weak.

While the domestic companies suffer, Japan's world-class multinationals have stormed back since 1995's soaring yen forced executives from Tokyo to Osaka

**HUNG OUT TO
DRY: SELLING
WASHERS IN
TOKYO**



SLOW-GROWTH JAPAN

MAIN INDUSTRIES Those rooted in the domestic economy, especially banks, property, construction, retailing, and local manufacturing.

COSTS Too high, because of overregulation, protected markets, rich prices of imported goods, and lofty wages.

STOCK PRICES Under pressure from threat of deregulation, problem loans, low consumer confidence.

FINANCES A problem, since banks are not lending and business failures are increasing.

COMPETITIVENESS Weak. Reliant on trade barriers that are slowly dropping.

to slash costs and expand abroad. Investors certainly recognize this: Even after the Nikkei's big drop as January began, many multinationals still are trading near record highs. Indeed, these global companies have reemerged lean and insulated against the

next round of gyrations on the world's currency markets.

Cover Story

Thanks to \$515 billion worth of investment since 1970 in production, research, and marketing outside Japan, the multinationals have moved closer to their customers and become less dependent on exports than ever. But they are not content with that. With precious few investment opportunities inside Japan's slow-growth economy, auto makers and high-tech manufacturers are embarking on another round of global diversification.

After dropping off in the first half of the 1990s, Japan's overseas business investment is expected to jump 20% annually through the end of the decade, analysts say, until it approaches the \$70 billion-a-year record of 1989. "We have no other choice but to globalize and market worldwide," says Toshiba President Taizo Nishimuro.

BUDGET BUSTERS. Many of these companies will benefit mightily if Prime Minister Ryutaro Hashimoto's plans to deregulate big parts of the economy become reality. Indeed, the market's collapse comes as Hashimoto is entering the most trying period of his meteoric political career (page 29). His margin of error is razor-thin. Since 1992, Japan has pumped out \$560 billion worth of emergency spending packages and billions more into

Ministry of Finance-led "price-keeping operations" to prop up stocks. The spending pulled the equity market back from the brink several times and built plenty of concert halls in farm communities and fishing ports along Japan's coastline. However, all the cash did precious little for the overall economy, which averaged growth rates just above 1% from 1992 to 1995. The measures also turned budget surpluses into deficits of Italian proportions.

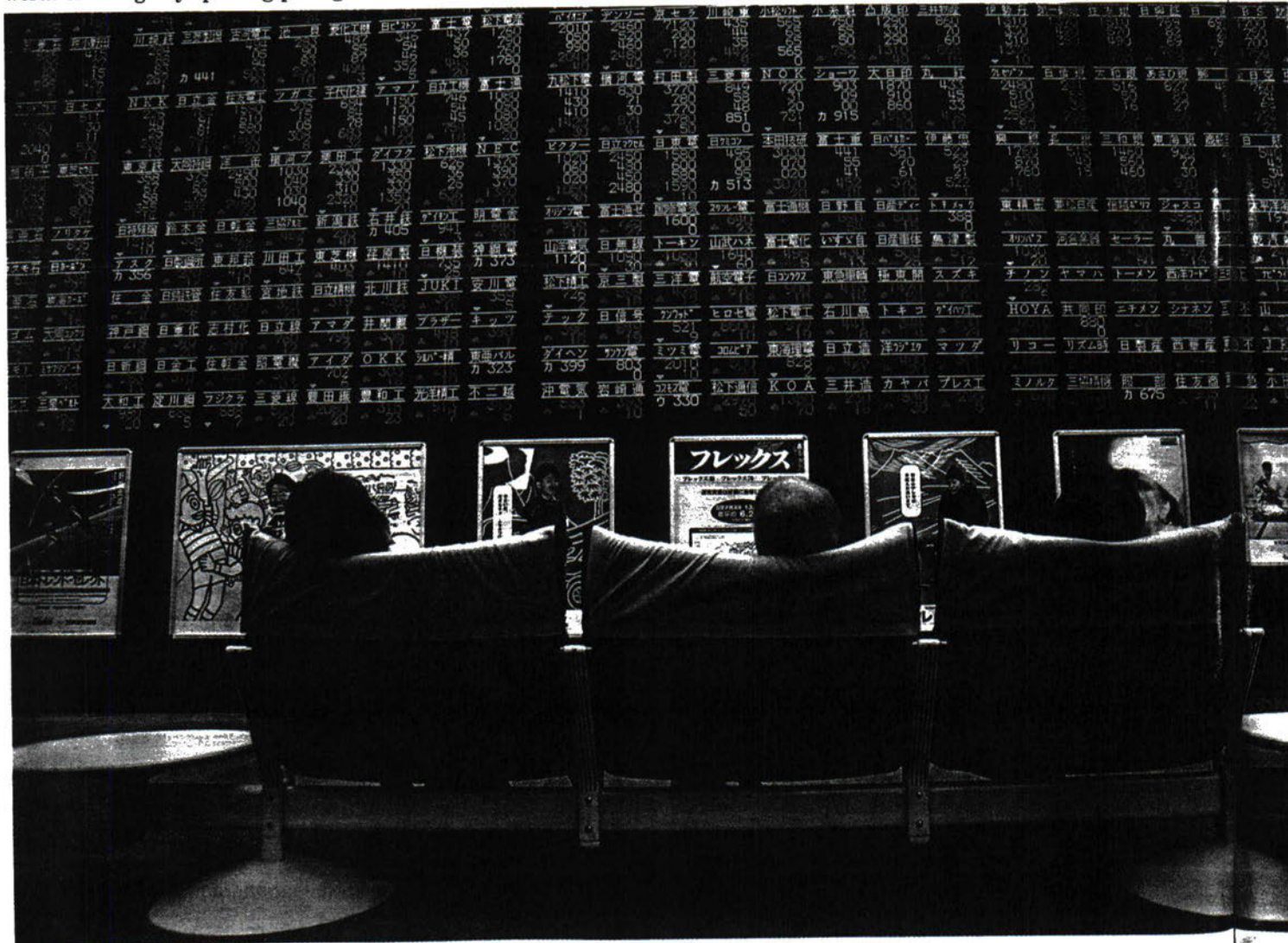
Now, everybody is wondering how far Hashimoto will go—and whether his shakeup will push Japan back into a recession. "The argument is no longer about direction but speed," says Ian Burden, Asian portfolio chief at HSBC Asset Management Asia Pacific Ltd.

To bring Japan's finances back into line, Hashimoto is proposing flat government spending—albeit with a fair number of pork-barrel construction projects for political allies. But he also wants to hike the national sales tax from 3% to 5% and repeal an income-tax break enacted in 1995. On top of a coming increase in social security payments, the moves will hold GDP growth to 0.7% in the fiscal year ending in March, 1998, estimates Salomon Brothers Inc. economist Robert Alan Feldman.

TRANSFIXED

The stock board at Nikko Securities in Tokyo; this market rout feels different

If the stagnant economy actually goes into recession and the stock market continues to plunge, Hashimoto will face pressures to ease up on his fiscal reforms, soft-pedal deregulation, push down the yen, and sanction another price-



keeping operation to bolster equities and the economy.

Many observers doubt that's the case, however. Hashimoto may moderate some of his austerity plan if the economy goes into shock. But right now, he is resisting widespread calls to revive the moribund property market by easing capital-gains taxes on some real estate transactions. And Ministry of Finance insiders suggest that high-level bureaucrats have reached a quiet consensus that they must start tinkering with the Japanese economic model to ensure the country's future success. Indeed, officials believe there is no turning back. Bureaucrats now concede their recent efforts to spur the economy and stock market lack credibility in the outside world. Their fear is that traders will view any new pump-priming moves with even greater disdain, sell stocks with abandon, and leave the country in an even worse pickle than before.

Hashimoto and the bureaucrats have any number of reasons to want to avoid this fate. Chief among them is the urgent need to improve the productivity of domestic industry as a way to improve Japan's growth prospects. With a looming demographic bombshell, Japan must renew its domestic sector as it starts to divert greater portions of its economic output to social security and medical payments. By the year 2025, one out of four Japanese will be over 65, nearly double the proportion today. And Salomon figures that supporting the seniors' needs will eat up a shocking 26% of GDP.

In some ways, Japan's domestic economy is finally feeling the global shock waves that have disrupted other industrial societies. Indeed, in the new two-tiered economy, 30% of Japan's workers are lucky enough to be hitched to the global corporate winners. But the losers are far more numerous. They include tiny low-tech suppliers that just can't compete and the bigger domestic companies that have lived under state protection—industries ranging from airlines to insurance.

JITTERS. As the ranks of losers grow, opinion surveys now show ordinary Japanese are deeply anxious, worried about their jobs, and yearning for change. Unofficial unemployment is at least twice as high as the official 3% rate, and millions more are underemployed in going-nowhere jobs. Polls also show a dramatic loss of faith in Japan's social compact as mandarins at the MOF and the Ministry of International Trade & Industry have proven unable to manage the economy to ever higher levels of prosperity. "There needs to be deregulation of the economy," says Hiroshi Ono, a 60-year-old manager with Tsukasa Sangyo, a small steel wholesaler. "People

can't live the same as they have before."

To be sure, Japan is very rich. It has an impressive \$10.3 trillion in household savings to fall back on. But that nest egg could be eaten away in an economy that's going nowhere and where 25% of its 124 million citizens will be living off their personal assets. Sensing this, Hashimoto is pushing liberalization on several fronts. Last November, he kicked things off by unveiling his "Big Bang" package of reforms to make over Tokyo's financial market by 2001. It calls for deregulation of stock commissions; lifting barriers that separate banks, brokerages, and life insurers; and loosening rules that govern asset allocations by pension funds.

If the plan succeeds, one-third of Japan's financial players will likely vanish or be merged out of existence, says J.P. Morgan & Co. economist Jesper Koll. Even without the plan fully in effect, that is already happening. Last fall, the Ministry of Finance shut down Hanwa Bank, a mid-size lender based in western Japan that was sinking under the weight of \$700 million in bad property loans. This was the first time the MOF had closed a bank since the end of World War II, and the move sent a clear signal to the industry that save for the collapse of a giant money-center lender, bureaucrats would no longer support smaller players that can't find merger partners.

FREE-FOR-ALL. Banking is not the only financial industry facing a lighter government hand. Not long after Hashimoto announced the Big Bang, the government concluded a far-reaching deal with Washington to open up the tightly segmented and rigidly protected insurance industry to competition. The deal has already pushed down premiums by as much as 20% on large

corporate fire-insurance policies. It has also set into motion a free-for-all among U.S. and Japanese companies for new business. Six foreign insurers have already won licenses to sell auto policies by direct mail, for example. And life-insurance companies have suddenly jumped into the medical insurance business.

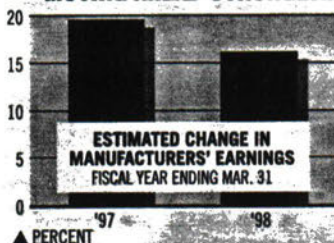
Moves to open up the economy to more competition are showing up on many other fronts. Take transportation. Faced with Transport Ministry-sanctioned competition from a discount carrier that vows to cut fares 50% on its high-volume Tokyo-Sapporo route, Japan Air Lines Co. has been looking for ways to reduce costs wherever it can. One answer is to rely more and more on cheaper foreign cabin crews to staff its charter subsidiary. By next year, some 17% of JAL's overseas traffic will be handled by the unit, which is already flying from Japan to Hawaii, Bangkok, Guam, and Saipan.

Retailing is also in for shock therapy. A recent easing of rules limiting gasoline imports has lowered Japan's pump prices but is also crushing profit margins and could push 50,000 service stations into the red, figures Todd Guild, a partner with McKinsey & Co. Mom-and-pop retailers face similar pressures if a push to lift restrictions limiting stores' floor space goes through. Any such move would invite new competition from "category killer" outlets and superstores, triggering a bruising shakeout that would affect a third of Japan's labor force, figures James Vestal, an analyst with BZW Research Ltd.

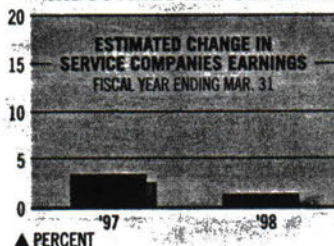
Workers for multinationals may have equally dire prospects. With the recent decision to split Nippon Telegraph & Telephone

JAPAN'S ECONOMIC QUANDARY

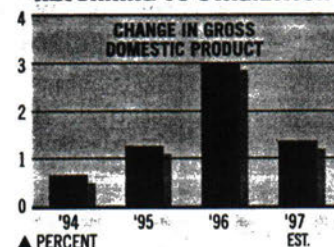
GLOBAL CORPORATIONS ARE MOVING AHEAD STRONGLY...



...BUT PROTECTED DOMESTIC INDUSTRIES ARE SLOWING...



...AND THE ECONOMY IS RETURNING TO STAGNATION



DATA: MERRILL LYNCH & CO., JULIUS BAER INVESTMENT MANAGEMENT INC., CONSENSUS ECONOMICS INC.

Corp. into two local companies and one long-distance carrier owned by a holding company, the Diet is now expected to lift a ban on such combines dating to the U.S. occupation. Large companies would reap big savings by spinning off laggard divisions and pegging pay levels to performance. Even layoffs could become a reality, threatening lifetime employment that has secured worker loyalty in bigger companies.

Already caught in the squeeze are many of the midsize suppliers. It's no longer an act of economic treason to look beyond long-standing *keiretsu* suppliers. Toshiba has set up a home page on the Internet to solicit bids from overseas suppliers. It hopes to double its foreign procurement, to \$5 billion, by 1999. The story is the same at Sony, NEC, Casio, and Minolta, which all have reached out to lower-cost Asian and American suppliers to provide key components. Nowadays, General Motors Corp.'s sprawling Delphi Automotive Systems parts division not only supplies Toyota Motor Corp. in the U.S. but also sells catalytic converters to Toyota plants in Malaysia and Thailand. Delphi executives in Tokyo even sit in on strategy sessions with the auto giant's Japanese suppliers.

Of course, big suppliers such as Denso Corp., a leading maker of automotive electronics components, have the kind of cash to follow the big manufacturers abroad. But plenty of others can't. That's why foreign subsidiaries of Japanese companies now get only 38% of their parts from home, down from 56% a few years ago. This reflects the multinationals' efforts to regain ground lost to the U.S. in global markets as the yen spiraled to a record high in 1995. The 40% depreciation



of the yen against the dollar is helping the comeback. But the multinationals are

Cover Story

gaining even more advantages from their production bases that have sprung up around the world.

In America, Japanese auto makers are grappling back by trimming prices on new models, revamping existing ones, and expanding their plants to regain ground. "U.S. producers haven't been able to keep up with demand, and the Japanese are making up the difference," says Toyota President Hiroshi Okuda. Since mid-1995, the Big Three's cost advantage over Japanese models has shrunk from \$1,400 to \$1,000. Toyota's American-made Camry, launched last fall, and Honda's U.S.-made Accord, due out later this year, even have a shot at overtaking Ford's Taurus as the top seller this year.

NEW GIZMOS. Toyota and Honda also are racing ahead to set up regional manufacturing and parts supply networks in Southeast Asia. Honda partially developed the City sedan it sells in Thailand at a Thai design center set up two years ago. Thai designers also helped Toyota modify its Soluna passenger car to make it rugged enough for Bangkok's steamy climate and tortuous road conditions. With 70% of its parts locally sourced, the Soluna is due out in Thailand on Jan. 31. It also may be exported to Singapore and Brunei later this year.

The moves by Toyota to buy local components are part of a broader trend by many manufacturers to dump longtime *keiretsu* suppliers in favor of the cheapest vendors around. Bridgestone Corp., for one, has mushroomed in the U.S. and Canada since buying Firestone Tire & Rubber Co. in 1989, dou-

bling its production to 23 million tires a year. Bridgestone recently opened a \$400 million plant in Warren County, Tenn., to produce 4,600 bus and truck tires daily.

Once written off as digital slackers, Japanese consumer-electronics giants such as Sony, Toshiba, and Hitachi have been every bit as aggressive as the auto makers in fighting for global market share. Each has launched new notebook or desktop offerings lately, and Sony's hot-selling PlayStation video-game machine has come from nowhere to become a \$3 billion global business. Toshiba's high-end Infinia PCs are also heading for success. Decked out with radio, TV, and answering-machine functions, they are a splashy example of Japan's broader strategy to push its consumer-electronics knowhow into new digital realms. "This is a declaration that we're not confining ourselves to small, laptop computers," explains Toshiba President Nishimuro.

More important, though, is that this push is being led mostly from California, by American managers steeped in the entrepreneurial culture of Silicon Valley. And

TOKYO TELLER

Japan has to clean up the bad-loan mess before it can deregulate banking

maybe a bit of that culture is rubbing off on high-tech executives: Fujitsu Ltd. recently unveiled a performance-based stock-option plan at its California affiliate. Such plans are almost nonexistent in Japan, where pay is still largely tied to seniority.

"OPPORTUNITIES." To a great extent, multinationals always have been on the outer perimeter of the Japanese economy. But increasingly, the flexibility and keen sense of competitiveness they offer are exactly the practices the economy needs so dearly right now. Hashimoto realizes this, but the chance of costly mistakes looms large. A big policy misstep—say, deregulating banking without first resolving the industry's bad-loan mess—could plunge already thinly capitalized banks and life insurers into a vicious circle of selling.

Fearing lenders would see their capital dip below internationally agreed-upon standards as the value of their equity portfolios erodes, investors might dump bank stocks with abandon. That would make banks even more reluctant to lend money than they are today, threaten to send the economy into a tailspin, and spark even more selling in the stock market.

To ward off such a calamity, Hashimoto now must articulate his vision of reform, build a consensus among powerful ministries to see it through, and gain public support for the short-term pain it will bring. Japan already has lost trillions of dollars in national wealth in the bear market of the 1990s. Hashimoto's challenge now is to guide the country along a path that lets it profit best from the globalization of business. As the Nikkei's latest nightmare suggests, making the transition to an economy in which government intrudes less and the market counts for more will not be fun. But "this decline is throwing up opportunities," says Merrill Lynch & Co. Japan strategist Jeff Bahrenburg. Unless Japan now takes advantage of them, its vast domestic economy could be consigned to stagnation even as the country's multinationals continue to make hay.

By Brian Bremner in Tokyo, with William Glasgall in New York and Peter Galuszka in Cleveland

COMMENTARY

By Robert Neff

WHY HASHIMOTO HAS TO HANG TOUGH

Tatemaie—pretense. Honne—the real thing. These are the key words in the debate in Japan over Prime Minister Ryutaro Hashimoto's plans to deregulate the economy and straighten out the country's troubled finances. If the Prime Minister is intent on delivering the real thing with his reforms, then Japan and its main trading partners will benefit enormously. If, however, his moves turn out to be mere *tatemaie*, Hashimoto will be putting Japan's entire economic recovery at risk.

Many observers are willing to give Hashimoto the benefit of the doubt. His call for a thorough deregulation of the financial sector signals that this politician is trying to be a thoughtful reformer as well. But even though Hashimoto the man may be sincere, Hashimoto the Prime Minister must shepherd reform through the political and bureaucratic process, which so often in the past has blocked serious change. So a rapid move to deregulate the economy and institute sensible tax policies is by no means certain.

To get an idea of what the reformers are up against, look at the draft budget for fiscal 1997, which contains troubling hints that Hashimoto is being forced to cater to special interests. Although the budget keeps overall spending flat, the pork and tax hikes it does contain fly in the face of the commitment to reform.

NEW TRIBES. First, look at the pork. Not long ago, the Hashimoto government was saying that long-planned expansions of the country's famed Shinkansen bullet-train lines would have to be frozen in the name of fiscal probity. After all, as a percentage of gross national product, Japan's deficit is larger than any other major country's. But then the ruling Liberal Democratic Party's notorious *zoku giin*, or "tribes" of Diet members who push special in-

terests, resurfaced. Given up for dead after the LDP lost its Diet majority several years ago, the *zoku giin* have stormed back with the LDP's return to power. They managed to get studies of the new train lines back in the budget, a key step toward the ultimate expenditure of \$10.3 billion. Yet it's highly debatable whether such gargantuan spending would help the overall economy.

The draft budget also calls for a healthy hike in subsidies to farmers, especially those hit by liberalization of agricultural markets mandated by the global trade agreements. This is

but to achieve sustained growth for many years to come," says Tetsuo Tsukimura, chief economist at Smith Barney International Inc. in Tokyo.

In the markets, meanwhile, Hashimoto and the Ministry of Finance have so far resisted the urge to intervene. That's a significant step back from the tradition of propping up troubled markets through a PKO, or price-keeping operation. But some observers think that if the Nikkei stock average heads toward 15,000—the point where banks' hidden assets are dangerously depreciated—the government will step in, pouring pension funds and other money into the market and weakening the yen.

Kiyoshi Kimura, general manager for research at Société Générale Securities (North Pacific) Ltd., says the government has \$8.5 billion set aside for that purpose.

GROWTH AGENDA. A PKO might provide some relief, but it's just the kind of action the Prime Minister should avoid. It's time for investors to get an honest valuation of the companies on the Nikkei. "Survival of the

fittest is the rule," explains Smith Barney's Tsukimura. "A further decline in the market will sweep out troubled financial institutions. That's necessary."

What's also necessary is a truly reform-minded budget. Hashimoto has to eliminate the white-elephant projects and engineer some serious tax relief for consumers. Speeding up the deregulation of transportation, telecommunications, retailing, and electric power would spark the kind of capital investment that's needed to put economic growth back on track. Sure, that's tough to do, and Hashimoto will undoubtedly have to make compromises. But too many compromises will just delay an inevitable, wrenching change. Pretense may be comforting, but for Japan it's also dangerous.

Neff is BUSINESS WEEK's contributing editor in Tokyo.



DIET DRAMA

Hashimoto and his allies want reform, but can they fend off special interests?

another area where the *zoku giin* have been having a field day. And massive public-works spending will go uncurtailed despite increasing calls for the government to encourage consumer spending through tax cuts, instead of doling out billions to cherished projects.

Indeed, many observers believe the draft budget's call for tax hikes is just what Japan's flagging economy doesn't need. If adopted intact by the Diet, as is almost certain, the budget will eliminate a two-year-old income tax cut that's worth \$17 billion and will boost the consumption tax to 5% from 3% at a cost to consumers of \$43 billion. Hashimoto contends these measures are needed to reduce the deficit. Others disagree. "The best way to restore fiscal balance is not to increase taxes

Bored - Fgb

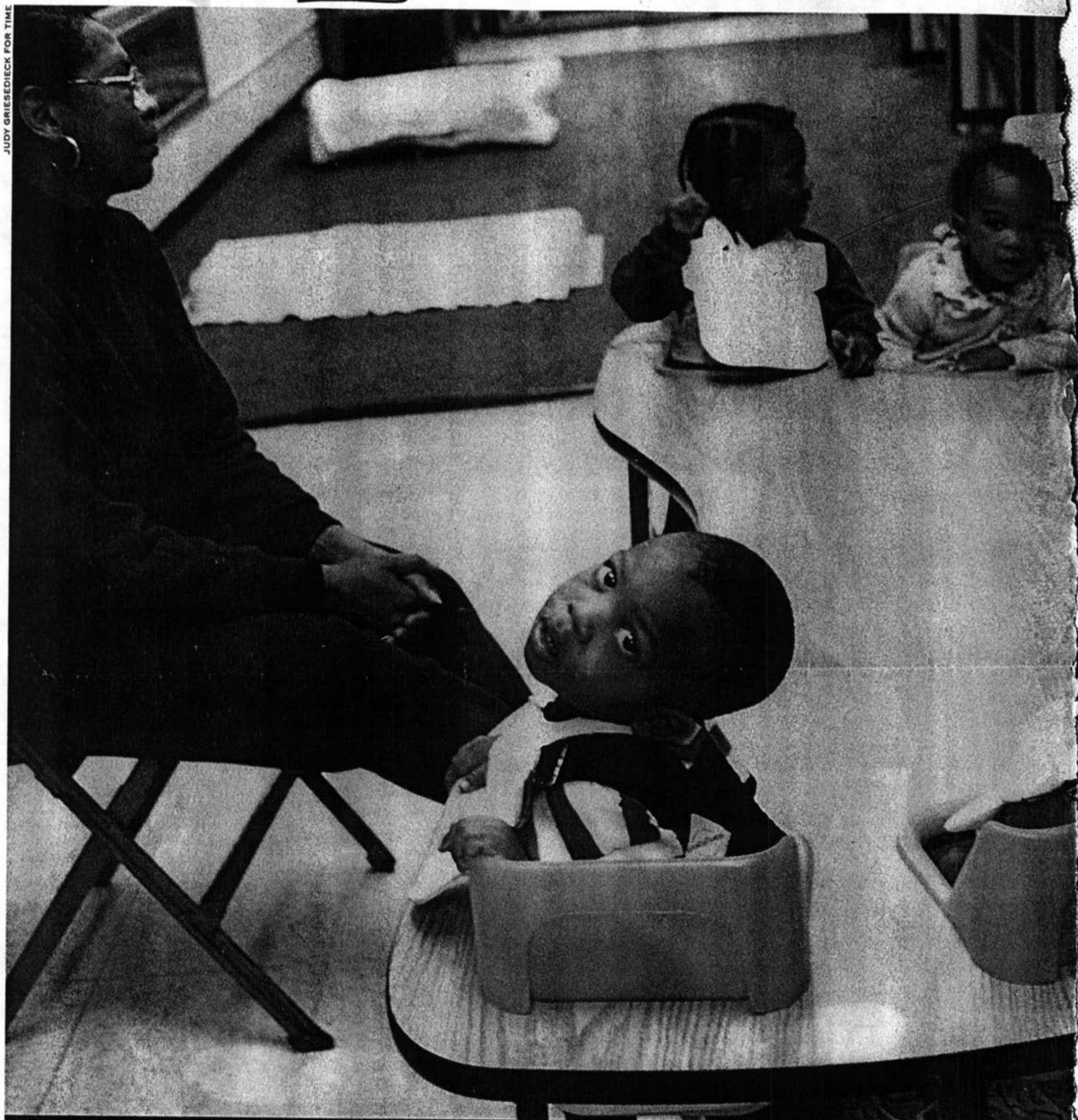
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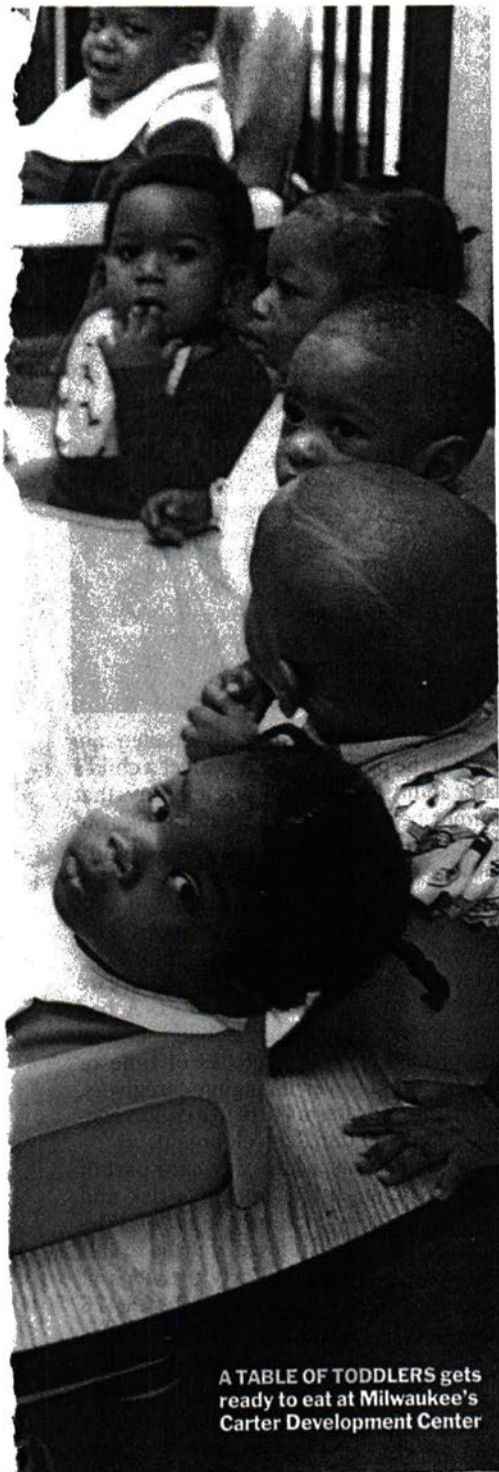
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JUDY GRIESEDECK FOR TIME



WORKFARE MEANS DAY

Wisconsin, a welfare pioneer, struggles with the issue of quality care in



A TABLE OF TODDLERS gets ready to eat at Milwaukee's Carter Development Center

By JAMES COLLINS

BY 6:30 EACH MORNING, ALBERTA Early has arrived at the Carter Development Center on Milwaukee's near North Side. Along with Shirlene Devougas, Early cares for eight infants in one of the center's day-care programs, and three of their charges show up before 7, so Early has to be ready for them. By 8:30 all the babies are present, and Early and Devougas give them breakfast. "Everybody wants to be fed at the same time," says Early with a laugh. The room is clean and bright, painted in a pleasant combination of green and white. Some infants crawl around a blue carpet, where they play with blocks, stacking toys, a plastic mirror on wheels. On one recent afternoon, Early pushed the mirror toward 11-month-old Aubrey. "See that?" she said, "That's you!" The youngest babies are placed in infant seats, unless Early or Devougas has got them in her lap. "We sit and hold them," Early says, "play with their hands and feet and talk to them."

It sounds just about perfect, and it is. In the world of day care, the kinds of programs run at the Carter Center can be considered the ideal. They provide good food, a safe setting, plenty of mental and physical stimulus, and lots of attention and affection. Equally significant, they serve the children of low-income families, kids who may be at risk for poor development. Troy Harris used to be on welfare and now works at the Carter Center, where her two children are in day-care programs. "If I didn't work here, I would still want my children here," she says. "[Otherwise] your child could sit at home all day or at the neighbor's home watching TV. That would be my worry—that my child's not learning enough."

Millions of poor mothers are soon going to be faced with the same worry. Under the new federal welfare law, even recipients with very young children are required to find work (although states may exempt a single parent caring for a child under one year old). According to the Children's Defense Fund, there are now about 9.75 million children on welfare, about 4.5 million of them under five. That translates into an enormous new demand for day care and raises concerns about the quality of that care.

In Wisconsin, which has pioneered welfare reform and is often touted as a national model, the crunch is coming sooner than in other states. That is partly because the latest phase of Wisconsin's law, which is called Wisconsin Works, or W-2, goes into effect Jan. 6 and requires mothers to

get into a job program and parenting classes just 12 weeks after giving birth. But it is also because the state already has fairly high standards for day care in place. The challenge has been how to maintain those standards while accommodating thousands of new kids—and the struggle so far has been both painful and instructive.

In 1996 Wisconsin subsidized care for 17,000 children at a cost of \$52 million (about \$3,000 per child). Under W-2, the number of children requiring subsidized care is expected to triple, to 60,000. Yet in its original W-2 legislation, Wisconsin did not triple the state funds earmarked for child care. In fact, it planned to increase its own spending only negligibly and use federal block grants to bring the amount of



The welfare bill signed by President Clinton allots \$22 billion for child-care subsidies over six years, but leaves an estimated \$1.4 billion shortfall

money available for day care next year to \$160 million (roughly \$2,600 per child).

So just as it faces a flood of younger, poorer, needier children into state-subsidized day care, Wisconsin planned to reduce the amount it spends for each child—with consequences that would be felt throughout the day-care system. For one thing, the state proposed channeling more of this money to welfare families by reducing day-care subsidies to the working poor through higher co-payments and eligibility standards. (Some low-income families would have been required to spend as much as 46% of their gross income on child care.) The state also proposed a sliding-scale co-pay structure for welfare recipients based on their income and the cost of the care they choose, and

DAY CARE

the crucial early years



GETTING A FULL START Early care is up-to-date in Kansas City, Missouri

THE STATES GRAPPLE WITH DAY CARE

MISSOURI

Kansas City's innovative Full Start program, left, targets pre-K kids, but the state lags in day-care spending

GEORGIA

Determined to offer a pre-K program to every four-year-old in the state, Georgia set aside \$157 million of lottery revenues

MASSACHUSETTS

Revenues from special license plates will be earmarked for child-care training and materials

OHIO

Day-care spending rose 20% in 1996, and child-care programs are being linked to public schools

HAWAII

Despite budget cuts, the state launched a new initiative, Good Beginnings, which aims to involve businesses in child-care programs

FLORIDA

In six counties, residents voted to increase their property taxes to fund Child Service Councils, which work to improve the quality of child care

NORTH CAROLINA

A public-private partnership called Smart Start gives block grants to counties to care for children under the age of six. One county decided to subsidize new mothers to stay home

Source: Working Mother, and TIME reporting

created a new category called "provisional certified care." This care, to be provided by any adult who passes a criminal background check, in any home meeting basic health and safety requirements, would be exempt from most of the regulations aimed at ensuring quality in Wisconsin's licensed day-care centers—and so presumably would be much cheaper.

CHILDREN'S ADVOCATES IN WISCONSIN were quick to criticize this version of W-2. Mary Babula, head of Wisconsin's Early Childhood Association, charged that it would create "a push for parents with low disposable income to choose the cheapest care they can find." Linda Bosetti, who works for the Silver Spring Neighborhood Center in Milwaukee, was worried because subsidizing provisional certified care—while it might provide some cash to the grandmother who has been baby-sitting for free—could also put children at risk by parking them with untrained strangers. Indeed, this cheaper, second-class day care might begin to drive licensed centers out of business.

Jean Rogers, who directs W-2, countered that "in the real world, families make [child-care] decisions based on a number of qualities and situations." When she talked to welfare recipients while drafting W-2, she says, "the single most common response was that they thought child care should be made more flexible so that friends and relatives would be able to receive the subsidy."

Nevertheless, the outcry prompted Governor Tommy Thompson to appoint a special panel of child-care providers, elected officials and policymakers to reconsider the co-pay provisions. Last week, on its recommendation, Wisconsin revised the plan. Day-care co-payments will be calculated primarily according to income and number of children, not the cost of care. And a family's co-payment obligation will be capped at 16% of gross income. To help close the spending gap between this formula and the earlier one, Thompson will use an extra \$25 million in federal money for 1997 that the state had earned from reductions in its welfare rolls during recent years. "We're leading the country. Nobody has tried to adopt a plan of our magnitude that both eliminates welfare and makes a commitment to quality child care," he says. "We don't have all the answers. But what we've done is attempt to level the speed bumps that we have anticipated so far."

There may be more bumps ahead. Because what is at stake in the coming day-care crunch is of far more consequence than whether little Janie watches too much *Rug Rats*. Without a good solution to the day-care dilemma, welfare reform has no hope of breaking the "cycle of dependency" and may in fact exacerbate it. For starters, a study by Marcia Meyers at Columbia University's School of Social Work has shown that good, reliable child care is a key factor in whether a welfare mother can perform well on the job and stick with it.

But more fundamentally, inadequate care in the pre-K years may affect a child's later ability to learn, limiting it in ways that cannot be offset by the uplifting sight of seeing Mom march off to work. Brain-development research indicates that in the first two years of life, virtually all our vital neural connections are being formed. Other studies show the crucial role that responsive, sensitive and stimulating care plays in forming those synapses. A bad day-care situation, where a child is understimulated for long stretches of time or moved among ever changing caregivers, may cause long-term harm to a child's cognitive and emotional development.

For that reason, the day-care part of welfare is both an enormous risk and an enormous opportunity. Few of Wisconsin's poor children will get the excellent care that Alberta Early provides at the Carter Center, which charges \$8,476 a year for an infant (less for an older child). In fact, some mothers may have to take their children out of the center because their co-payment will rise. What happens to the 2,700 children of the working poor who lose their subsidies altogether is one of the many imponderables as Wisconsin enters the next phase of its welfare experiment. But what child advocates continue to remind the Governor of is that while the W-2 program is susceptible to endless tinkering and adjustments, its effects on young children may be permanent.

—Reported by

Wendy Cole and Erik Gunn/Milwaukee, Melissa Ludtke/Boston and Ann Simmons/Washington



COULD MAD-COW DISEASE STRIKE HERE?



A year after the British cattle scare, some scientists fear a broader outbreak of the mysterious disease

By JEFFREY KLUGER

PETER HALL DIDN'T NOTICE WHEN the proteins in his brain started to change. He noticed other things: a vague depression, general anxiety, sudden mood swings. But blaming any of that on brain chemicals wouldn't have occurred to him.

The proteins in Hall's brain *were* changing, however. Ordinarily made up of tiny strands of intertwined amino acids, the complex molecules had begun to assume a very different shape, collapsing into sticky sheets. Before long, these gum-

my structures began to clump sloppily together, creating pits and divots where there had once been vital brain tissue. Within months Hall was delusional and bedridden. Not long after, he was dead.

Hall, who was 21, was one of nine Britons felled in 1996 by a brain disorder linked to exposure to bovine spongiform encephalopathy (BSE), better known as mad-cow disease. The appearance of this degenerative disease—widely suspected to be contracted by eating contaminated beef organs—set off a panic as Europe slammed its doors to British beef, and travelers anxiously cast their minds back to London va-

cations, trying to recall whether they had ordered the fish or the sausage.

The scare died down after the British government destroyed tens of thousands of cattle, removed infected feed from the food chain and promised to step up slaughterhouse inspections. Mad-cow disease has stopped turning up in the new generation of cattle, and the crisis is generally considered to have passed.

That conclusion, however, may be premature. While public-health officials believe the risks are remote, concern is building in both Europe and the U.S. that the mad-cow problem may be larger than it seems. This week the science journal *Nature* published a paper on the possibility that last year's outbreak might be only the tip of an epidemiological iceberg, and that

BUM STEER? The docile cow could become more menacing than it seems

tens of thousands of Europeans are unknowingly infected and could die from the disease. Moreover, a number of researchers in the U.S. aren't convinced that some of the same conditions that led to the mad-cow breakout in Britain might not exist here, leading to the same spread of the BSE pathogen. Making things even harder, scientists still can't agree on what that pathogen is—a first step in figuring out how to treat the disease if it does surface. "The only thing that stands between us and an epidemic," says Robert Rohwer, director of molecular virology at the VA Medical Center in Baltimore, "is unmitigated luck."

Britain's problems began in 1986, when a BSE epidemic struck herds across the country, ultimately leading to the death of up to 1,000 cows a week. To protect the food supply, the government ordered the slaughter of affected cattle and banned the sale of cow brains, intestines and other offal, thought to be the organs likeliest to harbor the disease. And in 1988 it halted the practice of feeding cattle the

remains of diseased sheep, which is where the infection is believed to have started. But by that time the damage was done.

"The cheapest way to get protein into cattle is to feed them scraps of animals left over from slaughter," says Richard Rhodes, author of the soon-to-be-released book *Deadly Feast* (Simon & Schuster), which traces the history of BSE and similar diseases. "When British cows started to get sick, this practice wasn't banned. Instead industry was merely required to avoid using parts from animals known to be infected. This was hardly foolproof, and it was inevitable that some diseased flesh would be eaten by cows and enter the food chain."

When Britons started falling ill last year, some scientists concluded that that was just what happened. If cattle feed was

indeed the indirect avenue of the recent infections, it could spell big trouble, since most Britons ate from a contaminated meat supply for at least 10 years. Just how many got bad beef is what the *Nature* paper tried to determine.

Using a complex epidemiological model, the study concluded that the outlook for the beef-eating population is unclear: at the very least, an additional 75 Europeans will come down with the disease; at the very worst, a chilling 35,000 could fall ill. The researchers caution that too little is known to make confident projections, and in Britain the paper has had little impact. Beef consumption is about where it was a year ago, and although the government last week banned the transplantation of animal organs into humans, saying the risks needed to be studied, no new panic has broken out.

Ironically, the *Nature* paper generated concern in the U.S., where not one case of mad-cow disease has been diagnosed. "I hope we're not on the same course as the British," says Rohwer, "but we could be." What concerns Rohwer and others is that the U.S. agricultural industry, like its British counterpart, recycles animal scraps, turning them into both cattle feed and garden fertilizer. Should even one domestic cow develop the disease spontaneously—something that is known to occur in nature—the pathogen could quickly spread through U.S. herds.

In order to prevent that, FDA Commissioner David Kessler is proposing a new measure—set to take effect later this year—that forbids using cattle parts in animal feed but still permits them in fertilizer. The government concedes that switching to protein substitutes like soy would cost U.S. feed producers up to \$48 million a year, and the industry insists that the final figure would be much higher. Whatever the price, however, Kessler believes it's worth it. "The risk of BSE is small but real," he says. "If a case did occur in this country, we want to wall it off and not have the amplification that occurred in Britain."

Of course, no regulatory measure will take the place of finding a way to treat or

prevent BSE infection. But the disease may at last be starting to give up its secrets. A number of researchers are convinced that mad cow is caused not by a common bacterium or virus but by a vanishingly small crumb of protein known as a prion.

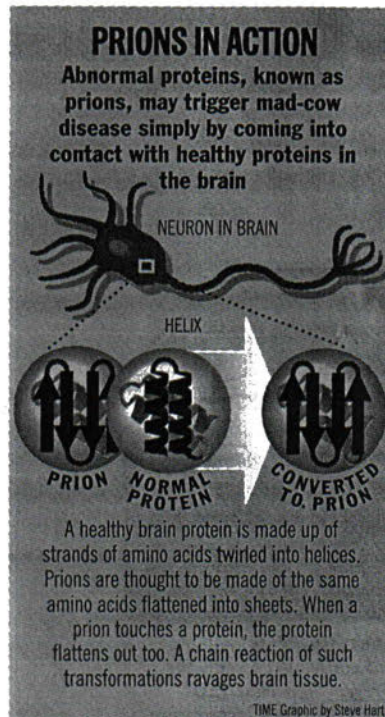
First postulated in 1982 by neurologist Stanley Prusiner of the University of California, San Francisco, prions are thought to be strikingly similar in their amino-acid sequence to proteins found naturally on the surface of certain brain cells but strikingly different in shape. Some types of normal brain proteins form open coils that allow them to be destroyed by protective enzymes when they become damaged. Studying diseased animal brains, however, Prusiner concluded that prion proteins

form sticky sheets that are impervious to this defense system. When the two proteins come into contact, the sticky ones seem to induce the coiled ones to assume the new shape, forming the protein clots seen in the brains of mad-cow victims. Prusiner believes diseases like BSE start when a single prion is introduced into the body—either by ingestion or chance mutation—and begins converting brain proteins.

Not all researchers are sold on the prion theory; many believe that a more traditional pathogen like a virus will yet be isolated. Last week this camp got a boost when the journal *Science* pub-

lished a study in which a group of lab mice injected with BSE-infected tissue all came down with the disease, yet fewer than half were shown to harbor Prusiner's infectious prions. Opponents of the prion theory say this proves the proteins don't cause disease. Proponents insist that the methods used to detect the molecules were simply not sensitive enough.

Whoever is right, it's in no one's interest for the debate to go on too long. There are 44 million head of cattle in the U.S., and 7 million are killed for food each year. If just one of those slaughtered cows turns out to be a mad cow, the illness that's now an ocean away could establish its first beachhead on American shores. —*Reported by Barry Hillenbrand/London and Dick Thompson/Washington*



Clinton believes history will judge him by how well he scores on education. A primer on what's coming in the second term. BY JONATHAN ALTER

Bill's Final Exam

HISTORY HAS AN IRONIC sense of humor. It turns out that President Clinton's fondest hope for the millennium is to fulfill one of George Bush's casual promises from back in 1988. Campaigning against Michael Dukakis, Bush pledged to be "the Education President." He wasn't. Nor was Clinton in his first term. But now, barring an unexpected crisis, Clinton will bet his legacy on educating the American work force for the future.

Of course, this must be accomplished in what the Washington wonks are calling "the context of a balanced budget." And what exactly does *that* mean? The rap on Clinton is that by becoming essentially a

moderate Republican on fiscal issues, he'll be remembered mostly as a president who played a good game of defense against extremist ideas, with some nice on-court cheerleading to make everyone feel better. There was even a mantra for it in the campaign: "balancing the budget while protecting our values," the values being "M2, E2" (code for Medicare, Medicaid, education and the environment).

This defensive maneuver worked brilliantly last year, but it hampers Clinton as he begins his second term. Commitment to a balanced budget means little money for the big bold initiatives that could catapult him to greatness—or at least greatness in the eyes of the liberals who write most American history. At the same time, by promising so feverishly to protect the elderly, the president will have a hard time making the long-term cuts in entitlement programs necessary to make balancing the budget anything more than a temporary achievement.

Clinton's new Medicare proposal, for instance, amounts to little more than an accounting gimmick that buys him nothing in the long run. Unless he pulls a Nixon-to-China on entitlement reform, he will win few points for fiscal responsibility. The epitaph HE CUT THE DEFICIT IN THE MIDDLE OF HIS TENURE, ONLY TO HAVE IT BALLOON LATER will not be carved on a monument any time soon.

This is what the British call a sticky wicket, and it has yielded a domestic agenda widely derided as too modest, even for a centrist. The usual Washington wise guys anticipate a kind of energetic do-nothingism from Clinton. His short-term goals are viewed as either futile, like campaign-finance reform and trying to roll back the food-stamp and welfare cuts for legal immigrants, or as cakewalks, like uncontroversial regional trade pacts and more money for community policing.

But don't write off Clinton's priorities as puny without a close look at education, a

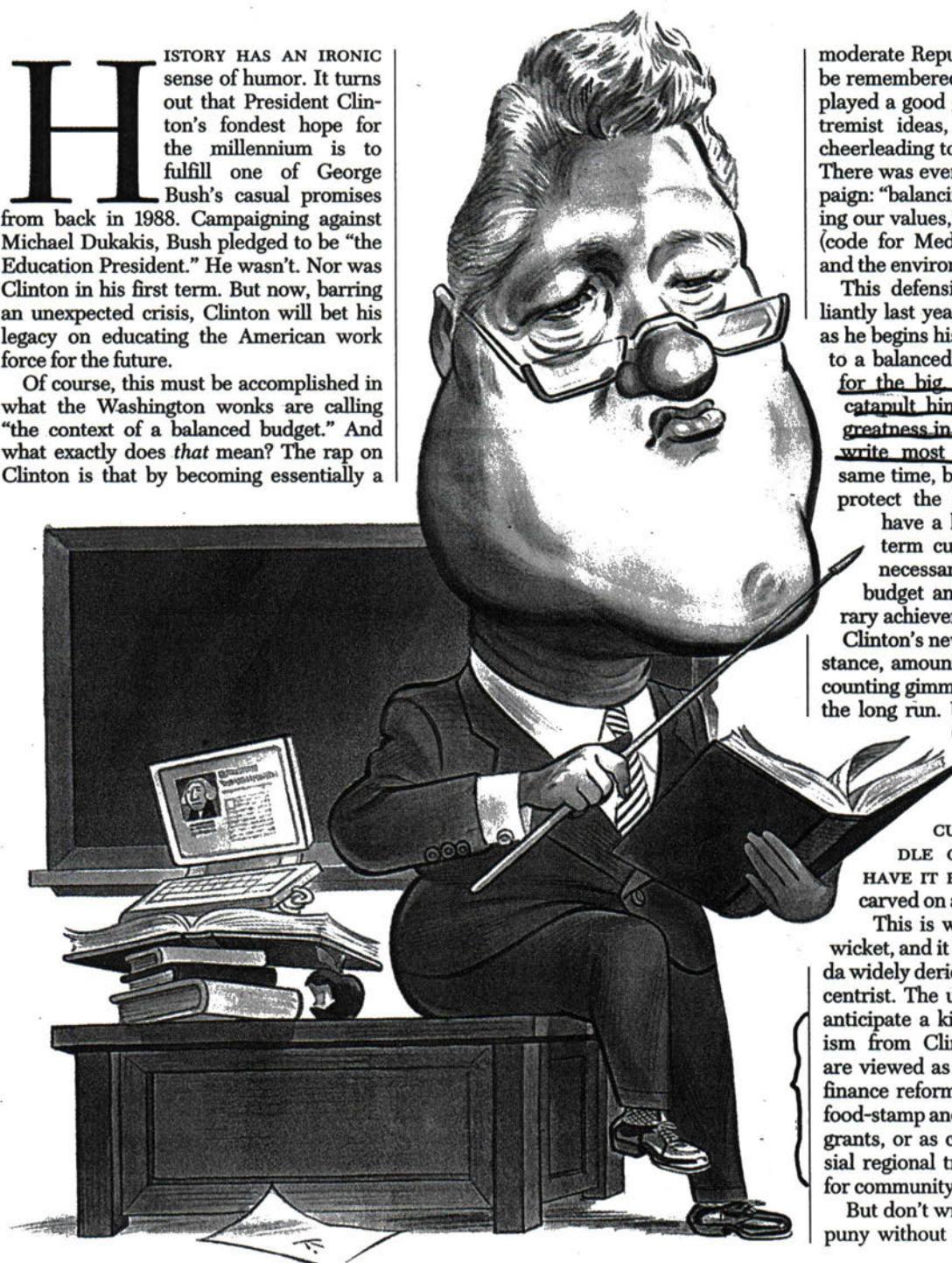


ILLUSTRATION BY JOHN KASCHT

major concern of his since his earliest days in politics. The president's best hope for leaving a lasting imprint is that seemingly prosaic ideas like tax credits for college and national student-performance standards just might transform the country the way the GI Bill did in the 1950s. In 1996 the president began envisioning a nation where the first two years of college are as common as high school. Eventually, Clinton may be able to invoke "education" the way earlier presidents invoked "national defense"—as Mom-and-apple-pie crust for expensive goodies that would never be swallowed otherwise.

And that's not just political packaging. In today's knowledge economy, the idea of education is broadening beyond the classroom to welfare (job training) and health care (educating people to shift to preventive, less costly medicine). Clinton won election and re-election partly by convincing voters that education was their ticket to survival in the confusing future, and that he would help them write it. That is actually a mammoth promise.

But the odds are against him, and not just because he could be capsized by scandal or recession or a balky Republican Congress. Though the new line-item veto will help (recalcitrant Republicans will face a choice between losing their pet projects and siding with the president), the two domestic issues most likely to affect Clinton's historical reputation—education and welfare—are now largely state and local duties.

Which means the president will have to fashion a whole new way of governing, in which Washington doesn't run many programs or pass many laws but instead coordinates and leverages broader social change. Evoking Theodore Roosevelt, Clinton calls this the bully-pulpit approach. But given the reduced moral authority of the presidency and the increased complexity of public life, the pulpit's sound system is not strong enough. Exhorting Americans or highlighting successes is important but insufficient.

To move farther, Clinton needs what his communications director, Donald Baer, calls a domestic "Marshal Plan"—that's "marshal" with one "l." The original Marshall Plan, announced in 1947 by Secretary of State George Marshall, was a huge investment in postwar Europe. No one is expecting that now domestically. Instead, this organizational effort, whatever it is called, would move beyond eloquent words toward concrete-action plans for marshaling existing resources of govern-

ment, the private sector and nonprofits.

Despite endless conferences and a lot of talk about rebuilding "civil society," this is not fully happening yet. "Replication" of successful programs is all too rare. For instance, Oregon has an innovative health-care plan that has cut the rate of uninsured Oregonians to 11 percent—much lower than the national average. But the plan has not been emulated. Government engages in "a systemic suppression of good ideas," says Harvard professor Alan Altschuler, who is trying to address the replication problem by helping judge the Ford Foundation's Innovations in American Government awards.

Even if Clinton does educate and marshal, he will still swim upstream in the old-fashioned, everyday world of Washington policymaking. Here's some of the rest of this year's agenda.

The Plan From Hope: The president's "Hope Scholarships" are named not after his hometown but after a similar program

The Beltway wise guys are expecting an energetic do-nothing-ism from Clinton. But don't write him off yet: his education ideas could still transform the country the way the GI Bill did.

in Georgia. They would provide a \$1,500 tax credit (direct money) and a \$10,000 tax deduction for college costs. The plan, which is aimed at middle-class families more than poor ones, would make the first year of college essentially free. Students earning at least a B average would be eligible for a second year of the credit. This is a big-budget item—\$42 billion over six years—and it could generate both grade inflation and tuition inflation. But it's the biggest plank on Clinton's bridge.

Bricks and Mortar: Computers in the schools? Try classrooms that don't leak. A new report says that more than a third of American children attend schools that need to be rebuilt or undergo major repairs. The backlog now totals a staggering \$112 billion. Clinton is proposing \$5 billion over five years, with a bonding formula to leverage an additional \$20 billion locally. It's a start—and a way to get federal money into the schools without threatening local control over curriculum.

The Little Engine That Could: Clinton keeps the children's book of that title in the Oval Office, and it will take a similar Herculean effort to get enough reading tutors into the schools. America's Reading Corps is lightly funded—only \$200 million over five years to train 30,000 reading specialists, who in turn are supposed to train a million volunteers. The aim is to make sure every child reads by third grade, a noble goal that, if achieved, would yield huge personal and economic benefits for the country. But until Clinton and Congress add another zero to the funding, it's little more than a charade.

KiddieCare: One of Clinton's biggest campaign promises was to provide health coverage for the 10 million children who are uninsured. But when states and private employers now generously insuring some lower-middle-class families figure out that Washington will do it, they'll dump those kids into the federal pool, sending costs into the stratosphere. No one has figured out how to solve that one yet.

Help Wanted: For welfare reform to work, it must become an education program. Former recipients must learn how to hold down jobs. The president's favorite idea, based on a Kansas City plan, is to allow states to transfer a welfare recipient's check to an employer as a wage supplement. The government picks up at least half of the new worker's salary, plus benefits, and the employer picks up the other portion, often minuscule. By the time benefits expire, the company should have a fully trained employee.

In theory, anyway. Incentives to hire welfare recipients haven't worked in the past. Clinton may be forced to revisit the old idea of low-wage public-sector jobs, though he would have to persuade labor to drop its hidebound opposition. The president is seriously interested in making welfare reform a reality, but not yet seriously enough committed to what's necessary to accomplish it.

Having been burned so badly on health-care reform in 1993-94, Clinton has become a quintessential consensus politician, determined to move slowly with confidence-building measures that restore faith in government before trying big fixes. The confusion comes from interpreting this as a retreat from the lofty goals of the Inaugural Address. Under fire, the president is still trying to advance. But he must move from merely exhorting his troops to marshaling them for conquest.

With PAT WINGERT, RICH THOMAS and KAREN BRESLAU in Washington and bureau reports

Sammy (ASC-fga)

BC Minefields, literal and metaphoric

Are mines a necessary
evil, or just evil?

BY KEVIN WHITELAW

Had they spotted it while they were herding their families' buffalo through a rice paddy in northwest Cambodia last year, all that Man Sakhoueurm and his friend Chuon Chhay would have seen was something that looked like a small green plastic canteen or a tin can. But the 14-year-old



Afghans trained by a private British aid group clear mines near a former Russian outpost.

Sakhoueurm noticed nothing unusual before Chhay stepped on the Chinese-made land mine. Chhay bled to death three hours later. Sakhoueurm survived, his right leg amputated at the knee.

In places like Afghanistan, Angola, Bosnia, and Cambodia, such grotesque legacies of war are grotesquely routine. At \$3 apiece, land mines are a weapon of war, and of terror, that the most cash-

strapped army or beleaguered rebel force can afford in quantity. They are easy to use with chilling effect, hard to find and defuse. A literal handful can sow terror; 25 land mines effectively shut down a 1,300-mile road in Mozambique for years before a United Nations team cleared them. The U.N. estimates that more than 100 million antipersonnel mines, most of them leftovers from

PHOTOGRAPHS BY KLAUS REISINGER—BLACK STAR

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USN



Land mine victims are fitted for prostheses and begin to learn how to use their new limbs at a Red Cross rehabilitation center in Afghanistan.

conflicts long passed, lie still active on roads, in fields, and in forests in more than 70 nations across the globe.

In the worst afflicted areas, land mine injuries have become a terribly common fact of life, and of death. Sakhoueum's older brother was killed by a mine eight years ago; all told, an estimated 26,000 people, up to 80 percent of whom are civilians, are killed or maimed each year by land mines.

A coordinated international campaign by human-rights groups has led to a flurry of recent diplomatic activity toward a treaty banning the sale and use of land mines worldwide.

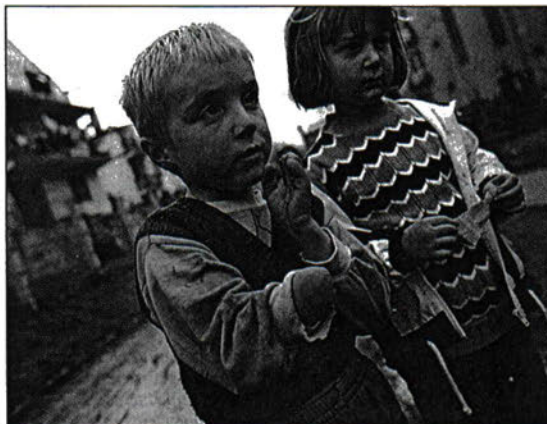
It has also placed the United States in an acutely embarrassing position. Although President Clinton ordered a permanent ban on U.S. mine exports on January 17, he has been struggling to finesse the U.S. position on a global ban. The problem is that mines remain central to American military tactics and strategy. Last week Presi-

dent Clinton urged the Geneva Conference on Disarmament to take up the issue; antimine campaigners dismissed that as a subterfuge aimed at delaying an agreement. They favor a Canadian-led effort, the "Ottawa process," which aims to produce a treaty by year's end, and say the Geneva conference, where every nation has an effective veto, is a recipe for

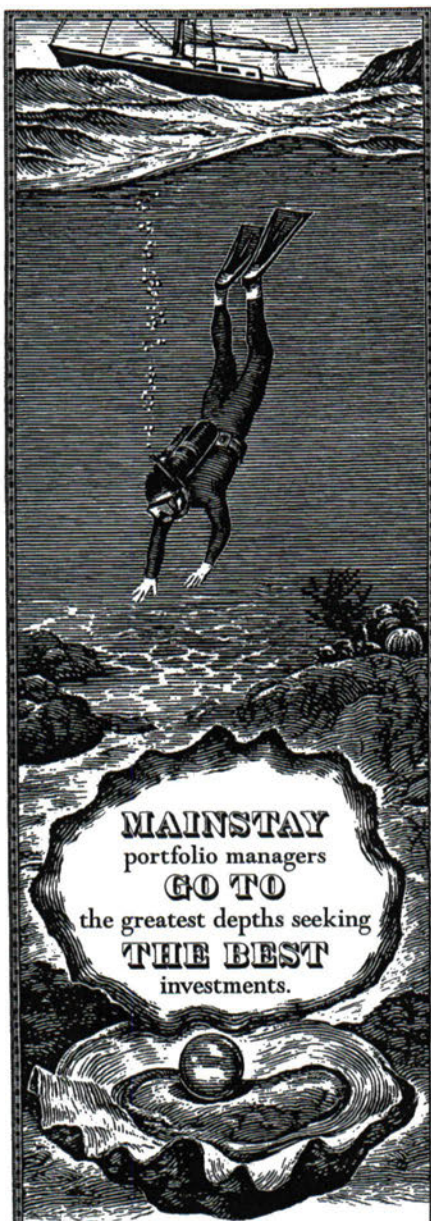
endless gridlock. Only quick action, they say, can halt the losing game that mine-clearing operations are stuck playing: Even as 100,000 mines are being removed each year, the armies of the world are laying down 2 million more.

But ban or no ban, attempting to rid the world of its existing crop of active, emplaced mines is an overwhelming, dangerous, and excruciatingly slow task. The United Nations and the U.S. Army run programs to train local civilians in demining techniques, but it can take deminers months to clear even a small area—and at a cost of \$300 to \$1,000 per mine. The International Committee of the Red Cross estimates that for every 5,000 mines cleared, one deminer is killed and two others are injured. Kuwait is virtually the only nation to have rid itself of mines—and 80 deminers were killed in the operation, which cost \$1 billion.

Simply locating the mines is the first hurdle. The basic problem is that there are over 2,000 different



Most victims, like this Bosnian Muslim boy, are civilians.



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types of mines in all shapes and sizes and with different fuses and charges. Hand-held metal detectors remain a chief tool, but they miss plastic mines and trigger numerous false alarms. In Cambodia, the U.N. says that for every mine found, an average of 129 harmless metal objects are detected. Dogs trained to sniff out explosives can also usually locate mines without setting them off. Better solutions, such as ground-penetrating radar that can be carried aboard aircraft to seek out mines from a safe distance, are

areas or be designed to self-destruct within 30 days. But the agreement allows for a nine-year phase-in period.

U.S. officials assert that although the Geneva route is the slower path to a total ban, it is the surer one; Moscow and Beijing, which produced more than half of the mines currently deployed, have declined to participate in the Ottawa negotiations. "If we do not bring China and Russia in, we have a Hollywood exercise," says Robert Sherman of the U.S. Arms Control and Disarmament Agency.

Deadly Legacy

Every month, 800 people are killed by land mines around the world. An estimated 100 million active antipersonnel mines, left from past conflicts, lie beneath the ground in at least 70 countries.

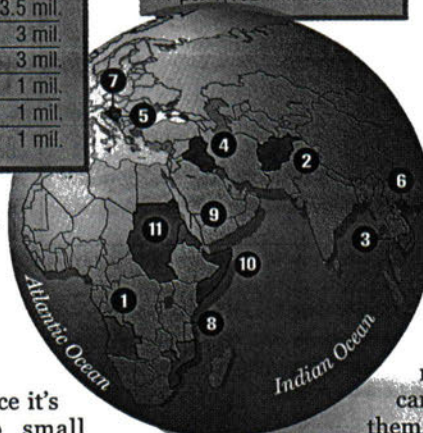
Number of mines in the worst-affected countries

1	Angola	15 mil.
2	Afghanistan	10 mil.
3	Cambodia	10 mil.
4	Iraq	10 mil.
5	Bosnia and Herzegovina	6 mil.
6	Vietnam	3.5 mil.
7	Croatia	3 mil.
8	Mozambique	3 mil.
9	Eritrea	1 mil.
10	Somalia	1 mil.
11	Sudan	1 mil.

Number of amputees

Angola	1 per 334 inhabitants
Afghanistan	1 per 631 inhabitants
Cambodia	1 per 384 inhabitants
Vietnam	1 per 1,182 inhabitants

Sources: Int'l Committee of the Red Cross, United Nations
RICHARD GAGE—USN&WR



still in the research stage.

Safely disposing of a mine once it's detected is no small problem, either; mines have to be detonated in place or gingerly removed for destruction elsewhere. Researchers are exploring a foam that is sprayed around the mine and then hardens, allowing safe transport for eventual destruction. Another promising technique now being developed uses chemicals to burn off all the explosives and render the mine harmless.

At the present pace of demining, the Red Cross estimates it will cost \$33 billion to rid the world of mines, but only if no more are added.

Easy out. Under current arms control agreements, those who would like to add to the world's reservoir of active mines face few restrictions. A recent agreement, as yet unratified by any of the parties, requires mines be in clearly marked

Yet the main U.S. objection to the faster ban that would result from the Ottawa process has to do with U.S. military strategy in Korea. With Seoul only 25 miles from the heavily armed border between North and South Korea, U.S. forces rely on land mines to slow down a possible invasion from the north. "If we simply remove those antipersonnel land mines, it is likely that North Korea could overrun Seoul before we could finally turn the invasion around," outgoing Defense Secretary William Perry noted last year.

But even on this not all U.S. strategists agree. Some former military officers who have served in Korea say mines offer merely a false sense of security and might actually hurt American forces more than help them. "They're giving up the country if they're depending on mines to slow an invasion down," says retired Gen. James Hollingsworth, who commanded U.S. forces in Korea in the mid-'70s. Even the Army's own study by the Institute for Defense Analyses concluded that mines made a significant tactical difference only under certain special conditions, noting that extra firepower could be used to compensate.

As the anti-mine movement continues to gather strength, Clinton might be forced to explore alternatives to the Geneva conference if it bogs down as expected. He has not yet closed the door on the Ottawa process, but to proceed with a ban, he must first bring his own military house in line.

With Philippe B. Moulrier

BY DAVID GERGEN / EDITOR AT LARGE

THE PRESIDENT HAS SEEN

2-7-97



Right track, wrong speed

We are moving forward, but more slowly than we should

Is America on the right track these days? That's a popular question among pollsters, used as a handy barometer of national well-being. For at least two decades, a majority of people have tended to say no, elected politicians have tried to say yes, but no one has troubled to look systematically for an answer.

Until now. Since leaving his post as president of Harvard in 1991, Derek Bok has been combing through studies and statistical abstracts. He wanted to measure the nation's welfare through its progress toward five broadly desirable goals: prosperity, quality of life, personal security, equality of opportunity, and preservation of fundamental values such as freedom and personal responsibility. His findings, published in his new book, *The State of the Nation*, should be a wake-up call.

If one charts our course since 1960, reports Bok, "the results are considerably better than pessimists would have us believe." Per capita income has improved, the number of scientists and engineers per 1,000 people has increased, the percent of those graduating from high school and college is up, housing is better, day care is more available, and so on. In fact, the nation has made progress on more than two thirds of the 70-plus tangible indicators of societal well-being.

The problem is that the rate of progress has slowed considerably since the mid-1970s, and has even slammed into reverse in important areas. Productivity grew by about 2.5 percent per year between 1947 and 1973, but has climbed less than 1 percent a year since. Median incomes rose by close to 3 percent a year between 1950 and 1970, but have virtually stopped growing since. Yes, the air and water are much cleaner than in the mid-'70s, workplaces are safer, and there are more art festivals. But, as Bok says, that is scant comfort to unskilled workers whose incomes have dropped roughly 20 percent, to young couples who can't afford a home, or to employees who have lost health benefits.

There is nothing inevitable about our slowdown. Bok takes a close look not only at the United States but at six

other industrial democracies (the United Kingdom, Germany, France, Sweden, Canada, and Japan). He finds that the United States remains the most powerful and productive nation, and he shows that we have not been alone in experiencing difficulties these past two decades. Yet overall, other industrial democracies seem to be progressing more steadily and are now passing us by in many critical areas.

The basic ingredients of long-term growth and productivity are investments in factories and equipment, educational achievement, and job training. In all three areas (with the exception of our universities), we are not performing as well as our competitors. Nor is our progress as evenly shared. For people living in the upper quarter or third of society, says Bok, it would be hard to find a better place to live than America. But average working people here have many fewer protections for their income and health, and the percentage of those living in poverty is more than twice as high in the United States as it is in these other democracies.

Here is the most stunning finding: On more than 60 separate indicators of the quality of life, America's record since 1960 has been below the industrial-country average in two thirds of the cases and at or near the bottom in more than half!

What all of these data suggest is not that America is on the wrong track. Rather, it is on the right track—just traveling too slowly for the average citizen.

We should not settle for such meager progress. As records of other nations show, we do not have to. We need not so much a change in direction as a change in speed.

In his inaugural address last week, the president would have been far more successful had he challenged us more dramatically. His message was too cautious, too accommodating to the status quo. His new role model, Teddy Roosevelt, would have seized the times by the throat and demanded more. Next week's State of the Union message is one of Bill Clinton's last opportunities to prove he is made of the same stuff. ■

If you're wealthy,
the United States
is the world's best
place to live. But,
if you're not, well...

DEMOGRAPHICS

America will be more crowded, and more ethnic.
What will the changes really mean for society?

The Face of the Future

W E AMERICANS are an introspective lot, arguably more given than most other nationalities to seeing warts on the body politic as nothing less than cancer. So it is probably inevitable, that the national mood as the millennium approaches is a bit uneasy—as if, with the flip of a calendar page, we begin some long decline in all the blessings that make America exceptional and the future worth living for. Are the nation's best years behind it? Is the City upon a Hill, as John Winthrop called it in 1630, devolving toward the hellish megalopolis of "Blade Runner"?

You would think so, listening to the pessimism now fashionable among U.S. demographers. To many of them, 21st-century America looks crowded, mean-spirited and glum—a balkanized nation increasingly split between haves and have-nots, old and young, and immigrants and the native-born. By 2050 the population of the United States could rise to more than 500 million persons, more than double the 1990 census and enough growth to scare anyone who cares about the environment. The percentages of Latinos, African-Americans and Asians will jump, and whites could become a minority as early as the 2050s. The social fabric will be strained, in this view, by ethnic tensions and by the cost of supporting 33 million elderly on Social Security and Medicare. Decaying cities will be surrounded by enormous suburbs segregated by race and class. The

gap between rich and poor will be a chasm. There is plenty of data to support this dystopian vision—but that does not mean it will come true. Take the familiar forecast that whites will become a minority by such-and-such a year. It will probably happen someday, but no one can be sure when. Meanwhile, there are signs that Americans are adapting to ethnic diversity—and there are forces at work that will tend to obscure it. The intermarriage rate between blacks and whites, while still small, is rising, and the number of Latinos marrying across ethnic lines is increasing as well. Federal officials are already field-testing a census questionnaire that will allow millions of hyphenated Americans to check some version of the "other" box when asked to specify their race. So by 2050 we may indeed be trending toward the *café au lait* society—and the race-counters will have an increasingly hard time keeping score.

Regional concentrations will become even more pronounced. Census projections show that 70 percent of population growth will take place in the South and West, a continuation of a trend evident since the 1970s (chart). Forecasts for 2025 suggest slow decline for the Northeast and only moderate growth for New York, New Jersey, Pennsylvania, Michigan and Ohio. But the South, led by Texas and Florida, will jump from 91 million to 121 million people—and California is in a class by itself. If the state's forecasts are on target, California will grow from 30 million in 1990 to 63 million in 2040—dwarfing the combined populations of New York, New

BY TOM MORGANTHAU

Hispanic Power

By 2025, the number of Hispanics will increase dramatically—and their political power is sure to grow proportionately.

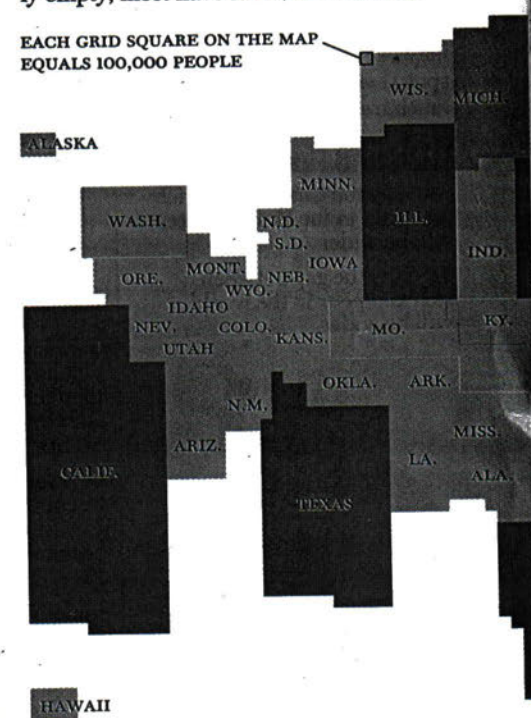
HISPANIC POPULATION BY NUMBER AND PERCENTAGE OF EACH STATE, TOP FIVE STATES

	1995.		2025	
New Mexico	657,000	41%	1,241,000	48%
California	9,206,000	29	21,232,000	43
Texas	5,173,000	28	10,230,000	33
Nevada	192,000	13	583,000	25
Florida	1,955,000	14	4,944,000	24

Where Americans Lived, 1995

California is the nation's most populous state, thanks to a large influx of immigrants. But the surrounding Southwestern states are relatively empty; most have less than 5 million.

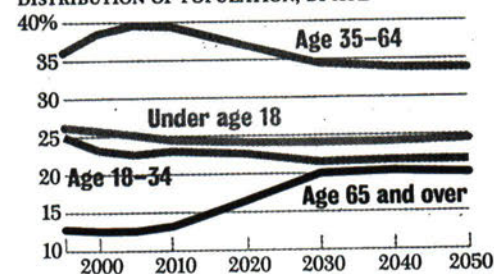
EACH GRID SQUARE ON THE MAP EQUALS 100,000 PEOPLE



The Shape of the Age Gap

After growing larger in the early part of the century, age distribution of Americans will begin to narrow.

DISTRIBUTION OF POPULATION, BY AGE

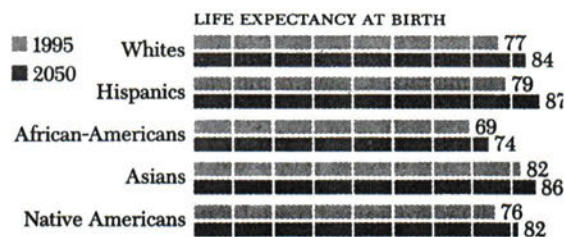


Tallying 21st-Century America: Bigger, Older and More Diverse

Predicting the shape of the future is always a hazardous business. But certainly the United States is in for a growth spurt. According to the Census Bureau, in 2050 America will be 50 percent more populous than it was in 1995. The largest growth will be in the nation's Hispanic and elderly populations, each of which will represent almost 20 percent of the country's makeup. What these changes will mean is anybody's guess. A look at who we are and who we will be:

Increasing Life Spans

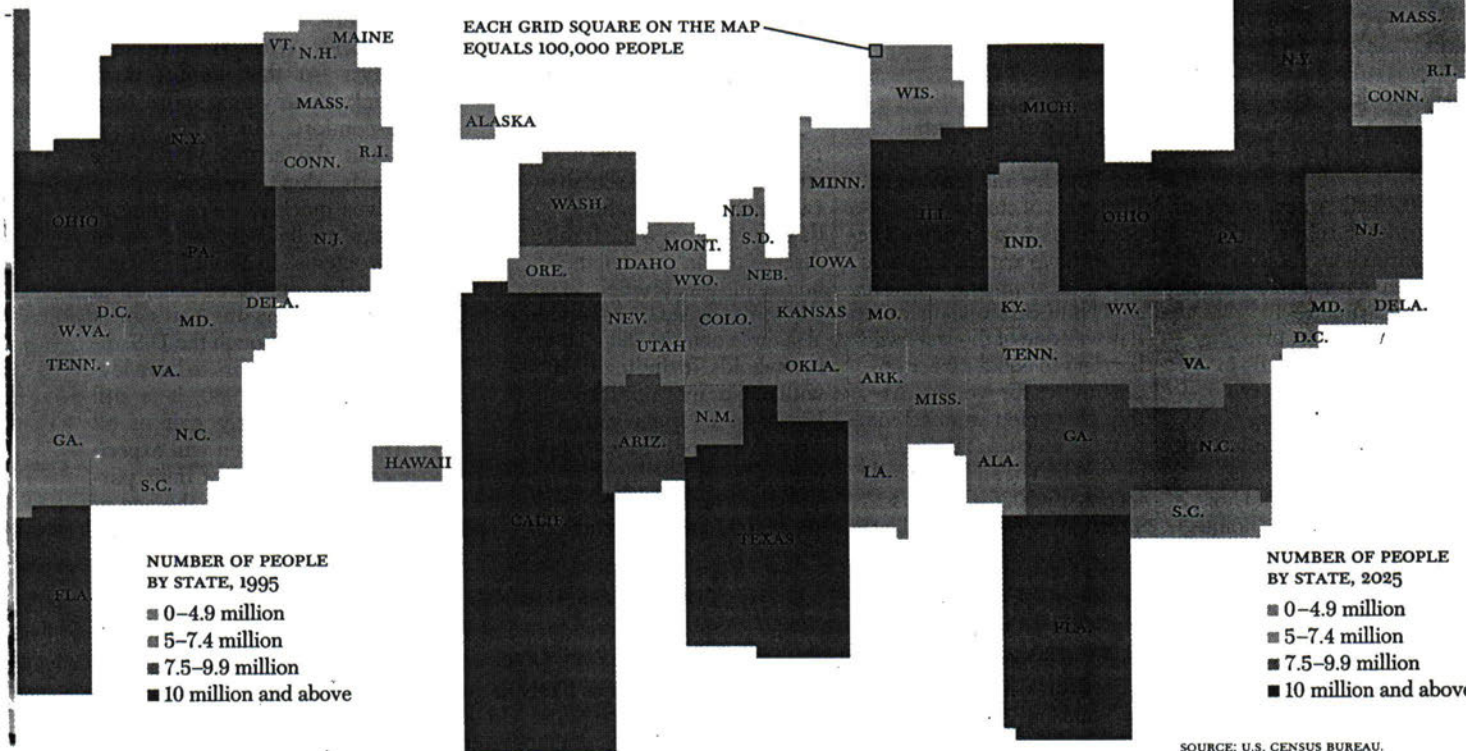
We don't know what the future will be like, but experts say we will be around longer to experience it. On average, Hispanics will live the longest.



Where They Will Live, 2025

California will have an even higher percent-age of the nation's population. But other Western states, like Arizona, Colorado and Washington, will also grow substantially.

EACH GRID SQUARE ON THE MAP EQUALS 100,000 PEOPLE

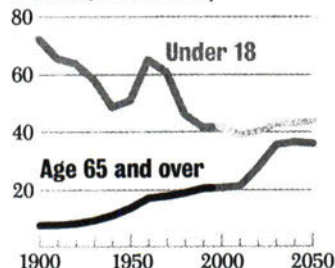


SOURCE: U.S. CENSUS BUREAU.
RESEARCH BY DANTE CHINNI—NEWSWEEK

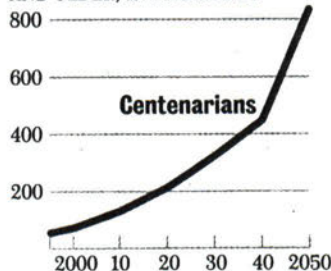
An Aging Population That Will Need More Care

As we live longer, the word "dependent" may take on a whole new meaning as aging relatives look for family help.

NUMBER OF DEPENDENTS PER 100 PERSONS, AGE 18 TO 64



NUMBER OF PEOPLE 100 YEARS AND OLDER, IN THOUSANDS

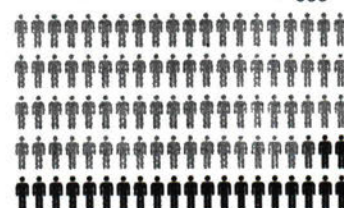


A Head Count by Race

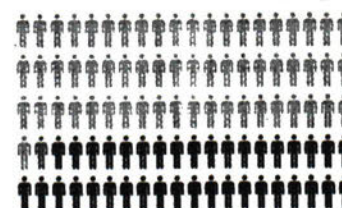
Call it diversity or balkanization—the fact is, 30 years from now the nation will be a lot less white and a lot more everything else. While the population of all races will grow, some will grow faster than others.

	1995	2050
White	74%	53%
Asian	3	8
Native Am.	1	1
Hispanic	10	24
African-Am.	12	14

RACIAL AND ETHNIC MAKEUP, 1995



RACIAL AND ETHNIC MAKEUP, 2050



Jersey and Pennsylvania (about 40 million). The population of Los Angeles County, now 9.5 million, will rise to 16 million. Whites will become a minority as early as 2002, and by 2040 its Latino population will reach 31 million—half the total. The political implications are obvious. The California of 2040 would command as many as 77 seats in Congress and 79 electoral votes. “We’ve seen Pete Wilson and Pat Buchanan playing successfully to white fears about immigration,” says demographer William Frey of the University of Michigan. “We’re not going to see [politicians] get away with that in another 10 years.”

Frey is the leading proponent of the theory that the United States is “balkanizing” as it grows. His research shows that native-born whites are leaving coastal states and streaming inland as the immigrant population rises. Between 1990 and 1995, for example, California gained 1.3 million immigrants while losing 1.5 million natives to states like Arizona, Nevada and Idaho. (A similar trend is underway in New York state.) Extrapolating to the 21st century, Frey sees second- and third-generation immigrants concentrated on the coasts while the native-born whites cluster in the heartland.

The growing isolation of the poor in inner cities further compounds the problem—and leads demographer Douglas S. Massey of the University of Pennsylvania to predict something close to a “Blade Runner” scenario. “It’s only been in the past five years that we’ve realized something really big has happened,” Massey says. “I think there is tremendous potential for racial and ethnic strife and political instability in the United States.”

Massey and others see the root causes of this income disparity in structural economic change—global competition and the cyber-revolution. Americans with the education to compete in the high-tech workplace will do very well in the future, they say, while others will be increasingly left out. The bright side is that the number of Americans with college degrees is rising and may reach 40 percent of the population by 2050. The dark side is that no one knows what to do about the left-outs. Economist William Dickens of the Brookings Institution sees the economic future in brighter terms than Massey. He thinks corporate downsizing has mostly run its course and that the computer revolution will create millions of worthwhile jobs. But even Dickens thinks the

income disparity spells trouble. “We’re going back to where we were before World War II,” Dickens says. “At this point I don’t think it’s anything more than discomfort. But if I’m wrong [about the economy] and the trends don’t reverse themselves quickly, we’re going to have really significant social problems” in about 10 years.

The continuing erosion of the family is another sign of trouble. Although the U.S. divorce rate appears to have leveled off since 1980, it is still very high: nearly half of all American children will experience the breakup of their parents’ marriage before the age of 18. Single parenting, almost always by the mother, is on the rise among both blacks and whites: about a third of all American children now live in single-parent homes. Kids in single-parent house-

holds are twice as likely to drop out of school or get pregnant during their teenage years, and the risk is just as high for kids from the “blended families” that result from remarriage after divorce. And because two-wage-earner households are now the national norm, intact families are under enormous stress as well. Kids in less affluent homes, where day care and pricey after-school activities are out of reach, suffer from the lack of quality time. “We say it’s up to the parents to raise their children well, but we know they don’t have the time or the resources to do it,” says Frank Furstenberg of the University of Pennsylvania. “There’s a lot of blank time in these kids’ lives. We have to be concerned about what children are going to look like as a result of family life in the 21st century.”

Few would dispute the idea that the nation has its share of social problems—or that left untended, these problems could worsen in the new millennium. But Americans have faced hardship in the past: the Great Depression was such a time, and so, for black Americans, was segregation. The genius of America is its ability to face its difficulties and make creative social adjustments. All it takes is faith in the future—a form of confidence that is the most American trait of all.

With ANDREW MURR

..dispatches from the future...disp

AT LAST, MEN DO THEIR SHARE

MAY 6, 2036: A new study on who does the chores in American households shows that men have finally caught up with women—10 years after women began bringing home half of all family income. The study, by researchers at the Betty Friedan Center in New York, shows that over the past decade, a majority of U.S. husbands and male “home-

mates” have begun to take equal shares of essential chores like shopping, cleaning, laundry and tending to the needs of children.

Sociologists and women’s activists have argued for years that men’s reluctance to accept child-care responsibilities was one of the last real barriers to equal career opportunities for women. Although women attained comparable worth in 2016 and earned half of all U.S. family income by 2026, the housework gap persisted until late

last year, the study said.

“Changing attitudes just takes time,” said one of the study’s authors, Dr. Tiffany Limbaugh. “But we think there have been some frank discussions in many of the households we studied.” The study was based on a national sample of more than 2,000 households, including 1,320 with one or more children. For accuracy’s sake, only women’s responses were tabulated. “Historically, the guys have tended to exaggerate a bit,” Limbaugh said.

The graying of America is a major driver here. A good part of the population shifts Frey tracks is triggered by retirement—and the big event is yet to come. By 2030, the number of Americans over 65 will nearly double, from 39 million to 69 million, and the elderly will constitute 20 percent of the population. By 2050, more than 18 million Americans will be over 85, and much of that group will cluster in just 10 states—the Southeast, including Florida, plus California, Arizona, Washington, Colorado and Texas. One unresolved question, according to Peter Morrison of the RAND Corp., is whether medical advances will extend life even farther—but the biggest issue, he says, is how we should allocate resources between old and young.

This is a polite way of predicting what some Cassandras call “generational warfare.” The future of Social Security and Medicare is the obvious case in point—but that battle, which has already begun, is only the entering wedge of what many demographers see as a profound challenge to our national well-being. The trend that scares even optimists is the growing income disparity in the United States. Simply put, the rich are getting richer while middle-income families are staying put—and the poor are significantly worse off. In 1968, the top fifth of the population earned about six times more income than the bottom fifth. By 1994, that ratio was nearly 10 to 1.

Living in the 21st Century

Will there be more free time? Will scientists cure cancer? Will there be anything good on TV? In an exclusive poll, Americans look ahead.

AS THEY PEER INTO THE next century, Americans expect major advances in science and medicine. But they are much less optimistic about the future when they calculate the chances of wiping out war, poverty—or the current political parties. And while we may be able to live in outer space, we don't expect to have much free time to explore it.

Rich and Poor

74% say the gap between rich and poor in the United States will be wider

73% say the gap between rich and poor in the world will be wider



War and Peace

48% say there will be more warfare than in the past 100 years; **44%** say there will be less warfare

32% say the greatest threat to world peace over the next century will be terrorism

26% say it will be international crime and drug rings

15% say it will be ethnic hatred

13% say China

4% say Russia

1% say North Korea



Work and Play

30% say people like themselves will have more leisure time than they do now;

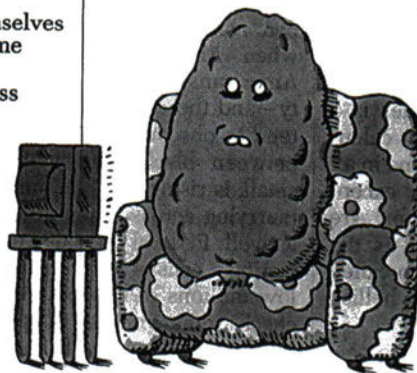
64% say they will have less leisure time

56% say books will still be common in 100 years;

41% think books will become collectors' items

51% say there will be something good on TV;

45% say there will be nothing good on TV



Life in Space

88% think humans will travel again to the moon

64% think humans will walk on Mars

55% think humans will be able to live someplace other than Earth

41% think humans will have contact with intelligent life from outer space

Politics

49% think President Clinton will rank among the bottom 10 presidents 100 years from now

37% think that Clinton will rank among the top 10 presidents

68% think the Republican and Democratic parties will still exist in the next century

63% think communism will still exist

Out of the Lab

45% think scientists will be able to put a human mind onto a CD-ROM or computer chip, for use in a robot; **48%** think they will not be able to

72% think scientists will cure cancer; **25%** think they won't

70% think scientists will cure AIDS; **26%** think they won't

69% think scientists will not be able to end world hunger

70% think scientists will be able to replace damaged or diseased human organs with laboratory-made substitutes

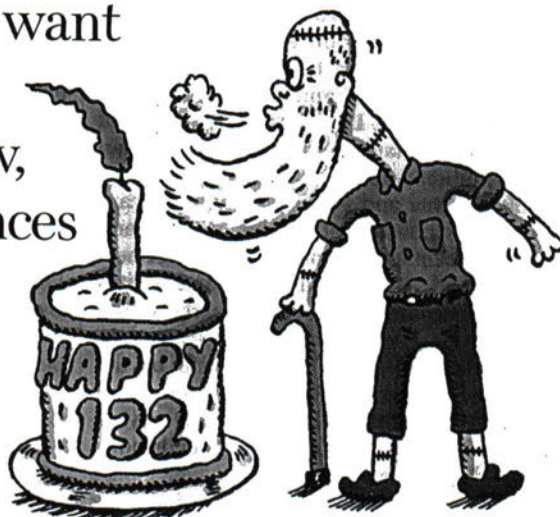
The Environment

54% think that global warming will turn out to be a serious problem

35% think it will not turn out to be a serious problem

FOR THIS NEWSWEEK POLL, PRINCETON SURVEY RESEARCH ASSOCIATES INTERVIEWED 752 ADULTS BY TELEPHONE JAN. 16-17. THE MARGIN OF ERROR IS +/- 4 PERCENTAGE POINTS. THE NEWSWEEK POLL © 1997 BY NEWSWEEK, INC.

42% say they would want to live only as long as they expect to now, even if medical advances made it possible to replace organs with laboratory-made substitutes



COUNCIL ON FOREIGN RELATIONS

58 EAST 68TH STREET • NEW YORK • NEW YORK 10021

Tel 212 434 9400 Fax 212 628 1664

Carla A. Hills

Chair

Nominating Committee

January 31, 1997

Dear Council Member:

The annual Election of Directors for the Council's Board of Directors will take place in May. On behalf of the Nominating Committee, I write to ask for your suggestions of Council members who, in your judgment, should be considered by the Committee as it develops its slate of candidates to run in the election. Members of the Nominating Committee, identified below, are obliged under the By-Laws to seek diversity on the Board with regard to age, gender, race, geographical representation, and professional background.

As a result of normal term expirations in the Class of 1997, the Council must fill a total of six (6) vacancies of 5-year terms in order to complete the authorized total of thirty (30) directors (not including the President, who serves ex officio).

Of those six (6) directorships, Council By-Laws provide for election by the membership at large of three (3) directors in the class of the year 2002. In addition to charging the Nominating Committee to solicit the entire membership for the names of possible candidates, the By-Laws require the Committee to nominate twice as many candidates as there are directorships open for election in that class. For 1997 that means the Committee will present six (6) candidates for three (3) directorships.

As you know from the December 12, 1996, letters from Chairman Peter G. Peterson and from Kenneth W. Dam and myself, the By-Law Review Committee recommended adjustments in the procedures for selecting Directors, which the Board of Directors considered and approved at its January 1997 meeting. Those changes permit an incumbent Director to run for election to a second term and authorize the Nominating Committee to present an appointee to a vacancy on the Board as the Committee's recommended nominee to complete the balance of the term to which he or she was appointed. The 1997 Election of Directors will proceed on the basis of these new procedural policies.

Following the election, the Board will complete the class of 2002 by appointing three additional directors to complete the class.

If you wish to suggest the name of a Council member for the Committee's consideration, please complete and return the enclosed form. If you have more than one suggestion, please

216197

Send to Denskiid >

Yes ☒

No ☐

Coordinate w/ NSC/Neach?
Yes - Yes!
No - No

Jim -

I'm not sure the

President should or

has to do this. Check

with NSC first. Phil

January 31, 1997

2

duplicate and use a separate form for each. To be considered by the Committee in a timely fashion, your suggestion(s) must be received at the Council by mail or fax not later than Wednesday, February 19.

For your information, the names of all Board members appear below, together with the years in which their terms expire.

No matter whom the Committee nominates, any ten Council members can by written petition add a name to the ballot. In the May election, members will vote by secret ballot on the Committee's slate, plus any petition candidates.

Sincerely,



Carla A. Hills
Chair
Nominating Committee

1996-1997 Nominating Committee

Carla A. Hills, Chair	William H. Donaldson	Robert H. Legvold
Mario L. Baeza, Vice Chair	Thomas R. Donahue	George J. Mitchell
John E. Bryson	David R. Gergen	Steven L. Rattner
Linda Chavez	Helene L. Kaplan	James B. Sitrick
Paula Dobriansky	Steven R. Koltai	Gordon C. Stewart

enclosures

Board of Directors list
1997 Nomination form
Nomination transmittal form

COUNCIL ON FOREIGN RELATIONS

BOARD OF DIRECTORS

Directors with Terms Expiring

in 1997:

Paul A. Allaire
John E. Bryson
Kenneth W. Dam
Rita E. Hauser
Charlayne Hunter-Gault
Frank Savage

in 1998:

(vacancy to be filled by appointment)

Peggy Dulany
Robert F. Erburu
Karen Elliott House
Joshua Lederberg
Garrick Utley

in 1999

Carla A. Hills
Robert D. Hormats
William J. McDonough
Theodore C. Sorensen
George Soros
Paul A. Volcker

in 2000

(vacancy to be filled by appointment)

Jessica P. Einhorn
Louis V. Gerstner, Jr.
Hanna Holborn Gray
Maurice R. Greenberg
George J. Mitchell

in 2001

Lee Cullum
Mario L. Baeza
Thomas R. Donahue
Richard C. Holbrooke
Peter G. Peterson **
Robert B. Zoellick

Leslie H. Gelb, *ex officio*

Of those directors whose terms expire in 1997, all are eligible for election or appointment to further service on the Board: Paul A. Allaire, John E. Bryson, Kenneth W. Dam, Rita E. Hauser, Charlayne Hunter-Gault, and Frank Savage.

* Appointed by the Board of Directors in January 1997 to fill vacancies created by resignation of a former Director.

** Elected by the Board of Directors to serve as Chairman in accordance with By-Law VII.

COUNCIL ON FOREIGN RELATIONS, INC.
58 East 68th Street, New York, NY 10021

TO THE NOMINATING COMMITTEE:

I, _____, recommend that, as the Committee selects nominees as candidates for election to the Board, the Council member(s) whose name(s) and description(s) are appended hereto be considered.

Date: _____, 1997 Signature: _____

NOTE: Since the attached form, as completed, will be xeroxed and distributed to each member of the Nominating Committee, please fill it in by typewriter. The form may be duplicated if you have more than one name to suggest.

Your suggestions should be mailed to the: Council on Foreign Relations, Inc., 58 East 68th Street, New York, NY 10021, Attention: Nominating Committee. Suggestions must be received no later than February 19, 1997.

Return by Wednesday, **February 19**, 1997
(Attach Who's Who Entry, if available)

TO: The Nominating Committee
Council on Foreign Relations, Inc.
58 East 68th Street
New York, NY 10021

FAX: (212) 628-1664

Date of Submission: _____, 1997

Candidate's Name: _____

City of Principal Business: _____

Present Occupation: _____

Birthdate: _____

Positions held during the past 10 years:

Additional experience (such as
government service):

Awards, Honors and Publications:

Other relevant information:

Thefarro V. Richard
19A Bates St., NW
Washington, DC 20001

February 5, 1997

Immediate Office of the President

Dear Mr. President:

My name is Thefarro Richard and I am the reigning Ms. Black World 1996-97. The Ms. Black World Pageant was an international pageant held at Constitution Hall with a representation of Black Women throughout the world. Throughout my reign, I have had the pleasure of meeting ambassadors from other countries, but I have never had the honor of meeting you Mr. President. Throughout the Inauguration, I served as the Mistress of Ceremony for the Millennium Schoolhouse and a participant in the Presidential Inaugural Parade with Tiara Dews, a very good friend of mine. I also attended the Presidential Gala and the Arkansas Ball. At the Ball I was standing close to the stage where you entered and I tried to get your attention, but I was unsuccessful. You came right to the area where I was standing, but I guess you could not see my crown.

My purpose in writing you is to request the opportunity to personally meet you, the First Lady and your beautiful daughter Chelsea. The honor to serve my community as Ms. Black World can not truly be fulfilled without meeting you. I believe in your vision of youth as the future and throughout my reign, I have maintained an active involvement in the community as well as initiating a project to help homeless America. As a motivational speaker, I present a 'Recipe for Success' to encourage young people to develop self-esteem and self-respect. Mr. President, I know that you are very busy, but all I ask for is five minutes of your time to shake your hand and have my photograph taken beside you. You have inspired me in so many ways and I trust that you have a sincere interest in my community. I was raised by a single mother of three children and as the oldest child born on Christmas, I had to endure many hardships without a father. I pray everyday that I will get the chance to meet you.

Sincerely,



Thefarro Richard

Attachments

216197

Send to Dorland
Scardly
Ye

Wc

Thefarro "Taffy" Richard ▲ Miss Black World 1996 97



Thetarro (Taffy) Richard
Ms. Black World 1996-97
19A Bates St. N.W.
Washington, D.C. 20001

202 319-1075

71



Born Christmas Day, Thefarro Taffy Richard is not only a gift to her mother Shirley Walker and her late grandparents, Pearlie Mae and Edward Richard of Beaumont, TX, she is a gift to the planet earth as the reigning Miss Black World.

The Gifted and Talented Enrichment Program at Archie Lee Price Elementary School exposed Taffy to algebra, calligraphy, hieroglyphics, and foreign languages. A brilliant student, she received awards in all areas including the Kaleidoscope Award. As a member of Pleasant Green Baptist Church, she participated in band and acting. Taffy was student body president, American Legion Award Recipient, Most Outstanding Female Athlete, Top Honor Graduate, Prom Queen, and a percussionist at Joseph P. Vincent Middle School. Later at Victory Temple Assembly of God Church, she continued acting in televised Christmas and Easter programs. In the summer of 1985, as part of a missionary team, she helped to feed and clothe the homeless of Juarez, Mexico.

While attending West Brook High School, Taffy was class president for three years, active in student government, volleyball, basketball, track, and various honor societies. Realizing she wanted to be a chemical engineer, she became involved with the Texas Alliance for Minorities in Engineering Program at Lamar University. In her community, she held positions as president of the NAACP Youth Council, vice-president of Top Teens of America. She was crowned Miss Archonette of the Southern Region and Miss Top Teen in 1989. Taffy helped to recognize local talent through fashion and talent shows while doing televised commercials for the Channel 6 For Kid's Sake Program. As a sophomore, she was voted Most Outstanding Female Band Member and represented her class at the Hugh O'Brien Youth Leadership Conference in Houston. There she received the Most Congenial Award. In the summer of 1989, Taffy was student ambassador to the Soviet Union with the People to People Caravan. Graduating with honors from West Brook in 1990, she was nominated for all Senior Superlatives and ranked 19 of 563 students.

While working for the United States House of Representatives Post Office through former Congressman Jack Brooks, she was an undergraduate chemical engineering student. Taffy received the Top Ladies of Distinction Scholarship and was a member of the National Dean's List. In March 1995, she was chosen as the LA Looks Model Search Winner.

As the reigning Ms. Black World, Ms. Richard serves as a motivational speaker presenting her 'Recipe for Success'. She has been a guest on BET's Teen Summit segment in 'In the Public Eye' with comedian Chris Rock and Shemar Moore from The Young and the Restless. Taffy served as the Mistress of Ceremony for the 1997 Presidential Inaugural Millennium Schoolhouse Tent and was a representative in the 1997 Presidential Inaugural Parade. She was a special invited guest to the Presidential Gala at USAir Arena and the Arkansas Ball.

Gracing the cover of African-American on Wheels and The Texas Black Pages, you can witness her beautiful smile that appears in several other publications including USA Today, Afro-American Newspaper, and the Ebony Leader.

Ms. Richard plans to initiate a project to help the homeless of America. Most importantly, she wants to be an example for youth across the world, but especially her brother and sister, Babe and John Walker.

FAX**Date** 02/05/97**Number of pages including cover sheet** 5**TO:** President William J Clinton**Phone** (202) 456-1414**Fax Phone** (202) 456-2883**FROM:** Thefarro Richard
Ms. Black World 1996-97
19A Bates St. NW
Washington, DC 20001**Phone** (202) 319-1075**Fax Phone****CC:****REMARKS:** ☐ Urgent ☒ For your review ☒ Reply ASAP ☒ Please Comment

H. Timothy Cole
2619 Mahogany Drive ~ Tupelo, Ms 38801 ~ USA
Home Phone 601-840-9166

February 02, 1997

Office of Commander in Chief
Washington DC

187 FEB 7 4:34 PM '97

Mr. President,

I am writing to your office to request information concerning illegal immigration. I am a student in American Government, researching this topic. Your views and opinions are of the utmost importance to me, as I have many questions concerning the problems that this country faces. Your time and dedication taken to answer my questions will be greatly appreciated.

In 1992, there were nine Border Patrol offices stretching from California to east Texas. Since you have taken office, I would like to know how many more patrol offices have been added to this area and to what scale the staffing personnel has accommodated heightened security measures ?

It is estimated (USA Today) that it costs El Paso taxpayers ten million dollars a year in emergency medical care for illegal immigrants. What is your administration doing currently to solve this problem for the short term and the long run ? What steps will be involved in implementing a long term solution ?

In 1980, The Refugee Act reduced the worldwide quota to two hundred and seventy thousand persons. Are there any laws in the making to reduce or expand the annual quota of immigrants to help satisfy the demand to live in this country ?

I have seen conservative estimates of the number of illegal aliens in this country to be twelve million to twenty four million people. Can you give me an accurate statistic of this situation and if possible, future projections on this status ?

Where do you see the United States in four years regarding the ability to control illegal immigration ?

I would like to thank you again for your time involved in answering these questions. I feel confident that your administration will lead our country into a better and safer future for our children. Your response to these questions show your enthusiasm and desire to solve the problems that plague our country.... one at a time.

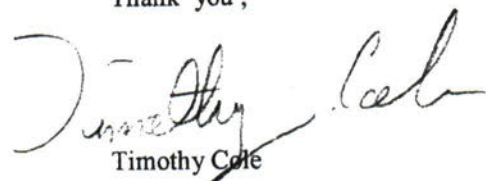
217197

Came in envelope addressed to
Todd Stern.

Send to Derskind?

Yes _____
no _____

Thank you,


Timothy Cole

LESTER S. HYMAN
SENIOR OF COUNSEL

SWIDLER
&
BERLIN

CHARTERED

January 31, 1997

DIRECT DIAL
(202) 424-7509

VIA FACSIMILE

President Bill Clinton
The White House
1600 Pennsylvania Avenue, NW
Washington, D.C. 20500
ATTN: Ms. Nancy Hennreich

Dear Mr. President:

In light of Kofi Annan's recent meeting with Jesse Helms and the interchange that took place at Bill Richardson's Senate confirmation hearing, I gather that Senator Helms will be watching warily to see whether, in your budget speech, you try to "end run" him and the Foreign Relations Committee by recommending phased payments of our UN dues before he is satisfied that UN reforms actually are implemented.

Maybe this is a "way-out" idea, but why not avoid a head-on clash with Helms by proposing an "escrow" solution in which the United States would appropriate X dollars to the UN on a phased basis, beginning now, but the funds would have to be kept in an escrow account and released periodically only as pre-determined specific reforms take place?

In this way, Helms can take credit for compelling reform, but, at the same time, the funds already will have been appropriated so Congress could not renege on its pledge to support the United Nations.

Hope this idea has some merit.

Warmest regards.

Always sincerely,

Lester S. Hyman

LSH:lsj:1545.01

5021173.1

5/6/97

Phil.
TO

asked for reply

yes — no

S

SWIDLER & BERLIN
3000 K Street, NW, Suite 300
Washington, D.C. 20007-3851
(202) 944-4296 (telecopier/fax#) - Suite 300
(202) 944-4379 (telecopier/fax#) - Suite 105
701131 (telex#)

TELECOPIER/FAX TRANSMITTAL

TODAY'S DATE: January 31, 1997

TRANSMITTAL TO: Ms. Nancy Hernreich, Deputy Assistant to the President
COMPANY NAME: The White House
DIRECT PHONE NO: 202-456-6610
FAX/TELECOPIER NO: 202-456-6703

TOTAL NO. OF PAGES (including cover page):

2

TRANSMITTAL FROM: Lester S. Hyman, Esquire
DIRECT PHONE NO: 202-424-7509
ATTORNEY CODE: 106
BILLING CODE: 9106.01
MESSAGE:

IF THERE IS A PROBLEM IN THIS TRANSMISSION, PLEASE NOTIFY: Linda S. Jedlicka (202) 944-4663.

THE INFORMATION CONTAINED IN THIS COMMUNICATION IS CONFIDENTIAL, MAY BE ATTORNEY-CLIENT PRIVILEGED, MAY CONSTITUTE INSIDE INFORMATION, AND IS INTENDED ONLY FOR THE USE OF THE ADDRESSEE. UNAUTHORIZED USE, DISCLOSURE, OR COPYING IS STRICTLY PROHIBITED AND MAY BE UNLAWFUL. IF YOU HAVE RECEIVED THIS COMMUNICATION IN ERROR, PLEASE IMMEDIATELY NOTIFY US AT THE NUMBER LISTED DIRECTLY ABOVE. THANK YOU.

Essays from

Eighth grade students

from Field School

Northbrook

Joan Cleven
January 24, 1997
ILA 5\7
Mrs. Terdich

"... and God bless America." That last statement captured my breath. A few moments later, at my lungs permitance, I secretly added, "And God bless you, Mr. President." The past forty-five minutes of my life had been graced with an educational address from William Jackson Clinton, President of the United States of America. I had never witnessed a speech as touching and as encouraging as that one.

True, only a few hours before, I could not have been more annoyed at the President's visit. I had been crammed into the school gym with three-hundred teachers and students. We were awaiting the arrival of buses to take us over to Glenbrook North to witness the President's oration. We couldn't be let anywhere else in the school, for fear we would set off a bomb, booby-trap, or other ridiculous stunts dangerous to the President. I was like a peasant in my own school, falling command to the lords, the Secret Service agents. Moreover, I was quite annoyed at the realization that I would have to wait out in the cold at GBN before being seated. For crying out loud, the man would probably would forget all about us the moment he left! "I was taught to worship God, not people!" I muttered, my mood less than enjoyable.

However, the disgust of waiting and cold vanished the moment the President stepped up to the podium. For three-quarters of an hour, the President spoke of the area's tremendous accomplishments in math and science, in addition to his plans for the future. "Every school in America should have the success yours does!" he said, and, "We must seize the opportunities!" I did not care why the President was here, the First in the World Consortium, of which our superintendent was president of. I did not care that America didn't have money to support many of Mr. President's goals. I did not even care that he would probably forget us the moment he stepped into his presidential limousine. I only cared that The President of the United States of America was right there, right at that moment, speaking to me, my peers, friends, teachers, neighbors, and people I have never known.

Perhaps I enjoyed the President's harangue so because I liked his presentation. The man at the podium was not the most powerful man in the country or even commander-in-chief of the world's strongest army. No, he couldn't be. The man at the podium was a friend, a long-lost buddy, reunited with his old pals. The previous speakers of the day left the hangers in their shirts, standing perfectly erect. Their right arms, bent at precise ninety-degree angles, clung to their bodies, while their left arms gestured stiffly to the audience. These people were authority—not the man at the podium. The man at the podium was relaxed, his body slightly hunched forward. His arms clung to the lectern. The man seemed as if he wanted to step down and talk to all of us, shake our hands, ask us questions, and answer questions of our own. This was the President? Why, his nose wasn't even that big!

210197

Delivered by
Sue Winsci at
STATE OF UNION
club

Send to Densland?
Yes ☒
No ☐

In the event this man, indeed the President of the United States, wanted to meet me, oh, I wanted to meet him a hundred times more. I wanted to shake his hand, I wanted him to ask me questions, I wanted to ask him questions. Yes, Mr. President, every school in America should have the same success mine does. Yes, Mr. President, I will seize opportunities. Of course, I never met the President, but I did not even care about that. I, a child of only thirteen years, witnessed a speech within forty feet of the most powerful man in the world. And that's all that mattered.

Clinton Visits Field School

By Debbie Marks

"Wow!!! No way! This is amazing!" I shouted over the phone as Mrs. McTague informed me the president of the United States was coming to Field School! It must have been the most exciting news that has ever hit Northbrook and Glenview in years! To think, Bill Clinton would be walking through the same hall ways we shamelessly walk through every school day.

With all of these exciting events about to occur; before I knew it I was off to Washington D.C. with the rest of the eighth graders. Some students from the executive board in student council including myself were chosen to have a press conference with the media. Unfortunately, as soon as I disembarked from the Washington trip as I greeted my mom, she informed me the press conference was canceled. Sure I was extremely disappointed, but I got over it!

On Tuesday, we had an all school assembly. Mrs. McTague had a glow on her face as she informed us about all the planning that would have to take place before the President's arrival. She explained to us how the whole school would be bused to Glenbrook North to hear the President speak. The reason for his visit to Northbrook was because of the high test scores all the schools in our area achieved in math and science. The President would give his speech on education and learning methods.

The next thing to check off on the list was in advisory. Every class had to make a sign for the President with every one's signature. Earlier, at the assembly, we were told to take the locks off our lockers so the Secret Service would not have to cut them off. Finally, by the end of the day I knew everything that would be expected for tomorrow. We weren't allowed to bring anything on Wednesday, such as backpacks. The President would be observing the second period science class in eighth grade. That night I was so excited I could barely fall asleep just thinking of the exciting events that would come to action the following day.

Rise and shine! It was already time to wake up for school. But this morning was unlike any other mornings. This morning I was actually excited to get to school! I had a great reason to get up! I got all dressed up and went to school. When my bus arrived at Field we went straight to the large gym along with the rest of the school. There we waited for the buses to transport us up to Glenbrook North. Everyone was all hyper and spiffy not knowing what to expect during this day that will always be remembered.

As we pulled up to the high school we were forced to wait in a line that seemed a mile long! Not only was the line long, but the temperature outside was freezing. As we

waited patiently, we reminded ourselves that it was worth all the trouble to see the President. After all it's not everyday you get to see the President of the United States in person!

We made it! So we thought! We were seated in a room which i thought would be where the president would speak, but it turned out it was just the waiting room. We still had to wait in line some more. We were only feet away from our seats as we passed through the security and metal detectors. The teachers led the way to our assigned seats. I felt so crowded because of all the people. The people came for the same and only reason I came- the President of the United States of America.

"Where is he already?" Kids shouted as we waited and waited for the President to make his grand entrance.

"He's twenty minutes late!" I exclaimed taking a long, scrutinizing look at my watch.

All of the sudden, the band broke out into song! Everyone knew what it meant as we opened the lenses of our camera. Flashes of light filled the air as Bill Clinton walked in! I myself reserved a whole role of film just for President Clinton! Pretty soon, the President was ready and waiting to present his speech to practically the entire town of Northbrook and Glenview! He was up! His white curly hair swayed in the air as he greeted everyone. People next to me were commenting on his famous, big nose!

The President talked and talked and talked some more. This time it didn't seem boring, though. I wouldn't let myself become bored. I just thought of how lucky we were to have the honor of watching the most powerful man in the world speak. Most people never get to see the President at all. I felt this was a once in a life time experience. When it was all over, Clinton said his goodbyes and rushed out of the school like a race car probably never to be seen again by everyone who was sitting in that room.

It was time to go back to Field School and eat lunch! I was starving by then. After all we didn't eat lunch until 2:30! During lunch I talked to all the kids who got to be observed by the President. They seemed so excited. I was really thrilled for them! My friends got the meet and shake the hand of Bill Clinton!!

Of course as soon as I got home I turned on the TV. All day and all night kids from Field School were on the news. I watched just to see if a sliver of my body would be shown on TV. In fact, I did see the top of my head on the news! We were all sitting in the audience and channel nine must have taken a shot of the section I was sitting in because I recognized all my friends and classmates.

The day after the President's visit was all most as exciting as the first! Students from Field were on the front pages of the major newspapers! It was so exciting! I could name three newspapers that had photos of the President standing next to an eighth grader from Field!

This truly was one of the most exciting events of my life. I will probably never have another chance to see the President in person again. We will all remember this time in our lives. It will never be forgotten. It is so amazing to walk into science class everyday and visualize the President standing right in front of me as he did when he came. Right now I think we all need to rest and recuperate from all the excitement that just took place!!!

Jaclyn Genrich
1-23-97
I.L.A. 5/7
Terdich

A Presidential Visit

This amazing day started when my Mom told me the President would be coming to either a math or science class at my school. It hadn't dawned on me that it would my class until the day before. Then we found out *BILL CLINTON WOULD BE COMING TO MY SCIENCE CLASS!!!* I was so shocked to hear such great news. The actual experience seemed like words couldn't describe it! That is how my extraordinary day began!

During my second period science class I noticed that two people were observing my class. At first I didn't think much of it. Then, at the end of the period, the man told our class that most likely this would be the class the president would be coming to! My class and I were absolutely stunned and silent, then a feeling of amazement filled the air. We were then instructed to come back to class at 2:00pm. In the halls, my peers were full of questions about my class being chosen for the President to observe. We were informed not to say anything, and that things could change last minute. The rest of the day seemed to fly by! After coming home I told my family that most likely our class was the class Bill Clinton was coming to! My mom screamed and immediately started calling relatives. I couldn't seem to sleep...the *PRESIDENT* was coming to *MY* class!

That day we were all assigned to go directly to the gym and wait. All of my science class was reassured that the President would be coming to our class.

Following his class visit he would be off to Glenbrook North High School to talk about education. Our science class would be presenting cars that would be made from paper, note cards, paper clips, and straws. We would also be asked several questions about our cars. Before we could walk the halls, we had to be searched with a metal detector and all of our car supplies had to be carefully examined. When we arrived at the class it was filled with bright lights and six secret service men. The day before the eighth graders had to leave their lockers open for the secret service men to search for bombs. We had about an hour to work on our cars. While working, the rest of the school was taken by bus to Glenbrook North High School. The freshmen of Glenbrook North and Glenbrook South attended, while the other upperclassmen had no school.

After completing our finishing touches on our car, three students were selected to personally present their cars to the president. They were Preeti Surerkar, Mike Wong, and Mike Pieczonka. Before the president arrived, about 55 press people filled the room, immediately taking pictures and asking questions. Our teacher, Mrs. DeMars, starting off asking questions about our car. Then she exclaimed, "Oh, we have a visitor in class!" Bill Clinton then walked in. The faces of my friends turned in amazement and were stunned. It was extraordinary and incredible to see Bill Clinton in real life! Mrs. DeMars questioned us frequently; everyone wanted to answer a question. I was able to answer three questions. After Mrs. DeMars finished questioning us on our cars, the three chosen students presented their cars. Bill commented, "If I had this kind of teaching when I was in school, I wouldn't be in the same spot now." As the cars sped down the table, the clicking of the cameras was now a familiar sound. The time seemed to go so quickly, but in fact, he stayed for about 30 minutes.

Soon after the President left the media followed. I still sat in my seat, stunned and amazed. We were quickly escorted to white vans and followed in the 20 car motorcade. Up and down the street crowds formed waving to the motorcade. All side streets were closed with police cars. The vans then pulled up to the parking lot, and at that time we were again escorted by secret service men to our reserved seating up close to the podium. The secretary of education, Dr. Kimmelman, our superintendent, and of course, the President all gave speeches. President Bill Clinton gave his speech on education. The reason the President came to our school was that our superintendent coordinated with 20 other school districts to take a test that other nations took. We came in first and second place in science and math against the rest of the world. The scores caught the President's eye. The President gave recognition to our science class and we then stood up for an applause. While President Bill Clinton was leaving I had a great honor to actually shake the President's hand. The feeling of it gave me chills down my back. Not everyone gets to be up close to a President, let alone shake his hand. Following the speeches we were brought back to school. For the remaining day, the school watched the video of my science class with the president and all of the media. That is a day I will NEVER forget!

After I arrived home I immediately dashed to the television. All news stations had the President's visit to Northbrook. They also included many clips from the class with President Bill Clinton. Some of my classmates were interviewed by news stations. The next day the news reported on the visit too. Mike, Preeti, and Mike had their picture and/or their names in the newspaper. Every newspaper had a little something about the visit. In the Glenview Announcements a picture from the class appeared with myself handing the man-made car to Bill Clinton. Along with that, the heading read "Clinton's class visit labeled 'so cool.'" Later in the article it read, "That was so

cool, said science pupil Jaclyn Genrich of Glenview as she was hurried out of the class room after the president left." Having my classmates and myself both on the news and newspaper was truly a once in a life time experience and a great honor!

Now as I look back on this experience, I realize the impact the President has had on me and my school. For me it has meant being inspired by the President and also being encouraged by him to fulfill my highest dreams. For the President to visit Field School and observe how well a class is taught was a true honor for our community!

Caroline Yoon

1-23-96

I.L.A. 2 & 8

Mrs. Terdich

Meeting Mr. President

There were loud noises everywhere. Everyone at Field School was cramped into the large gym. We would soon be leaving to go to Glenbrook North High School to meet the president, except the eighth grade science class that was chosen for the president to see. After a long, patient waiting, the buses finally arrived. We're off to see the president!

When we arrived at the high school, there were hundreds of people! School buses were everywhere and there was a LONG line to get into the school. We had to wait in the cold weather for about an hour. I could feel the excitement around us. We were all so thrilled. While we were waiting to get in, some of my friends and I started to play a game to keep us company. Finally, we got into the school, but we were sent to another room and had to wait to be checked by the metal detectors.

After waiting for a while longer, we finally passed the metal detectors and arrived in a very large room where the president would be speaking. There were people everywhere from different schools. I was afraid I might get lost. We got to sit in the front row where Field School was supposed to be seated. It was very hectic because there were so many people coming from our school. Good thing nobody got lost!

A couple more minutes passed. A person from Glenbrook North High School spoke to us and said that the president should be coming soon. More people came up to the podium and spoke. Finally, the moment we were all waiting for came. Everyone got up from their seats and clapped and screamed. This was a once in a lifetime opportunity. We were very fortunate and lucky!

John Daley spoke first. Then a science teacher from Wood Oaks spoke and then Bill Clinton! I tried to take as many pictures, but he was too far away. Everyone cheered after Clinton was done speaking. Soon, he left and it was time for us to go back to our school. We had to wait

a long time until our buses came. We were the last ones to leave. It was a very boring moment. When our buses arrived, everyone yelled in joy.

I will cherish and remember this day forever. It was very special and I was so pleased and honored that the president came to our school. Some of my classmates were also on national t.v.! That's really amazing. Wednesday, January 22, 1997, is a day that I will never forget!

THE WHITE HOUSE
WASHINGTON, D.C. 20500

DATE: Feb 7, 1997

TO: Bob Nash

FROM: Staff Secretary



157 FEB 5 1997

Executive Offices

January 31, 1997

The Honorable William J. Clinton
President of the United States
The White House, Room 1/WW
1600 Pennsylvania Ave., N.W.
Washington, D.C. 20500

Dear Mr. President:

Now that you have made your Cabinet selections and are considering appointments for sub-Cabinet positions, I would like to recommend Clyde Prestowitz, Jr. for the position of Undersecretary of Commerce for International Trade.

As founder and President of the Economic Strategy Institute, Clyde has been a champion of U.S. interests in international markets over the last ten years and has worked closely with me and a number of other top business, labor and academic leaders to foster a more competitive U.S. economy and more open markets for U.S. exports.

Clyde has broad experience as a business executive having lived and worked in Asia, Europe and Latin America while working for several multinational companies. As a former Counselor to Secretary of Commerce Mac Baldrige, Clyde knows the department and is an experienced trade negotiator who played a key role in several major negotiations dealing with autos, semiconductors, telecommunication services, computers, chemicals and a number of other items. He speaks Japanese, French, Dutch and German and has a sound knowledge of business, Washington and international trade policy. He is a regular speaker at key international conferences such as the World Economic Forum in Davos, Switzerland, and is well known to leaders in Europe, Asia and Latin America. His book, Trading Places, was not only a best seller, but also changed American thinking on trade issues.

Clyde is respected and well-liked by key Congressional leaders from both sides of the aisle and also has strong support from both labor and business.

The Hon. William J. Clinton
January 31, 1997
Page 2

Although Clyde is a Republican who served in the Reagan Administration, he has been an active supporter of yours since 1992 when he wrote an op-ed in the "Los Angeles Times" endorsing you over President Bush. In 1996, he again wrote and spoke in support of you.

In view of the above, I strongly urge your consideration of Clyde for this important position.

Sincerely,

A handwritten signature in dark ink, appearing to read "G. Greenwald", with a stylized flourish at the end.

Gerald Greenwald
Chairman & Chief
Executive Officer

cc: The Honorable Bill Daley
The Honorable Erskine Bowles

UNITED AIRLINES

Executive Offices

January 31, 1997

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President of the United States
The White House, Room 1/WW
1600 Pennsylvania Ave., N.W.
Washington, D.C. 20500

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2/5/97

Phil.

Somehow Todd got this letter +
gave it to me

Send to Desk and for reply?
Do cc to WASH

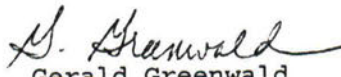
P.O. Box 66100, Chicago, I

The Hon. William J. Clinton
January 31, 1997
Page 2

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Sincerely,


Gerald Greenwald
Chairman & Chief
Executive Officer

cc: The Honorable Bill Daley
The Honorable Erskine Bowles

By TERENCE MONMONEY
TIMES MEDICAL WRITER

Liang Qing Ye was about one month pregnant the April day she walked into the South-North China Herb Co. store in San Francisco's Chinatown, where she lived. A 23-year-old seamstress who earned \$4.25 an hour, she was looking for something to help her sustain the pregnancy because she previously had a miscarriage.

She left with two small packets of brown paper, each supposedly containing a blend of a dozen dried herbs.

That evening, she emptied a packet into a ceramic pot, steeped the contents as instructed and drank the hot tea.

Two and a half hours later, she died of a heart attack.

An autopsy the next morning turned up little. But an elaborate monthlong investigation by the California Department of Health Services eventually pinpointed the cause, which the San Francisco County coroner then recorded as "acute cardiac glycoside poisoning due to ingestion of Chinese herbal medication."

Liang's death in 1993, described (without naming her) in the Western Journal of Medicine last year, dramatizes the often unacknowledged risks of the booming herbal medicine trade. Americans spent \$1.5 billion on herbal remedies in 1995, and sales are growing by 15% annually as magazines and best-selling books tout "herbal wellness" and herb-induced "spontaneous healing."

The allure of herbal remedies is easy to understand, what with their hint of ancient, "natural" ways of caring that are presumed to be gentler than today's high-tech medical assault. And scientific studies have found that a handful of botanical folk therapies appear to be effective as well as safe.

But researchers and regulators are increasingly concerned about the possible side effects of some preparations. The best-known recent example of herbal toxicity involves ephedra, used in a traditional Chinese medicine called *ma huang*. The Food and Drug Administration has received more than 800 reports of adverse reactions, including strokes and deaths, blamed on ephedra products. The plant extract, which contains a natural version of the stimulant ephedrine, was marketed as Herbal Ecstasy and Cloud 9, among other names.

Although the FDA is considering classifying ephedra as a drug, the agency generally regards herbal preparations as dietary supplements, which do not have to be proven safe and effective before marketing. Also, dietary supplements are not subjected to the same stringent federal manufacturing standards that dictate the composition and purity of drugs.

Robert Moore, a senior regulatory scientist in the FDA's office of special nutritionals, said that consumers seldom realize that herbal medicines have undergone no official safety review.

"There's a lot of concern in the medical community and by state and federal regulators that Americans are [unknowingly] conducting an experiment on themselves to identify the level of safety on these products," he said.



ROBIN WEINER / For The Times

Richard Ko, a state health department chemist, holds breaker of herbs.

In a sense, that laxity helps explain how Ye died.

"Anybody can sell herbs without any quality control of the product," said Richard Ko, a California health department chemist and pharmacist who led the investigation into Ye's death.

The herb tea was such an obvious suspect from the start that state investigators visited the herb store the day after Ye died. But they would not learn what to look for until the lab tests were completed weeks later.

After analyzing the leftover brewed tea and the packet of unused herbs, Ko, who specializes in ethnic medicines, found that they contained bufotoxins, powerful drugs extracted from the glands of venomous toads, such as *Bufo melanostictus*.

Toad venom is the main ingredient in a Chinese folk remedy called *ch'an su*, which is traditionally given in extremely small doses to stimulate the heart, among other organs. Dried *ch'an su*, which is so rare and so potent that it costs thousands of dollars an ounce, contains compounds that also trigger hallucinations. California prohibits the import or sale of purified toad venom compounds and *ch'an su*.

Ko concluded that the "most likely scenario" for Ye's poisoning was that a South-North herbalist put *ch'an su* in the herb blend by accident, perhaps mistaking the brownish pellets for the dried ashlike powder listed in the tea recipe. That scenario received support after the state health lab failed to find ashlike powder in Ye's packet of unused tea.

It is illegal in California even to possess *ch'an su*—just as it is illegal to practice medicine without a license—but the store was not charged with a crime.

"We felt unless we could show that the pharmacist knew or should have known that this would occur that we wouldn't have a good case," said Robert H. Perez, a San Francisco assistant district attorney, who was then in charge of consumer and environmental protection. "A search of the premises was done . . . and we couldn't show that the owner had this [toad's venom] as part of his inventory."

Lawyers for South-North's proprietor, Alan Wong, say that Ye must have obtained *ch'an su* somewhere else. "At absolutely no time prior to Ye coming into South, or thereafter, has Wong ever purchased, sold, or prescribed *ch'an su*, and no such ingredient was ever placed in any of the mixture which was selected by Ye."

Ye's husband, Min Chen, sued South-North for wrongful death; the case was settled out of court for an undisclosed amount, with South-North admitting no wrongdoing.

Still, Ko and his colleagues argue that Ye's death illustrates a dangerous lack of oversight of herbal medicine. "Without uniform standards of practice and licensing of herbal practitioners and dispensers," Ko and his colleagues wrote, "consumers of herbal remedies have no assurance that products they receive are safe."

After Ye died, the investigators reviewed 3,000 San Francisco County death certificates and found no other bufotoxin fatalities.

"We feel pretty comfortable that it was a stand-alone case," Ko said. "But it was sad because she was so young."

Investigation of a Fatal Remedy

Herbal Remedies Touted as Natural Medicine Still Hold Allure. But a Woman's Death Highlights the Concerns of Doctors and Federal Regulators

THE WHITE HOUSE

WASHINGTON

February 7, 1997

MEMORANDUM FOR MIKE MCCURRY

THROUGH: TODD STERN

FROM: JIM DORSKIND

SUBJECT: ID AL-FITR

Attached is the President's message for Id al-Fitr, which you may want to release to the media. The observance is set to fall between February 8 and February 11, 1997.

Thank you.

THE WHITE HOUSE

Office of the Press Secretary

For Immediate Release

February 7, 1997

On behalf of all Americans, I want to extend greetings to all Muslims in the United States and around the world as you celebrate Id al-Fitr.

This celebration, which marks the end of a month of fasting and sacrifice, is an occasion for rejoicing. It is an opportunity for Muslims to gather in joy, as well as in remembrance of those less fortunate.

It is also an opportunity for all of us to rededicate ourselves, not only to achieving spiritual growth, but also to the cause of peace between all peoples of the earth. It is our common challenge and our shared responsibility to create a better world for ourselves and our children.

To all who practice the faith of Islam, in the United States and abroad, Hillary and I extend our very best wishes. May peace be with you and your families, and may God grant you health and prosperity now and in the year ahead.

WILLIAM J. CLINTON

#

THE WHITE HOUSE
WASHINGTON

cc:
w/ typed incoming:
Bob Nash

w/ hand-written inc:
Calvin { Don Baer
for { Ann Lewis
Day - { Marcia Hole
Good {
idea Be Release

February 6, 1997

Richard F. Celeste
Suite 603
One Bratenahl Place
Cleveland, Ohio 44108

Dear Dick:

Thanks for your recent letters. I appreciate your following up on our conversation about a "Capital for a Day" program. It's an interesting idea and arrived at a good time as the Governors were just here for the NGA meeting.

Thanks, too, for your willingness to serve the Administration. I've made Bob Nash aware of your interest in the ambassadorship to India.

Great news for you and Jacqueline -- Hillary and I are delighted.

Sincerely,

Bill

RICHARD F. CELESTE

1. cc: Don B
Ann Lewis

1/30

2. Maureen
Kish

Dear Bill

Here is a slender outline of what a
"Capital for a Day" program might be like.

The key is to establish a framework
so that you can move the center of
gravity of the government out side
the beltway. If it is regular and
substantive it will rise above being
viewed as "just politics."

As you know from the campaigns
people will respond positively. So will
Govs and local officials. Washington press
will be sceptics — and the biggest resistance
will be your own Cabinet and staff.

I'd love to help in any way
I can. Warmest regards,

P.S. Jacqueline and I are expecting!

Dick

To: The President of the United States

From: Dick Celeste



Date: January 30, 1997

Subject: Capital for a Day

As I indicated when we talked briefly during the reception following the announcement of the National Service Summit, I believe you could realize great value by adapting the Capital for a Day concept that a number of Governors have used as a tool to move the governance process closer to the people.

Concept:

Convene the Cabinet for a 20 hour visit in a different state capital every second or third month, and schedule a set of activities that could fully engage the public as well as public officials during that period.

Goals:

1. Reduce public skepticism about the Federal Government by bringing it closer to where people live and work.
2. Create a regular forum for highlighting key Administration priorities like campaign finance reform and community service.
3. Emphasize bipartisanship by choosing states with influential Republican Governors as well as Democratic to serve as hosts.
4. Reinforce a sense of cooperation between Federal and State Governments by taking an ongoing interest in the implementation of welfare reform and other shared initiatives (e.g. job training, science and technology).

A Typical Capital for a Day:

Here's what a typical Capital for the Day might look like. You and most of your cabinet would arrive in a chosen State Capital for a visit that would last 18 - 20 hours.

5:30 - 7:00 PM

Reception with Selected Civic Leaders -- Include 150 key political, business, labor, civic, education leaders organized by an Ad-Hoc Host Committee. Brief comments expressing appreciation for welcoming the focus of the Federal Government to _____ for a day.

- 7:30 - 9:00 PM *Open Forum* -- You and the members of your Cabinet meet with a large public audience for Q & A format, hosted by the local college or university and carried statewide on public TV. You could field questions and also engage members of the Cabinet in your responses.
- Overnight* -- If the security and logistics could be worked out, you and the Cabinet members could stay in private homes. If the logistics are impossible, at least staff should stay with as many **real** people as possible.
- 7:30 - 9:00 am *Public Officials breakfast* -- Hosted by the Governor for a discussion of one or two issues of special currency and importance, with you and the appropriate Cabinet members. Other Cabinet members could hold separate meetings with their key stakeholders from around the state.
- 9:30 - 11:00 am *Visit to Highlighted Activity* -- You could visit a place which underscores one of your ongoing themes, e.g. hiring former welfare recipients, or leveraging Americorps Volunteers.
- Noon - 1:30 PM *Lunch for Cross-Section of Statewide Business, Labor, Education Leaders* -- Ask each table to formulate one question which they would like to ask you and/or the appropriate Cabinet member (Treasury, Commerce, Labor, Agriculture, Education).

Concluding Press Conference:

Include statewide press (and perhaps college press, or selected high school)

THE WHITE HOUSE
WASHINGTON

February 6, 1997

Richard F. Celeste
Suite 603
One Bratenahl Place
Cleveland, Ohio 44108

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Thanks, too, for your willingness to serve the Administration. I've made Bob Nash aware of your interest in the ambassadorship to India.

Great news for you and Jacqueline -- Hillary and I are delighted.

Sincerely,

Bill

cc:

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Bob Nash

w/ hand-written inc:

Calvin { Don Baer
for { Ann Lewis
Day - { Marcia Hole
Good {
idea Be Release

Richard F. Celeste
One Bratenahl Place #603
Cleveland, Ohio 44108

February 3, 1997

DETERMINED TO BE AN ADMINISTRATIVE

MARKING INITIALS: M

DATE: 9/12/14

Personal and Confidential

The President of the United States
The White House
Washington, D.C.

Dear Mr. President:

Four years ago you asked me, at Renaissance Weekend, whether there was anything I wanted to do in Washington. My answer then was "only to help you wherever I could." In August of 1993 I came to DC to try to assist with the Health Care Campaign. I did my best in an awkward situation to focus support at the DNC, and wish that I could have done more.

Today I am eager to serve you in a position where I believe I could make a genuine contribution—as your Ambassador to India.

As you may recall, from 1963 to 1967 I served as an Executive Assistant to our Ambassador in New Delhi, Chester Bowles. A Former Governor of Connecticut, Bowles became much more than a boss to me. He was my best teacher and mentor. From him I developed a keen interest in India, and an appreciation of the important role it plays in South Asia and beyond.

Since I returned from that stint as a foreign service reserve officer I have revisited India regularly—when I was Director of the Peace Corps for President Carter; with a trade mission when I was Governor of Ohio; and most recently last year as a private businessman.

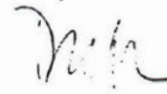
Few opportunities to serve would excite me as much as the chance to represent your Administration and our Nation in New Delhi. I realize that we face major challenges in that part of the world—to resolve regional and ethnic conflicts, to encourage continued progress toward a strong market-based economy, to maintain a healthy political democracy, and to persuade the Indian Government to forego nuclear weapons testing. Let me assure you that I would work energetically to represent our national interests, and your policies, in an effective and sensitive fashion.

I believe that I could secure bipartisan support for my nomination, should you choose to send it to the Senate. And I believe that my experience in India, and as Director of the Peace Corps, would equip me to be an unusual "professional" political appointee.

I realize that there are many people who are eager to serve our Nation as Ambassadors. Perhaps there are many who merit consideration for this particular assignment. However, I believe that there are few who would bring more first hand experience and more heartfelt dedication to representing the Clinton Administration in New Delhi.

Many thanks for your consideration of this request. Jacqueline joins me in sending warmest regards to you and Hillary.

Sincerely,

A handwritten signature in dark ink, appearing to read "Rich", written in a cursive style.

Richard F. Celeste

THE PRESIDENT HAS SEEN

2-7-97

January 21, 1997

MEMORANDUM

To: Taylor Branch

From: Curtis Gans

Re: Reform, Participation and Politics

This, with enclosures, is to recap our discussion and my thoughts with respect to reform issues:

1. If reform is limited to campaign finance issues, even the best form of campaign finance reform will have only marginal impact on public attitudes and participation, and bad reform might hurt both.

2. While I believe the McCain-Feingold bill is bad reform (see enclosures), I believe the President, having made a commitment to it, must follow through on that commitment, especially in light of criticisms as to his constancy and vigor with respect to these issues.

3. But, because if for no other reason than the new composition of the Senate and Sen. McConnell's obdurate opposition to McCain-Feingold, there is no chance of its passage, I believe it desirable that the President and Democrats push strongly for swift action. Such action won't be favorable, but might permit immediate incremental steps towards reform.

4. I think that the steps that are possible within the framework of this Congress are: a. electronic filing, disclosure and analysis; b. ending the distinction between campaign advertising and "generic" and "issue" advertising for the purposes of disclosure; c. reform leading to greater effectiveness of the FEC in enforcing existing law; and d. doing something about soft money -- my fix is to eliminate its use for advertising as vitiating its purpose.

5. I think that the only way to deal with the fiscal issues of campaign finance is through a commission (without base closing rules) in which the most vigorous advocates are represented, but marginalized.

6. I think the one aspect of campaign reform per se which can have a positive impact on cost, conduct and public will to participate would be advertising reform (of the type contained in the enclosed) and for which there is a body of legal scholars led

by Newt Minow ready to help defend. (I also have, as you know, a group of prominent Americans willing to do battle.)

7. But beyond campaign conduct the broadest sources of our lack of participation are: 1. education, civic education and values; 2. the weakened state of our political institutions, particularly in the misaligned and weakened state of our political parties; 3. the general and negative impact of the coaxial cable on citizenship; and 4. the problem of debt in hamstringing initiatives.

8. To these questions, I have two concrete proposals (beyond the advertising question and less grandiose than is contained in articles herein): 1. that we have both national standards for education and testing for those standards at an early age (13 perhaps) and that those standards include a citizenship and values component; and 2. that in the minuet with Congress over the next two years and leading to the 1998 election that there be erected various benchmarks of the "values balance" which rekindles the interest of those below middle class -- urban ethnics, working class and poor Americans, who, along with youth, are the largest source of declining participation and Democratic Party weakness. (I think that can be accomplished without a return to the rhetoric of special pleading.)

Attack Ads Subvert First Amendment

By Curtis Gans

As a non-lawyer, permit me to make an argument about law: The tit-for-tat 30-second televised political attack advertising that citizens are subjected to for one to two hours every day on every broadcast outlet in America for more than a month every election season has nothing to do with the exercise of the First Amendment rights of free speech.

These ads actually subvert the purposes of the First Amendment, undermine the exercise of speech, and do other profound damage to the political system of which they are presently a part.

Because of this, the United States should cease to be the only democracy in the world that does not regulate such ads by either time allocation or format controls.

By doing so, it may be possible to address not only the quality and content of campaigns (and the citizen cynicism they produce), but also their cost — in a manner that may pose less danger to the important values of competition, communication, pluralism, possibility, and systemic flexibility than the current nostrums of limiting spending and contributions.

The argument for this proposition goes something like this:

1. These 30-second spots are not, strictly speaking, speech. They are images and music, actors playing parts, anonymous voice-overs, talking cows, morphed faces, revolving prison doors, numbers and newspaper headlines flashed on a screen. They are aimed at emotions, not at rational discussion.

2. These ads, because they are aimed at emotions and on the medium of television (about which more later), are unanswerable — except in kind. An example: To win his present position, Sen. Mitch McConnell (R-Ky) aired an ad that showed bloodhounds straining at the leash searching for then-Sen. Walter D. Huddleston (D-Ky) at the Capitol, through the woods, and finally finding him lounging on the beach in Acapulco. The ad gave the impression of an absentee, junketeering lawmaker, who, in fact, happened to have a 91 percent attendance record. But the rational assertion of that record could not compete with the image of the bloodhound and Huddleston lost. The politician learns to fight imagery with imagery, attack with attack.

3. Like the McConnell ad, the overwhelming majority of these ads are, at worst, dishonest and distorted; at best, they are trivial and oversimplified. In both cases, the frustrating rational debate. Even those ads that do not traffic in sexual innuendo, character assassination, attendance records, obscure busi-

ness dealings, minor changes in issue positions, candidate's faces morphed into the images of President Clinton, Speaker Gingrich, Richard Allen Davis, or whoever is the villain of the moment, and at least attempt to present issues do so at such a speed and without sufficient context so as to preclude reasoned discussion.

4. These ads overwhelm all other forms of communication. In the 1994 campaign (figures for the 1996 campaign are not yet available), nearly 60 percent of the average competitive Senatorial campaign budget was spent on television advertising, with the balance going to fundraising, candidate travel, and staff, leaving nothing for activities involving citizens. Moreover, the use of television has become the campaign — determining the message, encapsulating the speeches, restricting access to the candidate, and essentially denying, by volume, the citizen any other basis of reasoned judgment about the choices.

5. These ads restrict the political marketplace, thus limiting speech. Televised advertising is the principal cause of increased campaign costs. In the period between 1976 and 1994, average inflation-adjusted spending for competitive Senatorial campaigns rose from \$2,759,370 (or \$1.82 a vote) to \$9,639,378 (or \$6.76 a vote), an increase of 249 percent. During the same period, media spending (while rates were keeping pace for inflation) rose from \$1,225,268 (or \$.81 a vote) to \$5,681,151 (or \$3.98 a vote), an increase of 349 percent.

In competitive House districts the increase in overall spending has been 76 percent, while media spending has grown 174 percent. The modern campaign is limiting political candidacy to those who have great wealth or access to it; and the conduct of campaigns is keeping the same from participating.

6. These ads give citizens no real choice. With few exceptions — when there is an overriding issue or when one candidate egregiously oversteps the bounds of propriety in personal, political, or campaign conduct — the only choice a citizen has at the polls is between one candidate who is portrayed as bad and another who is portrayed as awful.

7. These ads have other serious detrimental effects on other aspects of the political process.

Because these ads glut the airwaves at the rate of one to two hours a day on every broadcast outlet for more than a month, the net effect is to cast a pall over every candidate and the political process as a whole. (It is not a coincidence that we have had a 25 percent decline in voter turnout at precisely the time of

Dick Zimmer
started his
campaign by
lying to you...



PAID FOR BY TORRICELLI FOR HIS SENATE

TORRICELLI
SCANDAL



One one of the country's bitterest races, Reps. Dick Zimmer and Bob Torricelli made charges and counter charges with televised attack advertisements.

the rise of television as the staple of the modern campaign).

Because campaigns have been handed over to non-responsible and increasingly irresponsible political consultants whose only goal is winning, burnishing their reputations, and earning their next paycheck, there are literally no standards left for any civility in the political dialogue.

And because consultants now run our politics, there is nothing left of the basic institution of politics — the political party — save a hollow shell to provide consultant services to candidates and office-holders.

These ads are used, it is said, because they work. And they do. They create fear in the minds of each candidate's partisans and weaken the impulse to vote among weak partisans and undecideds. But they only work for a maximum of 50 percent of the consultants in any

given race — those who win — while 100 percent of the nation loses as our dialogue is denigrated.

It should be noted that until now the word negative has not been used. That is because any candidate's record, issue positions, sources of funds, actual and potential advisors, and character are and should be legitimate subjects of vigorous debate. But debate is precisely what is being denied in the war of images. And that, in turn, is the point.

The case for regulation rests on three premises:

First, television, as has already been judged in the *Red Lion Broadcasting Company v. FCC* case, is different from other mediums in limitation of access and pervasiveness of reach. It is also different in the nature of its impact. To make an analogy, televised advertising

Continued on page tk

ing is to conventional campaign techniques what nuclear warfare is to conventional weapons. And while it may be desirable to rein in conventional weapons, it is essential to control nuclear technology. So too with televised advertising.

Second, the purposes of the First Amendment are not, strictly speaking, to permit everyone to express themselves in whatever way they want, wherever and whenever they want.

It exists to provide citizens with a broad and relatively unrestricted forum for debate and discussion. The Court has ruled that one cannot shout "Fire" in a crowded theater and that child pornography can be legally banned. Televised advertising comes closer to child pornography in its effect on society than it does to the healthy exercise of speech.

Third, there is no less intrusive remedy than regulation for what television is doing to both speech and our political system. Because there is no escape from televised advertising, coming as it does in blips within and between programs, you cannot put it down, as one can a paper, or discard it, as one would mail. Nor can the various ad watchers and fair campaign practice commissions deal with the sheer volume of the ads. One ad watch versus 1000 ads is not an effective remedy. The only remedy that citizens have increasingly turned to in self-defense is to sit out elections, and that is not healthy for the American polity.

Constructive remedy comes in two forms. One is fairly simple. Congress could in law recognize the existence of soft money and apply the existing exemptions in campaign finance law — forbidding use of such moneys for public broadcast — to it.

Soft money — the virtually unlimited contributions individuals and institutions (read corporations, unions, and other collectives)

These 30-second spots are not, strictly speaking, speech. They are images and music, actors playing parts, anonymous voice-overs, talking cows, morphed faces...

may give to non-federal political party accounts and non-partisan organizations — has been justified because, in an era in which totality of campaign budgets are spent on activities which don't involve citizens (television advertising, fundraising, staff and candidate travel), it is the only source of funds for party development and grassroots activities.

Yet in the last three campaigns — 1992, 1994, and 1996 — virtually all soft money contributions have been poured into "generic" advertising, which doesn't mention candidates' names, but otherwise is indistinguishable from the glut of televised garbage produced by campaigns. And that, in turn, undermines any positive claim that could be made for the existence of soft money.

In 1979, partly in recognition of the increased dominance of political expenditures for television and to encourage certain other activities, Congress created certain exemptions for the use targeted federal (party) campaign funds, including support for voter registration, party tickets, etc. The condition for the use of those funds included a specific prohibition on broadcast advertising and mass mail.

If Congress applied the same restrictions to soft money, soft money would be returned to its appropriate, the conduct of campaigns would be substantially improved, the demand for such moneys would likely be substantially less or, were it the same and applied to party development and grassroots activities, parties might be stronger and the grassroots greener — all results devoutly to be wished.

But this is only a partial remedy that does not address hard money advertising by can-

didates and parties and the increasingly burgeoning field of independent expenditure advertising.

There are essentially three ways to effectively regulate televised political advertising, which, in whole or in part, meet the necessary criteria of effectiveness, potential enactability, and Constitutional defense.

The most commonly heard is free television time. It is also likely to be the least effective. For whatever small blocks of time would be afforded the parties or candidates, such time would likely be overwhelmed by the paid time that could still be bought. But even were the grant of free time accompanied by a ban on paid time, this is a solution that works better in nations with a parliamentary democracy where parties speak for all of their candidates. In our candidate-oriented system, there are several media markets in which there are more than 15 races, more than two parties, and in which allocation of meaningful time would be a severe practical problem. Nor

question, "Why is it that the amount spent on political campaigns keeps going up and voter turnout keeps going down?"

In 1996 more money in the aggregate, per capita, and per vote was spent on political campaigns — in hard money, soft money, and independent expenditures — than ever before in the nation's history.

Yet despite this largesse (and despite a motor voter law-driven 5 million net increase in registration; virtually unprecedented mobilization activities; emotionally engaging, hotly contested statewide races of the ilk of Helms-Gantt, Kerry-Weld; journalistic and non-partisan efforts aimed at citizen engagement; the first set of four plausibly Presidential candidates in nearly four decades; a serious underlying issue; and demographic factors — all of which should have increased turnout: Turnout fell by 11 percent (6.2 percentage points), dropped in every state in the union, fell below 50 percent (49), fell to new record lows in 15 states, and fell to its lowest level since 1924 and the second lowest level since 1824. In the 36 years since turnout reached its post-women's suffrage apex in 1960, participation levels have declined by 25 percent nationally and more than 30 percent outside the south — the largest and longest slide in the nation's history.

Central to the answer to both parts of Sen. Mathias' question is the increased use of demagogic televised advertising — driving the demand for money up and voter participation down.

Increasingly for three decades we have had a public appalled at both the cost and conduct of campaigns. But, in their aftermath, concern has focused on only one of these issues — the potential corruption caused by even larger amounts of interested money. Redress has been sought by focusing only on the supply of money.

Specifically, reformers have sought to

could any grant of free time be applied to independent expenditures that would become the leading growth industry in political expenditures.

One could also, as the former consultant Charles Guggenheim once suggested, restrict advertising to lengths of longer than two minutes. Such a restriction would have the dual effect of allowing the viewer to tune them out and presumably require a more substantive treatment than 30 seconds allows. But this will run afoul of the broadcasters' legitimate desire to plan their blocks of program time.

The solution that may be most adaptable to the American system is a variant of what the French already require — that for spot advertising (two minutes in length or less), the purchaser of the ad or an identified spokesperson must speak to the camera for the duration of the ad. This would permit anybody to buy as much time as they want to say whatever they want, provided an identified person did the speaking.

squeeze interested money out of politics through a series of limits — on spending, contributions, political action committees, soft money, and, more recently, on moneys raised outside a Senator's state and a House member's district.

The result of reform efforts — with the notable and salutary exception of disclosure — has been, as the 1996 campaign revealed in great detail, more loophole than law, and, as the past six Congresses have revealed, deadlock.

But in a larger sense, there were significant reasons why the late Ron Brown, then Democratic Party chairman, jumped into Sen. Mitch McConnell's box one Derby Day at Louisville Downs to urge him to "save us" from the types of campaign reform then and now being proposed.

For no court in the lifetime of my ten year-old child is likely to change three points of law — the right of an individual to use his or her own personal resources on his or her campaign; the right of independent groups to put forward their views in any medium; and the right of the like-minded to organize and raise, give, and use money to further their viewpoint. That means there will continue to be millionaire candidates, independent expenditure groups, and PACs for the foreseeable future.

And this, in turn, has implications for the current campaign finance reform menu de jour. Which is to say that spending limits may or may not, pending their level, inhibit competition by enhancing the intrinsic benefits of incumbency — name recognition, staff, constituent service, free mail, and media access, but will surely drive money into less publicly accountable independent expenditures.

In the absence of any substantial Congressional public financing, contribution limits — pegged at \$1,000 of 1974 dollars and less than \$300 of 1997 buying power — will continue to make officeholders devote half their time

This approach would return spot advertising to speech and accountability. It could be applied to all ads affecting a federal election, including independent expenditure ads. It would permit produced ads longer than two minutes, giving citizens the option of watching them or turning them off. But, for the staple of the modern campaign — the spot ad — it would instantly, by eliminating production expenses, reduce cost, and, likely in a panoply of talking heads, reduce the impulse to use ads as the sole medium of political communication.

It is an approach which has been sponsored at times by such leaders as Sens. John Danforth, Wendell Ford, Ernest Hollings, Daniel Inouye, James Jeffords, Bennett Johnston, Warren Rudman, Terry Sanford, among others. And, it would, if enacted, instantly reduce the cost and improve the conduct of political campaigns.

Nearly 20 years ago former Maryland Sen. Charles McC. Mathias (R) first asked the

to fundraising, lead to evasions, and limit candidacy to those with large personal wealth or equally large rolodexes of contributors.

Lower PAC limits would erode one of the few remaining bases of organized political activity, the source for legitimate and competing points of view to be heard, and the most accountable form of contributions.

Out-of-district limits would likely deny poor and minority candidates in low-income districts the wherewithal to compete. And while soft money has been abused in recent elections, it remains the sole source of funds to build our political institutions and strengthen our grassroots, and its elimination will mean the grassroots will wither and die.

Attacking the campaign reform puzzle on the supply side may or may not deal with apparent or potential corruption (it surely hasn't so far), but it will do so at the expense of other, at least equally important, values — accountability, competition, communication, participation, pluralism, and possibility.

In the absence of any present inclination to provide public resources to politicians, this argues for attacking the problem on the demand side — in the constructive regulation of political advertising.

By doing so, the cost of campaigns could be reduced, the quality of the electoral process could be improved, and the disgust citizens have for elections could be mitigated — without any of the downside risks associated with the present approaches.

The greatest environmental problem this nation may face is not air or water pollution, but the denigration of the political environment in the biennial pollution of the nation's airwaves. It is time for movement to clean it up.

Curtis Gans is director of the non-partisan Committee for the Study of the American Electorate.

liquidity will make banks more willing to extend credit to them. Increased interest in inner-city investment and lending should also create a need for lending and investment intermediaries.

Minority-owned and oriented banks and venture capital companies, as well as community-based development corporations, will find their services in greater demand. The availability of capital will also attract outside entrepreneurs who need money to start or expand manufacturing, service and technology companies.

More small businesses will mean more jobs. Employee leasing organizations will encourage both these firms (and their suburban counterparts) to hire and train local residents.

Increased jobs and businesses will also mean an increased need for produc-

tion, office and storage space in the inner-city. Abandoned warehouse and industrial areas will be converted into safe, secure inner-city business parks.

More space demand, in turn, will enable banks to extend credit for the acquisition and rehabilitation of inner-city property, creating even more jobs and income. It will also create a need for more mortgage companies, real estate management firms and insurance agents. With employment, economic activity and wealth on the rise, retail and personal services businesses will expand, thus creating even more jobs, more economic activity and even stronger economic institutions.

inner-city. When people experience a return for legal effort, they cease to exert it. It may not be right, but it is certainly rational.

A successful market economy in the inner-city would restore and reinforce the link between individual effort and reward. People who work hard could get ahead. Young people could see once again, the relationship between school and success. The culture of failure, and the crime and violence that accompany it would be replaced by the culture of achievement. All this could happen if we make markets that work as well for the rest of America work for the inner-city.

Paul Pryde is a consultant and co-author of Black Entrepreneurship in America.

Malfunctioning or poorly organized markets impose a terrible cost on residents of the

COMMON GRIDLOCK

BY CURTIS GANS

Perhaps you received the same mailing: Congress "up for grabs to the highest bidders;" Congress "For Sale;" Special interests "corrupting the U.S. Congress;" Flood of special interest money "prevents Congress from solving pressing problems."

Those words and many similar ones have been brought to your mailbox courtesy of Common Cause; the self-appointed, self-anointed "citizens" lobby which is again seeking to scare the public and bludgeon Congress into passing its version of campaign finance reform. And for the fourth Congress in a row, the prospects for passage of the Common Cause program are dim and the danger to the political system, were its program to pass, dire.

Once a source of identifying a problem, Common Cause has become the problem—the principle obstacle to any constructive campaign finance reform which does not undermine the political system it seeks to improve.

At one point, about 22 years ago, Common Cause, under the leadership of John Gardner, could claim (and deserve)

some credit for putting the issue of campaign finance on the American agenda and for helping to achieve, in the Federal Election Campaign Act of 1971, three important positive public policy innovations — systematic public disclosure of campaign contributions and expenditures, partial public

financing of Presidential primaries and full public financing of Presidential general elections, and the establishment of a Federal Election Commission.

Once a source of identifying a problem, Common Cause has become the problem—the principle obstacle to constructive campaign finance reform.

financing of Presidential primaries and full public financing of Presidential general elections, and the establishment of a Federal Election Commission.

But in the ensuing years, Common Cause has become the increasingly shrill hawker of a decreasingly defensible set of approaches to improving the political system.

There will be neither meaningful nor appropriate campaign finance reform until Common Cause is removed from the center of debate on the issue. Its analysis of the problems of the American political system is too narrow, its approaches to remedy are like

ly to do more harm than good, its tactics are counterproductive to progress and its rhetoric helps undermine the very system it seeks to improve.

A few words about each of these:

Premises. To Common Cause, money is the root of all political evil. More precisely, Common Cause posits that there is too much money in political campaigns; that money, per se, wins elections; that money influences the attitudes of members of Congress; that money buys votes on public policy issues and influence on regulatory matters; and that because of interested money—money from “fat cats” (large individual givers) and political action committees (PACs)—Congress cannot act in the public interest, leading to gridlock and inaction.

Yet one can hardly argue that there is too much money in political campaigns when what is spent on all political campaigns combined in any given year is less than each of several corporations spends annually on product advertising and when voter turnout and knowledge is still abysmally low.

It is equally hard to say that money alone wins elections. Were that true, Mark Dayton would be a Senator from Minnesota; Lewis Lehrman and Ronald Lauter would be, respectively, governor and mayor of New York. In 1990, Sen. Paul Wellstone won his election despite a 7-1 spending advantage for his incumbent opponent. In the same year, Sen. Bill Bradley nearly lost despite outspending his opponent 12-1. In 1992, Sen. Russ Feingold was outspent by two primary opponents and the incumbent he ousted in the general election. Elections are decided, as they always have been, on the basis of current conditions and political message. The only critical question is whether qualified candidates have enough money to get their message across. Put another way, the amount of money a candidate spends is no guarantee of winning, but lack of money can guarantee losing.

Money does not, as it is alleged, buy a point of view. Rep. Barney Frank is not a liberal because of liberal money. Rep. Robert Dornan is not a conserva-

tive because he gets conservative money. Interested money tends to go to those who mirror those interests. Liberals give to liberals; conservatives to conservatives; environmentalists to environmentalists, etc. It was ever thus.

Nor does money necessarily produce corruption. There were, if one remembers correctly, only five Senators who were implicated of abusing their office in response to Charles Keating's blandishments, only one of whom was found to have overstepped his bounds. There were 95 others who were not so implicated. Which is to suggest that a lot of what is being used as proof of a system gone wrong is a question of individual character rather than campaign finance. The overwhelming majority of office holders do a reasonably good job of balancing the often competing interests of their contributors with their judgement of the public interest.

This also suggests that money does not block legislation in the public interest. The Congress of 1989-90 is instructive in that regard. Despite what was widely perceived as partisan gridlock (a Republican in the White House and Democratic control of both Houses of Congress) and while the present system of campaign finance was still operative, Congress passed a Clean Air Act, a crime bill, child care legislation, a reform of agricultural subsidies, a constructive budget agreement and, for its part, civil rights and family leave legislation. It was arguably the most productive session since the Lyndon Johnson era Congresses of 1964-65.

And that, in turn, corroborates two important maxims about money and Congress. The first, as shown in almost every study on the issue, is that the influence of money is in inverse proportion to the importance of an issue. It can, and sometimes does, buy a tax break or a facility in someone's home district. It cannot buy a vote on the Per-

sian Gulf war. Perhaps of more importance, Congress can and will act if there is will among both Presidential and Congressional leadership and reasonable consensus about public policy solutions, regardless of campaign money. Put into the present context, given the high degree of public concern and President Clinton's commitment on the issue, if a reasonable and broad shared health care reform package presented to Congress, it will pass regardless of the American Medical Association's campaign contribution or position on the issue.

Remedies. Based on its flawed premises, Common Cause proposes flawed remedies to the campaign finance issue. Specifically, it proposes to squeeze interested money out of politics. It does so by creating a pastiche of two sets of partisan limitations proposals—spending and contribution limits, favored by Democrats; limitation on PACs, soft-money and out-of-state and/or district contributions, favored by the GOP. These are, in turn, elevated to high purpose by Common Cause's acolytes on the editorial boards of *The Washington Post* and *The New York Times*, whose drumbeat of repetitive urging creates the illusion of citizen demand for these particular reforms.

But each of these so-called reform measures carries with it downside consequences much greater than the disease they were designed to cure:

1. *Spending limits.* The bottom line of campaign finance reform for both Common Cause and the Democrats is a limitation on expenditures—a flexible set of ceilings, based on size of state, on what a candidate can spend on senatorial races; and uniform ceiling in House races. It would, according to Common Cause, reduce the amount spent, thus reducing the amount having to be raised and, by inference, reduce the candidate's a-

officeholder's dependence on interest-money. It would, if Common Cause were to be believed, level the political playing field by insuring that everyone spent equally or at least had the same limits.

But the effect of spending limits is likely to be precisely the opposite, reducing the amount of competition in the political marketplace and enhancing the powers of incumbency—name recognition, staff, constituent service, free mailing privileges and media access. In a study of 1992 Senatorial races, my organization found that the amount, on average, it took for a challenger to beat an incumbent was \$0.60 per eligible vote, far in excess of the limits on spending proposed in Common Cause's favored legislation, S.3. The same study found that while spending by House challengers who beat incumbents was actually smaller than the average of \$600,000, which was the norm in 1988, there were still more than ten challengers who might not have won had the limits in the proposed legislation for House races been in effect.

2. *Contribution limits.* Common Cause would retain the current individual contributions limits, pegged at \$1,000 in the 1974 law and less than \$400 in today's buying power. Presumably, according to supporters of the Common Cause approach, this serves to eliminate the possibility that rich donors (read fat cats) can dominate the political process.

But the \$1,000 limit is also the principle reason why legislators have to spend as much as half their time fund-raising. It is the reason that so many avail themselves of loopholes in the law—bundling like-minded contributions, abusing the soft-money loophole. It, coupled with the *Buckley v. Valeo* decision, which permits unlimited contributions by individuals and their immediate families to their own campaigns, is the principal reason why the

number of millionaires in Congress has trebled over the last two decades.

It also, perhaps most importantly, denies the system what might be called risk capital. PACs and \$1,000 contributors are not risk takers. The former

The effect of spending limits is likely to be to reduce the amount of competition in the political marketplace and enhance the powers of incumbency

seek to influence public policy; the latter, to be invited to the fair. They shy from seemingly hopeless races or causes. Which is why only a billionaire like Ross Perot can mount a credible third-party candidacy or why so many Congressional seats go uncontested in either primary or general elections.

To take a personal example, in 1967 I, and a few others, organized a campaign to unseat the incumbent President, Lyndon Johnson. We did so because of the war in Vietnam and the belief that the issue needed to be debated within the political process rather than with blood on the Pentagon steps. We emerged with a candidate who was unknown to 57 percent of the American people, who stood at 2 percent in the polls in New Hampshire a month before that state's primary in a climate which said you can't beat an incumbent president within his own party. Had we then had to depend on \$1,000 contributors and PACs, that challenge would never have happened.

3. *PAC Limitations.* PACs are not, as Common Cause would have one believe, a cancer eating away at the American political system. The right to collectively and voluntarily organize

and contribute to maximize a point view is something which should be encouraged. The denial of that right can and should be seen as an attempt to restrict speech and advocacy. By seeking to curtail or reduce the contributions of PACs in the guise of reducing "special interest" influence on politics, in essence, an attempt to curtail pluralism.

4. *Soft-money limitations.* Similar to soft-money—those unlimited contributions which are not reported in the pre-election period and which can legally be given to party and non-party organizations for party organization and such grass-roots activity as voter registration and education—is not, as editorial writers at *The New York Times* would have one believe, "separate money." The soft-money provision was established for the legitimate purpose of attempting to strengthen political parties and halt the erosion of grass-roots activities in an era where much campaign hard money is going to consultants and televised political advertising.

Common Cause would eliminate soft-money because it sees soft-money as an evasion of the contribution limit and a major source of special influence, which indeed it may be, to an extent.

But in a time when 80-90 percent of the campaign dollar goes to television advertising and fund-raising for (where television is relevant) and the rest goes to candidate travel and staff, soft-money is the only source of funds for activities which actually involve citizens. Without it the already withering grass-roots of American politics would die.

5. *Out-of-state (district) contribution Limitations.* The idea of restricting out-of-state and out-of-district contributions emanates from the Republican Party, which has an enormous advantage among \$50-\$250 contributors. In the interest of passage, it has been opposed by Common Cause.

Yet such a provision would likely impair the ability of poor and minority candidates to compete in mixed districts and would undermine what should be a cardinal principle of campaign finance — that each qualified candidate should have sufficient funds to get his or her message across.

All of which is to suggest that the sum total of the Common Cause reforms is the equivalent of dealing with the problem of male adultery by abolishing women—that in the name of political purity, it is destroying political possibility.

Put more precisely, Common Cause's approach deals with one problem—reducing the influence of interested money on the political system. But it does so at the price of reducing competition, decreasing political participation, increasing the amount of time office holders and seekers must spend on fundraising, undermining pluralism, denying the system risk capital and weakening the core institutions of American politics.

Tactics. None of this is to suggest that campaign finance is not a problem which should be addressed. It is, however, to suggest that the issues surrounding campaign finance are narrower but no less important.

Will political candidacy and competition be limited to those who are either millionaires or who have access to broad individual and interest group wealth? Will the office holder provide greater access (and that with potential influence over public policy) to contributors? And will the principle use of campaign moneys continue to be directed to scurrilous advertising which serves to drive campaign costs up and send voters home?

These, in turn, argue for a very different, less constricting approach, one based on floors, rather than ceilings:

1. *Increase and diversify the supply of money.* This means lifting the limits

on individual contributions and, if need be, PACs, at least to insure seed money for competition. It means extending the one incumbent advantage that can be addressed — free mailing privileges — to challengers for a limited number of mailings in an election year. It means encouraging greater contributions by

The United States is the only democracy in the world which does not regulate attack ads by either time or format.

small contributors by extending tax credits for such contributions.

And it means a substantial amount of direct public funding to insure access for those who have the political support but do not have the monetary wherewithal to compete and provide the officeholder with insulation from the undue demands of the individual contributor. Put another way, there is an important place for pluralism in this democracy, but it should not be allowed to dominate the entire dialogue. There is an important role for disinterested money to make possible a public good beyond pluralistic competition.

2. *Enhanced disclosure.* The ultimate judge of whether a legislator is being unduly influenced by his contributors can and should be made by those who are charged with electing him or her. That can only be done if they have the information to make that judgment, which is presently impossible under the present reporting guidelines of the FEC which provide that almost all contributions should be reported in the pre-election period, something that produces a maximum of information and a minimum of clarity.

Instead, Congress should establish a punitive threshold of influence for a

race, a state and the nation. A contributor, individual or collective, must report reaching any one of these thresholds, under penalty of prosecution, in hard money, soft money, pledges, etc. and report all additional contributions. That would allow both press and citizens to focus in on the larger contributors and make their judgment.

3. *Reducing monetary demand:* The 30-second attack ad is the principal cause of increasing campaign costs and a principal cause of voter dissatisfaction, as shown in almost every poll.

The United States is the only democracy in the world which does not regulate such ads by either time or format. Any one of three approaches can end this problem: abolish paid time and allocate free time; permit broadcasters to sell only time blocks greater than 2 minutes, thus eliminating spot advertising; or requiring a uniform talking head format for all spot advertising. Such a proposal would not only deal with a major campaign problem but might make possible the public financing which is currently sponsored by a majority of Americans. Americans do not want to subsidize the type of campaigns we currently have, but they just might be willing to subsidize if the end was to clean up not only the financing but the conduct of campaigns.

It also might be possible to address the problem of campaign finance in a less comprehensive, more piecemeal approach. It is probable that one could get both widespread public support and bipartisan consensus to clean up televised political advertising. There already exists widespread support to include soft money in pre-election campaign reporting and to circumscribe its use for such things as general advertising and building party office which vitiates the party-building grassroots democracy aims of the original legislation. It should be possible to

legislation which would permit the review of solicitation materials and insure that PAC moneys are voluntarily donated or to end leadership slush funds.

But neither piecemeal nor comprehensive approaches have been possible while Common Cause controls the dialogue and tactics surrounding campaign finance reform.

Common Cause's approach has been to insist on its comprehensive solution and deny the possibility of any other approach being considered. As a result, three successive Congresses have ended with partisan stalemate on the issue.

In each of these Congresses, the dance steps have been the same. Common Cause and the Democrats have proposed a comprehensive campaign finance bill with spending limits as its immutable core and public financing offered to satisfy the requirements of the Buckley v. Valeo decision. The Republicans have either filibustered these proposals to death or sent them to the Bush White House certain of a non-overridable veto. At no time were the Democrats able to muster the 60 votes needed to shut off a filibuster in the Senate. And despite a Democrat in the White House, they seem no closer to those votes now.

In slightly more detail, the dynamic of the debate has been in each recent Congress almost identical. The Democrats propose both spending limits and public financing of Congressional campaigns. Republicans, who find spending limits anathema to their party's chance of ever regaining control of either body of Congress, choose to demagogue the public finance issue (rather than spending limits) — building upon public unhappiness with subsidizing the type of campaigns of recent years. Impasse occurs — either through the exercise of the presidential veto (in the Bush years) or through the

fact that the Democrats do not have the 60 votes necessary to beat back a GOP filibuster.

The Democrats then abandon public financing, the only really useful part of their program, in favor of grants of "public resources" — free television time and reduced rate mailings. These, in turn, raise the specter of an increased glut of scurrilous ads and mailings. And the Republicans, for their part, seek to add to the bill their limitation proposals on PACs, soft-money and out-of-state and district contributions, which the Democrats find intolerable because they cut out or severely reduce their principle sources of funds. This leaves Congress with an untenable choice of either continued deadlock or squeezing the lifeblood out of American political competition.

So long as Common Cause controls the agenda, there are only two possible outcomes — continued stalemate or a piece of legislation, which through its various limits, does truly horrendous damage to the American political system.

Rhetoric: In the congressional campaign of 1990, Common Cause purchased a series of ads in the home districts of 13 Democratic members of Congress. The ads read, "S&L interests gave members of Congress millions. Taxpayers were ripped off for billions . . . and Congress has done nothing. Nothing to change the corrupt political system that let it happen." The ad went on to list the amount of all PAC dollars (not S&L PAC dollars) these Congress men and women received.

What the ads inaccurately implied was that the savings and loan disaster was the result of congressional corruption rather than the true cause, S&L executives' greed coupled by the Reagan Administration's permissive approach to bank regulation. What the ads did not mention is that almost all of the Democrats who were targeted by

Common Cause were supportive of campaign finance reform. They didn't support the precise provisions favored by Common Cause.

In pursuit of its agenda Common Cause has chosen to vilify Congress and condemn the American political system. Rather than attempting to define a problem clearly and accurately, it has chosen to engage in demagoguery that is both inaccurate and feeds a public cynicism that is already dangerously large.

The reality is that the overwhelming majority of men and women in Congress are honorable people in an honorable profession seeking to do out the public good from the welter of interests clustered in Washington. demands and needs of constituents competing concepts of what constitutes the right and the just. They do always achieve any individual's idea of the right thing and they do always succeed. But their job is made infinitely harder by a generated inaccurate public perception that they are on the take.

Rep. Al Swift's maxim is that Congress is that it will, on occasion respond to self-interest and citizen demand, and it will, on occasion, serve the public interest against self-interest. But it will never enact something it sees as neither in its self-interest nor in the public interest.

Which is what Common Cause is proposing and why nothing constructive is likely to happen on the issue of campaign finance until Common Cause modifies its approach or gets out of the way.

Curtis Guns is director of the non-partisan Committee for the Study of the American Electorate, which studies issues surrounding political participation. His views are his own and do not necessarily reflect those of the DLC or its members.

To Don
Baker
Fyt - BL

Taylor Branch
1806 South Road
Baltimore, Maryland 21209

Tidbits for your Feb. 10 visit to the Maryland legislature:

In his NY Times column of January 27, Bill Safire misidentified Paris Glendening as a "gutsy Republican." Embarrassed, Safire tersely corrected himself in a later column to call Glendening a "rock-ribbed Democrat."

Glendening is locked in a fight with Senate President Miller and House Speaker Casper "Cas" Taylor over gambling. They favor slot machines for revenue and relief of the horse industry. Glendening is hanging tough with his slogan: "No slots, no casinos, no exceptions." You probably want to avoid that grating intra-party issue, except perhaps with a joke.

Glendening has been a stalwart supporter of the HOPE scholarship education initiatives. He is also spearheading a "Smart Growth" program to protect not just inner cities but "first shell" suburbs like Silver Spring from decline. This is a visionary concept that could become a national model.

Both Glendening and the legislature deserve credit for the Maryland's Program on welfare reform, which is working already. Glendening and the legislature are considering various leadership measures to reduce underage, illegal cigarette smoking--and could use prodding and encouragement to forge ahead on state initiatives that complement your FDA program.

Senate President Mike Miller is a well known Maryland history buff. He reminds us that the Annapolis State House is the oldest capitol building in the US. In that very building, General George Washington resigned his commission as commander in chief of the continental armies on Dec. 23, 1783. Annapolis was then the national capitol of the US, from Nov. 26, 1783 until June 3, 1784.

THE WHITE HOUSE
WASHINGTON, D.C. 20500



DATE: 02/07/97

TO: BOB NASH

FROM: Staff Secretary

PO BOX 580
OKMULGEE, OK 74447
(918) 756-8700 EXT.200
FAX (918) 758-1434

1997 FEB 7 PM 12:47

The attached came over our fax machine and am sending to you for handling.

VSMISSION

'SIDENT

DATE: Feb. 7, 1997

PAGES: 2 pages
Including cover sheet

(see)
(By Kathryn Bell, Assistant to the Principal Chief)
PRINCIPAL CHIEF OF THE MUSCOGEE NATION

re:

Copy of Chief Beaver's letter of support for the President's Decision for the position of Assistant Secretary of Indian Affairs (Ada Deer's replacement)

COMMENTS:

The information contained in this facsimile transmission may be privileged and confidential. Any dissemination of this communication, other than by the intended recipient or their representative, is prohibited and unauthorized. If you have received this transmission in error, please notify our office at 918/756-8700 ext. 200.

DATE: 2/7

TO: Joyce Harmon

FROM: Staff Secretary

This arrived in our office
this afternoon via CEQ. How
do you want to handle?

Phil Caplan

Staff Sec.,

This was
delivered to our
office from DOE
today.

Peter
CEQ
6-6531



DEPARTMENT OF DEFENSE
AND
DEPARTMENT OF ENERGY

NUCLEAR WEAPONS COUNCIL
WASHINGTON, DC 20301-3050



'97 FEB 7 PM5:14

MEMORANDUM FOR THE PRESIDENT

SUBJECT: Nuclear Stockpile Certification

In response to Presidential direction to conduct an annual certification of the nuclear weapons stockpile, we have thoroughly reviewed the stockpile and judge it to be safe and reliable. There is no need to conduct an underground nuclear test at this time. Problems that have arisen in the stockpile, for example as a result of aging components, are being addressed to assure the stockpile remains safe and reliable. These current problems can be resolved without nuclear testing. In reaching this conclusion, we have obtained the advice of the Directors of DOE's Nuclear Weapons Laboratories, the Commander-in-Chief, Strategic Command, the Chairman of the Joint Chiefs of Staff, and the Nuclear Weapons Council.

William S. Cohen 05 FEB 1997
Secretary of Defense

Charles B. Curtis February 7, 1997
Acting Secretary of Energy

THE WHITE HOUSE
WASHINGTON

cc: w/ incoming:
Erskine Bowles
We have a proposal
for this in office
which I think
State government
Bc

February 6, 1997

The Honorable William F. Winter
Watkins Ludlam & Stennis, P.A.
Post Office Box 427
Jackson, Mississippi 39205

Dear Bill:

Thanks for your letter of January 24 on how we should proceed in bringing our nation together. You know I've been talking a lot about this lately, and, as I said in my State of the Union address, we must all work together to realize the true greatness of our diversity.

I appreciate your idea about creating a Council on Racial Reconciliation, and I've made Erskine Bowles aware of it. Our best to Elise.

Sincerely,

Barack

Bill think about
Rei - Stenger
wmm

Watkins Ludlam & Stennis, P.A.

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January 24, 1997

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Director of Administration

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The Honorable Bill Clinton
President of the United States
The White House
1600 Pennsylvania Avenue, N.W.
Washington, D.C. 20500-2000

Dear Mr. President:

Your inaugural message of last Monday was the right one. The pursuit of the elusive goal of freeing this country from the forces that destructively divide us will I hope be your continuing passion.

To achieve that goal is obviously going to involve a massive effort in changing our culture - in how we think about and act toward people of different racial, ethnic and religious backgrounds. I am convinced that this can happen only by a total national effort that bears the imprimatur of your high office and your personal devotion.

May I suggest as a possible model for this the initiative of President Kennedy in creating a Council on Physical Fitness which dramatically transformed the life style of millions of Americans. A similar transformation is needed now to make it socially unacceptable for people to speak and act in ways that demean and degrade others because of their race or religion.

I believe that a Council on Racial Reconciliation could begin a process of education and sensitivity training in the schools, churches and work places of this country that could

The Honorable Bill Clinton
January 24, 1997
Page 2

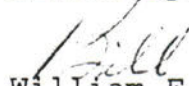
ultimately put the expression of racist attitudes and behavior outside the realm of permissible conduct in our society.

I have discussed this idea with some of our good friends like Vernon Jordan, Rodney Slater, Eddie Williams and others and have been encouraged to write you this letter.

I recognize, of course, the many complex dimensions to all of this but hope that you will think this worthy of your consideration. I would be glad to lend my energies to whatever may develop in this regard.

Let me reaffirm my enthusiastic support of your great leadership and thank you for the many personal kindnesses which you have extended my family and me. Elise joins me in these expressions and in the extension of our best wishes to you and Hillary.

Sincerely,


William F. Winter

WFW/sja

cc: Bruce Lindsey

THE PRESIDENT HAS SEEN

2-7-97

EWB - Fyl

per letter fr. Brian Winters
need to consider
Advice

Boe

**THE PRESIDENT'S COUNCIL
ON
RACIAL RECONCILIATION**

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January 3, 1997

THE PRESIDENT'S COUNCIL ON RACIAL RECONCILIATION

The Concept

Summary:

This paper describes a proposal to establish **The President's Council on Racial Reconciliation**, designed to fulfill President Clinton's promise that all Americans will cross the bridge to the 21st century together.

Background:

President Clinton built his campaign for re-election around the theme that all of us, no matter what our racial or ethnic background, must cross the bridge to the 21st century together. In speeches from Florida to California he repeated essentially these words:

"We need to build a new majority in America based on three principles--opportunity for all, responsibility from all, and an American community where if you show up for work tomorrow and you believe in our Constitution, our Bill of Rights, and our Declaration of Independence, we don't need to know anything else about you. We are all a part of our American community, and we're going forward together across that bridge to the 21st century."

In both the passion of his speeches and the diversity of his Administration President Clinton has demonstrated his abhorrence of racial discrimination and his commitment to inclusion. His record builds on a half-century of undeniable progress in combatting racial prejudice. Yet, recent events illustrate the perilous road that lies ahead.

Incidents in Pittsburgh and St. Petersburg remind us that color blind law enforcement remains an elusive goal. At corporations like Texaco and Avis employment discrimination emerges from behind closed board room doors. In several southern states race-related church burnings recall the most violent responses to the 1960's civil rights movement.

SAT test scores among African-American and Hispanic-American youth disclose the continuing inequality of our educational systems. A variety of studies confirm a differential quality of health care based on the race of the patient. Testing by trained multi-racial teams confirm the continued existence of racial discrimination in housing.

Beyond these events and statistics, everyday experiences of subtle, often unconscious, behavior exacerbate racial tensions. Well-dressed African-Americans can't hail a cab. Qualified minority employees fall victim to the "good old boy" network at promotion time. The media portrays young African-American males as dangerous and African-American females as unwed mothers. Resulting tensions limit racial interaction, preventing the communication we need to navigate the road to reconciliation.

This lack of communication perpetuates negative racial stereotypes and a deep-seated racial gap which 1) saps our nation's economic strength, 2) breeds political polarization, 3) de-stabilizes our communities and threatens our individual safety, and 4) jeopardizes our moral credibility in the global community. In the 21st century an increasing percentage of non-white Americans in the population and in the labor force will intensify the effects of this gap, while our changing economy, the technological revolution, increased mobility, and scarce resources will complicate the solutions.

Competing in the global economy, finding common ground on polarizing political issues, and securing our homes and communities pose difficult challenges. To a greater degree than ever before our nation's strength depends on the ability of every American to carry his or her share of the responsibility. As President Clinton has declared: "We do not have a single person to waste."

Only Presidential leadership can set us on the proper course. Only the President has the power to reach into every sector of our nation's life--from the community to the workplace, from schools to houses of worship, from the courtroom to the media. Only the President can energize the kind of comprehensive national campaign necessary to achieve meaningful racial reconciliation, build a foundation for enduring racial equity, and secure our nation's strength. As Presidents Kennedy and Johnson led us through the racial minefields of the 1960's, so President Clinton must guide us through the perils of the 1990's if we are to cross that bridge to the 21st century as "one nation, under God, indivisible, with liberty and justice for all."

The Proposal:

The President's Council on Racial Reconciliation would formulate and promote strategies for meaningful racial reconciliation. It would serve as the President's action arm to engage every facet of American society and every American community in fulfilling the promise that all Americans can cross the bridge to the 21st century together. As the President's Council on Physical Fitness energized a self-satisfied and sedentary nation to meet the challenges of the 1960's, so the **President's Council on Racial Reconciliation** will steer a divided and suspicious nation on a course toward unity for the 21st century. **The Council** would:

1. Provide leadership and coordination to focus our nation on the need to eradicate negative racial stereotypes and combat racial discrimination.
2. Build coalitions with public and private sector organizations to develop a comprehensive series of strategies to increase racial interaction, enhance racial understanding, and foster racial equity.
3. Promote the implementation of these strategies through schools, the workplace, civic and community organizations, houses of worship, and the media.

4. Advise the President on steps toward achieving racial reconciliation.

To symbolize the power of our nation's diversity **The Council** would be led, not by a single Chairperson, but by a diverse and powerful Co-Chair team composed of at least one African-American, one Hispanic-American, and one caucasian American. **The Council** would pursue its work primarily through four task forces based on where racial interactions most frequently occur:

1. **Our Communities**
2. **Our Schools**
3. **Our Places of Employment**
4. **Entertainment and the Media**

These task forces would focus the work of **The Council** on promoting meaningful inter-racial communication, the essential ingredient of racial reconciliation. This structure avoids the dangers of divisiveness on contentious issues or of defensiveness resulting from a focus on specific groups, such as corporate executives or police officers. **The Council** and its task forces would:

1. Develop community improvement projects, school-based programs, and workplace activities which promote racial interaction and understanding.
2. Build partnerships with professional sports franchises, among the most integrated institutions in our society, and with major corporations to sponsor prime time public service announcements, produce and distribute materials designed to promote messages of inclusion, and support awards and special recognition to individuals and organizations.
3. Conduct policy roundtables, town meetings, major conferences, national conversations, and research projects and widely disseminate the proceedings and outcomes.
4. Issue publications providing information, insights and guidance on specific issues.
5. Establish a clearinghouse for collecting and disseminating information on successful responses to race-related matters.

Many organizations are currently engaged in activities to promote racial reconciliation. **The Council** will neither duplicate nor replace these activities. Rather, **The Council** will create an environment in which existing activities gain power and credibility, and it will promote the development and implementation of additional activities in partnership with private and public sector organizations.

For example, the task force on **Our Communities** could reach out to Rotarians or to a foundation to back local community projects. The task force on **Our Schools** could work with the National Education Association on curriculum ideas and ask universities to

host major conferences. The task force on **Our Places of Employment** could seek labor union participation in specific workplace activities and suggest steps employers can take to recruit qualified minority employees at all levels. The task force on **Entertainment and the Media** could persuade corporations to sponsor prime time public service announcements and recommend ways to combat media-induced negative stereotypes.

The Co-Chair team and the task force chairs would serve as an Executive Committee for **The Council**. They would recommend to **The Council** specific and measurable goals and objectives, and monitor progress on a regular basis. An Executive Director would manage day-to-day operations. Administrative costs would be borne by the Office of the President or by those Cabinet Departments whose responsibilities and activities are particularly relevant, or by a combination of the two. Support for program activities would come from the private sector.

Urgency:

To build on the post-election momentum and to illustrate the importance which President Clinton attaches to racial reconciliation, establishment of **The President's Council on Racial Reconciliation** should be an immediate priority. Ideally, **The Council** would be established by Executive Order by late February, 1997.

Outcomes:

Success in promoting racial reconciliation will 1) strengthen our global competitiveness, increase productivity, and generate additional tax revenue, 2) decrease the costs of law enforcement, incarceration, and welfare benefits, 3) increase the stability and vibrancy of our communities and the safety of our citizens, 4) reverse polarization on difficult political issues and create common ground for seeking solutions, and 5) reinforce our nation's moral stature.

Conclusion:

Senator Paul Simon, when he withdrew from the 1988 Democratic Presidential primary campaign, observed: "Americans instinctively know that we are one nation, one family, and when anyone in that family hurts, all of us eventually hurt. There really is a yearning across this good land for leadership that appeals to the noble in us rather than to the greed in us."

President Clinton has demonstrated his understanding of that yearning and his capacity to appeal to the noble in us. **The President's Council on Racial Reconciliation** will serve as his vehicle to take us across the bridge to the 21st century united as Americans rather than divided by race.

This paper was prepared by Michael R. Wenger, States' Washington Representative for the Appalachian Regional Commission.

PRESIDENT'S COUNCIL ON RACIAL RECONCILIATION
Mission and Goals

Mission:

To bridge the existing racial divide in the United States and to create a society which treasures the unique strengths of each individual, regardless of race, and celebrates the common threads which bind us together.

Goals:

1. To create an environment in which inter-racial communication and interaction are routinely accepted and mutually respected.
2. To increase both our collective and our individual awareness of unintended differential behavior based on race.
3. To minimize the number of instances of conscious racist behavior and maximize the public disapproval of such behavior whenever it occurs.
4. To strengthen both our collective and our individual understanding of the value of America's racial diversity and the importance of walking together across the bridge to the 21st century.

PRESIDENT'S COUNCIL ON RACIAL RECONCILIATION
Launching the Council's Agenda: A Project to Commemorate the 50th
Anniversary of Jackie Robinson's Entrance into Major League Baseball

Overview:

In 1947 Jackie Robinson, playing first base for the Brooklyn Dodgers, was the first African-American to participate in a Major League Baseball game. Baseball's popularity as our national pastime catapulted this event into one of the most significant milestones in race relations in this century. The 50th anniversary of this event offers a meaningful and powerful vehicle for launching the Council's agenda. This inaugural project, designated as "The American Team" Project, would weave together an array of visible activities into the overriding theme that we are all members of "The American Team."

In the Media:

1. Create a partnership between Major League Baseball and the **President's Council on Racial Reconciliation**, modeled after the partnership between the National Football League and the United Way, to air Public Service Announcements (PSA's) on Major League Baseball telecasts. The PSA's would be built around the theme that we are all members of "The American Team," would provide a telephone number to call for further information, and would promote the following broad messages:

- a) the vast majority of Americans, no matter what their race, share similar values and work hard to live those values,
- b) our diversity has been vital in building this nation, and today, more than ever, we need each other for economic, social, and political stability,
- c) despite dramatic improvements in race relations, many instances of subtle, often unconscious racial discrimination remain as barriers to enduring racial reconciliation,
- d) there are many promising racial reconciliation efforts on which to build in communities and corporations throughout America.

Funding Sources: Council produces the PSA's. Major League Baseball airs them.

2. Arrange a special "American Team" ceremony at the 1997 All-Star Game, designed for television, honoring Jackie Robinson's contribution to the game and to society. Among participants in the ceremony would be representatives of little league and other youth baseball leagues which exemplify the integration of the game made possible by Jackie Robinson's courage.

Funding Sources: Council works with Major League Baseball and television network to design ceremony. Corporate sponsors pay expenses.

In Our Communities:

1. Encourage local baseball franchises to form "American Team" partnerships with public officials and community organizations to promote community improvement activities which enhance racial interaction and strengthen racial bonds.

Funding Sources: Council provides guidance as necessary in forming partnerships. Local baseball franchises devote a portion of proceeds from team ticket sales to support activities.

2. Post billboards which build on "The American Team" theme and messages of the PSA's.

Funding Sources: Council produces the billboards. Local baseball franchises purchase the space.

In Our Schools:

1. Conduct an essay contest on the meaning of being a member of "The American Team," to be implemented through public schools in and near major league cities. Prizes for local winners would be tickets to and recognition at a major league baseball game. Prizes for national winners would be a trip to Washington, D.C., a meeting with the President, and tickets to and recognition at the World Series. All winning essays will be published and widely distributed.

Funding Sources: Council, working through State School Superintendents, conducts the contest. Local baseball franchises donate prizes for local winners. Corporate sponsors donate prizes for national winners and pay for publication and distribution of essays.

2. Introduce several "American Team" baseball card series, designed as teaching tools, which highlight:

- a) aspects of Jackie Robinson's career and life,
- b) aspects of major league baseball's progress toward integration since 1947 and the effect of this progress on our nation,
- c) significant events in our nation's progress toward racial reconciliation since 1947,
- d) important facts (such as demographic and economic information) which build the practical case for racial reconciliation.

Funding Sources: Major League Baseball and Council provide information. Teacher organizations provide guidance in designing cards as teaching tools. Baseball card distributors produce cards and sell them at cost.

3. Produce and distribute poster-size replicas of "American Team" billboards to schools.

Funding Sources: Council produces and distributes the posters with assistance from corporate sponsors.

PRESIDENT'S COUNCIL ON RACIAL RECONCILIATION
The Continuing Agenda of the Council

Overview:

In addition to building a partnership with Major League Baseball, the Council will work with the media, with communities, with our public schools, and with employers and employees to develop an array of activities which, taken together over time, will significantly narrow America's racial divide. Beginning in October, 1997, a new initiative will be announced quarterly. An outside consultant will design and implement tools to measure the impact of these activities.

In the Media:

1. Air public service announcements in prime time which focus on the need for racial harmony and mutual respect and feature popular entertainers and other public figures, as well as ordinary people in everyday situations. These PSA's could build on the "American Team" theme.

Funding Sources: Council works with corporations to produce the public service announcements. Corporations air the public service announcements in a portion of their regular advertising buys.

2. Produce and publish a book of inspirational stories and writings, patterned after the Chicken Soup for the Soul series of books, recounting heartwarming successes in overcoming racial barriers and achieving racial reconciliation.

Funding Sources: Council publishes and sells book.

3. Telecast on C-Span a series of roundtable discussions featuring a wide range of viewpoints on divisive issues like affirmative action and immigration, as well as on the broader topics of racial interaction and reconciliation, and publish the proceedings.

Funding Sources: Foundations support costs of televised discussions and publication of proceedings.

4. Issue monthly feature articles by guest writers, suitable for publication in Sunday newspapers and for use on television network news programs, exploring current race relations issues and detailing specific examples of progress we are making in overcoming racial barriers.

Funding Sources: Council prepares and distributes articles.

5. Create and regularly update a web page on the Internet which describes activities of the Council and provides ideas on how individuals can become involved in building racial unity in their communities. Provide special links to facilitate use by schools.

Funding Sources: Council creates and maintains web page.

In Our Communities:

1. In collaboration with Junior Leagues and Jaycees produce a "how-to" book of community improvement activities which promote racial interaction and reconciliation and distribute copies of the book to local chapters.

Funding Sources: Council compiles material. National Junior Leagues and Jaycees organizations publish book. Local chapters, as well as local businesses and other civic clubs, adopt and support selected activities. A small portion of the proceeds from tickets to baseball games and other public events could be used to fund implementation of some of the activities.

2. Develop and publicize a set of "American Team Principles." Award "American Team" window stickers and/or other forms of recognition to businesses, law enforcement agencies, and other local institutions which demonstrate a commitment to the "Principles."

Funding Sources: Council in collaboration with communities and trade/professional associations.

3. Arrange exchanges in which Caucasian, African-American, and Hispanic-American Members of Congress visit each other's Districts, speak at worship services at each other's churches and synagogues, and engage in other high profile activities.

Funding Sources: Members pay their own expenses.

4. Ask major organizations of public officials--NGA, USCM, NLC, NCSL, NACO--to form standing committees charged with developing policies and suggestions to help guide their members in dealing with race-related issues and in promoting racial reconciliation.

Funding Sources: Council promotes efforts of organizations.

In Our Schools:

1. Publish and distribute to schools quarterly a contemporary magazine, in versions targeted for specific age groups, highlighting ways to deal with difficult racial situations, confront racial stereotypes, overcome racial barriers, and build racial harmony.

Funding Sources: Council works with professional organizations in preparing magazine materials. Corporate sponsors and/or advertisers defray the expenses of publication and distribution.

2. Publish, distribute and regularly update a compendium of information, data, and quotes for the use of speech-writers in crafting graduation and other special occasion speeches.

Funding Sources: Council publishes and sells material.

3. Distribute video(s), movie(s), and/or book(s) on racial issues to all public schools and to teacher training institutions, modeled after Steven Spielberg's effort to distribute Shindler's List to every high school.

Funding Sources: Private sponsors such as producers and publishers.

4. Develop a sister school program among schools with different racial compositions.

Funding Sources: Participating school systems, with assistance from foundations for specific activities.

5. Create a proactive speakers bureau aimed at inspiring college campus audiences to provide leadership in overcoming racial barriers.

Funding Sources: Council operates speakers bureau. College hosts pays traveling expenses of speakers.

In Our Workplaces:

1. Develop and publicize a set of "American Team Principles for the Workplace." Provide recognition annually to those employers and employees who demonstrate their commitment to these "Principles."

Funding Sources: Council in collaboration with trade associations and labor unions.

2. Develop and distribute suggestions for the recruitment and training of minority employees.

Funding Sources: Council in collaboration with trade associations and labor unions.

3. Publish and distribute quarterly a magazine highlighting how major employers and their employees have increased productivity and workplace satisfaction by overcoming racial barriers and strengthening mutual respect in the workplace.

Funding Sources: Council publishes and trade associations distribute newsletter.

4. Work with corporations to provide information on racial matters for product packaging.

Funding Sources: Corporations.

General Activities:

1. Establish a clearinghouse for information on activities which promote racial interaction and reconciliation.

Funding Sources: Council operates clearinghouse. Users pay nominal fee.

2. Designate a national day of racial reconciliation and plan activities designed to promote racial reconciliation and provide recognition to those who have done the most during the year to promote racial reconciliation.

Funding Sources: Corporate sponsors pay expenses and receive recognition.

PRESIDENT'S COUNCIL ON RACIAL RECONCILIATION
Implementation Schedule

Weeks of 1/6/97 and 1/13/97:

1. Meet with Rodney Slater and Governor Winter to discuss work plan, schedule, potential members of Council. Consult, as well, with Eddie Williams and Hodding Carter.
2. Meet with White House officials to discuss concept, work plan, schedule, potential members.
3. Meet individually with key Congressional leaders, particularly leaders of Congressional Black Caucus and Congressional Hispanic Caucus, and key Cabinet Secretaries, particularly Education, Labor, HHS, HUD, Commerce, Transportation, Agriculture, Attorney-General.
4. Conclude draft of final work plan, implementing schedule, Council members.
5. Schedule a meeting with Major League Baseball officials for week of 1/20/97.
6. Schedule a White House briefing for week of 1/27/97 with key Congressional leaders, key Cabinet Secretaries and constituencies--civil rights groups, labor, education groups, public officials--to advise them of plan and seek further suggestions for activities and potential members.

1/20/97: Insert mention in President's Inaugural Address of need to commit ourselves to racial reconciliation as the best way to honor the memory of Dr. Martin Luther King as we celebrate his birthday.

Weeks of 1/20/97 and 1/27/97:

1. Meet with Major League Baseball officials concerning a partnership to commemorate of 50th anniversary of Jackie Robinson breaking baseball's color line.
2. Conduct White House briefing as scheduled.
3. Finalize work plan, schedule, composition of Council.
4. Notify prospective members of Council and talk with them individually, either in person or by telephone.

2/5/97: Announcement in State of the Union Address of intention to establish Council by Executive Order.

Following State of Union Address and Week of 2/10/97:

1. Prepare and finalize Executive Order.
2. Make PR arrangements for announcement of **Council**, for comments by **Council** members, and for responses from key constituencies, Congressional leaders, etc.
3. Make arrangements for office space and equipment.
4. Begin to develop Public Service Announcements for airing when baseball season begins.
5. Prepare and distribute press packets and additional materials to **Council** members.

2/17/97 (Presidents' Day): Announcement by President of President's Council on Racial Reconciliation and introduction of Co-Chairs (and Executive Committee?).

Remainder of February and Month of March

Follow-up meetings/speeches/TV appearances concerning goals/activities of **Council**.

Hire staff (Communications and Public Affairs, Resource Development, Program Development, Inter-Governmental Affairs). Solicit names from White House, **Council** members, others.

Plan and schedule first meeting of **Council**.

Announce partnership with Major League Baseball.

Test Public Service Announcements with focus groups.

Plan for Opening Day activities.

Begin planning for activities through 1998.

3/31/97: Opening Day for Major League Baseball.

PRESIDENT'S COUNCIL ON RACIAL RECONCILIATION
Prospective Members

Democratic Public Officials

*William Winter
*Henry Cisneros
*Andrew Young
*Ann Richards
*Norman Mineta

Others: Bill Bradley
Paul Simon
Bill Gray
Charles Royer

Republican Public Officials

*Tom Kean
*Nancy Kassebaum
*William Hudnut

Others: John Danforth
William Ruckelshaus
Arthur Fletcher
Louis Sullivan

Media/Entertainers/Writers

*Hodding Carter
*Bryant Gumbel
*Oprah Winfrey
*Rob Reiner
*Sharon P. Rockefeller
*Ellis Cose
*Ted Turner

Others: Whoopi Goldberg
Norman Lear
Ken Burns
Bill Cosby
Steven Spielberg
Cornel West
Michael Lerner
Andrew Hacker

Academic/Research

*Eddie Williams
*Johnetta Coles

Labor

*Linda Chavez Thompson

*Ron Carey

Others: John Sweeney
Richard Trumka

Organizations

*Myrlie Evers

Others: Sanford Cloud
Hugh Price
Michael Brown
Wade Henderson
Kweisi Mfume

Baseball Personnel

*Rachel Robinson

*Henry Aaron

Others: Leonard Coleman
Gene Budig
Cal Ripkin
Pee Wee Reese
Ken Griffey, Jr.

Corporate Officials

*Bill Gates--Microsoft

*John Bryant--Sara Lee

*Mrs. Reginald Lewis--Beatrice Foods

*Hugh McColl--NationsBank

* = Suggested members.

Honorary Chair: Rachel Robinson

Co-Chairs: William Winter, Eddie Williams, Henry Cisneros

Task Force Chairs: Media--Hodding Carter; Communities--Myrlie Evers; Schools--Tom Kean; Workplace--Linda Chavez-Thompson

Current Balance--26 members

Race: 13 Caucasian/10 African-American/2 Hispanic-American/1 Asian-American

Gender: 17 male/9 female

Gender/Race (White/Non-White): Male--10/7; Female--3/6

THE WHITE HOUSE
WASHINGTON

cc: w/ incoming:
Erskine Bowles
We have a proposal
Gather in office
which I think
State gave me
Be

February 6, 1997

The Honorable William F. Winter
Watkins Ludlam & Stennis, P.A.
Post Office Box 427
Jackson, Mississippi 39205

Dear Bill:

Thanks for your letter of January 24 on how we should proceed in bringing our nation together. You know I've been talking a lot about this lately, and, as I said in my State of the Union address, we must all work together to realize the true greatness of our diversity.

I appreciate your idea about creating a Council on Racial Reconciliation, and I've made Erskine Bowles aware of it. Our best to Elise.

Sincerely,

Bill

Bill think about
Rec. - St.inger
work

Watkins Ludlam & Stennis, P.A.

Attorneys at Law

Mark S. Adams
Robert M. Arentson, Jr.
Timothy R. Barber
Allan F. Bennett
Neville H. Boschert
J. Chase Bryan
Whitney D. Boars
Alvaro N. Castilla
Carl J. Chaney
H. Mitchell Cowan
C. York Craig, Jr.
Christy Crockett
Thomas W. Crockett
Jennifer R. Crowsen
Mark T. Davis
Michael T. Dawkins
David B. Grishman
Robert E. Hauberg, Jr.
Kathryn H. Hester
John H. Holliman III
Robert B. House
Peyton S. Irby, Jr.
Gina M. Jacobs
Kristina M. Johnson
Stuart G. Kruger
Craig N. Landrum

Robert S. Lazarus
Ricky G. Luke
David L. Martin
Aileen S. McNeill
Dennis W. Miller
J. Douglas Minor, Jr.
Chervin L. Nott
Neil P. Olack
L. Keith Parsons
Ben J. Piazza, Jr.
Dana Prather
Keith R. Rasmussen
W. Whitaker R. Turner
Stephen M. Roberts
Thomas B. Shepherd III
Roland M. Slover
Cynthia H. Speetens
John Hampton Stennis
Ernest G. Taylor, Jr.
Zachary Taylor III
Martha Ross Thomas
Jim B. Tohill
Randall B. Wall
Robert H. Weaver
William F. Winter

January 24, 1997

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Telephone (601) 949-4900
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H. Vaughan Watkins
(1884-1944)

Warren V. Ludlam, Jr.
Of Counsel

John B. Little, Jr.
Director of Administration

Writer's Direct No.

(601) 949-4800

The Honorable Bill Clinton
President of the United States
The White House
1600 Pennsylvania Avenue, N.W.
Washington, D.C. 20500-2000

Dear Mr. President:

Your inaugural message of last Monday was the right one. The pursuit of the elusive goal of freeing this country from the forces that destructively divide us will I hope be your continuing passion.

To achieve that goal is obviously going to involve a massive effort in changing our culture - in how we think about and act toward people of different racial, ethnic and religious backgrounds. I am convinced that this can happen only by a total national effort that bears the imprimatur of your high office and your personal devotion.

May I suggest as a possible model for this the initiative of President Kennedy in creating a Council on Physical Fitness which dramatically transformed the life style of millions of Americans. A similar transformation is needed now to make it socially unacceptable for people to speak and act in ways that demean and degrade others because of their race or religion.

I believe that a Council on Racial Reconciliation could begin a process of education and sensitivity training in the schools, churches and work places of this country that could

The Honorable Bill Clinton
January 24, 1997
Page 2

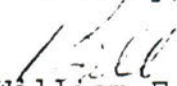
ultimately put the expression of racist attitudes and behavior outside the realm of permissible conduct in our society.

I have discussed this idea with some of our good friends like Vernon Jordan, Rodney Slater, Eddie Williams and others and have been encouraged to write you this letter.

I recognize, of course, the many complex dimensions to all of this but hope that you will think this worthy of your consideration. I would be glad to lend my energies to whatever may develop in this regard.

Let me reaffirm my enthusiastic support of your great leadership and thank you for the many personal kindnesses which you have extended my family and me. Elise joins me in these expressions and in the extension of our best wishes to you and Hillary.

Sincerely,


William F. Winter

WFW/sja

cc: Bruce Lindsey

IF PRESIDENT HAS BEEN
2-7-97

cc: Don

Taylor Branch
1806 South Road
Baltimore, Maryland 21209

TO VP / Ruler
Fyl
BS

February 1, 1997

Mr. President:

Attached FYI is my broadside on the abysmal performance and great opportunity of states in the youth smoking epidemic. It is written about Maryland, but the basic facts apply to every state.

I think there could be opportunities for you here on all your second-term themes: roles of government, responsibility, and community. You could challenge the states (and the GOP govts. who run most of them) to do their part, which ought to be a big one.

This would draw attention to your leadership at the federal level, which properly falls in the more difficult areas of advertising and regulation. As it is now, people think you have to pull the whole load, which is not right or good politics.

Taylor

P.S. You and Hillary were very sweet to help me turn 50. Thanks. I'm wearing my watch.

JB

Suffer the children

Maryland is doing little to stop youths from smoking

BY TAYLOR BRANCH

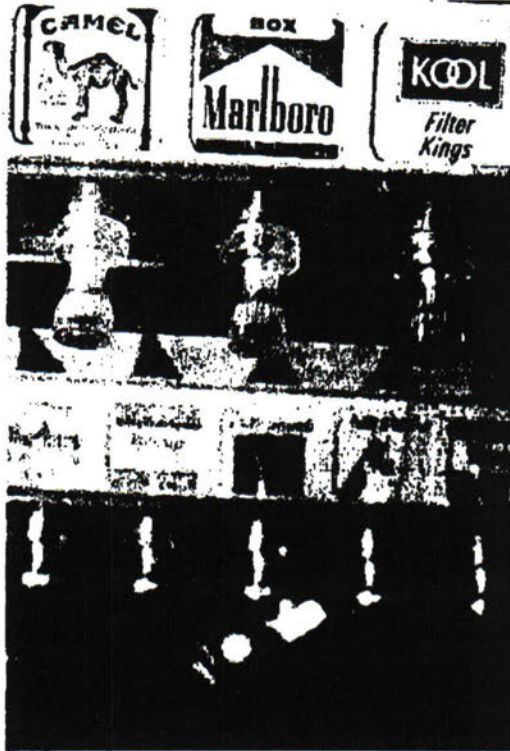
WAKE UP, Maryland! A miracle remedy for our state's long-lamented cancer death rate — fourth highest in the nation — lies within reach. While complex plagues such as poor schools and job loss may require solutions not yet imagined, the scourge of cancer will yield to a small campaign, led by children. A mere handful will do. They can arrest the long treadmill of costly suffering and premature death without new budget investments or bureaucracy. All the children need is the clear-headed support of voting citizens.

How? They have come maddeningly close already. Last summer, eight teenagers fanned out across Maryland like Joshua's scouts into Canaan. Trained by state revenue officers, they busily offered to buy cigarettes at 881 Maryland retail stores over a two-week period. They met no resistance at 110 of 116 vending machine sites (95 percent), or at 371 of 706 clerk-tended counters (48.5 percent). Because Maryland, like every state, bans cigarette sales to buyers under 18, the monitoring revenue officers could have — should have — followed right behind with a citation for the vendor each time a teen-age spot checker obtained cigarettes. If they had done nothing more than this, the lethal commerce of child addiction would be flushed out toward extinction by now.

But timid state authorities stopped short. For fear of political controversy, they made the two-week effort a "study" instead of an enforcement drive, and even that was undertaken under mandate of federal law.

The survey merely confirmed what every teen-ager knows: Tobacco enforcement is a joke. Although Maryland statutes more than a century old (dating back to 1836) decree that those who sell tobacco to minors shall pay fines ranging from \$300 up to \$3,000 for repeat offenses, there were

Taylor Branch is the Pulitzer Prize-winning author of "Parting the Waters: America in the King Years, 1954-63."



Today's teen-age smokers are tomorrow's terminal patients, just as yesteryear's new smokers produced nine new lung cancer patients in Maryland every day.

no such cases brought in 1996 and none yet reported for 1997. Zero. It is small comfort that many states do no better. Virginia has not punished a single underage tobacco sale since 1990, and an embarrased Gov. George E. Pataki is scrambling to find a solitary example in New York.

Our illay priorities come straight out of Alice in Wonderland. In one of 136 workplace inspections last year, MOSH officers fined President Carolyn Manuszak \$1,312 for smoking alone in the bathroom of her private office at Villa Julie College, thereby protecting from secondary smoke anyone who might have breathed tobacco fumes that escaped her bathroom door or window. No such effort protects the 60 Maryland kids who become new smokers each day, supplied by illegal but more or less open

transactions. A third of these new smokers eventually will die early of tobacco-related heart or lung diseases — roughly 6,000 per year by the mid-21st century. Their extra health care will cost Maryland roughly \$170 million a year at today's prices.

Similarly, Maryland troopers who rightly scour every jurisdiction for highway speeders give no thought to state laws on underage tobacco sales. No one expects them to, even though:

• Smoking kills eight people for every traffic fatality.

• More than 80 percent of those who ever smoke begin illegally before 18.

• Youth smoking has risen 50 percent in the 1990s. About 20 percent of eighth graders now qualify as regular smokers. More than 30 years after the tobacco companies grandly (See Tobacco, Sr)

Saving Md. youth from big tobacco

[Tobacco, from Page 1F]

pledged to end marketing to those under 21, the high school smoking rate of 35 percent now exceeds the legal, adult rate of 25 percent.

Today's teen-age smokers are tomorrow's terminal patients, just as yesteryear's new smokers produced nine new lung cancer patients in Maryland every day. Their chances of surviving five years after detection are stuck at a chilling 13 percent, because lung cancer resists new treatments that have cured or retarded other cancers, such as those of the stomach, cervix and liver. Lung tumors now kill more Marylanders than breast and prostate cancers combined. A lag time of decades means that the death rate among women has grown fivefold since 1960, in the era of tobacco-marketed liberation.

Why do we put up with this? How can the epidemic of youth smoking continue when all parties, including the tobacco companies, proclaim their dedication to stop it?

A smokescreen of arm-waving gestures leaves us apathetic and blindly misguided. Suppose for a moment that we tried to enforce highway laws the way we control nicotine traffic. Troopers who chase down mad motorists would be authorized only to hand out "Speed kills" bumper stickers and recommend safe driving classes. Judges might allow lawyers to argue in the abstract how fast one might "intend" to go, but courts would never act upon or even consider any driver's actual speed.

The obvious vulnerable spot of youth smoking is the illegal flow of money at the point of sales. Tobacco smoke is nasty and unpleasant even for the "coolest" beginners, and experimental smokers require convenient nurturing to develop an addiction that demands constant supply. This "hooking" phase is not a pretty part of the business, which makes cigarette defenders extremely sensitive about point-of-sale enforcement. They stave off the whole idea with their favored alternatives:

- Sticker displays, warnings, "mandatory" ID checks, training programs for clerks, rules on the placement of vending machines. Such plans sound vigorous and promising, but they always skirt the central question of enforcement.

- Education. Cigarette promot-

ers prefer education campaigns to enforcement, which they reject as "anti-business." In fact, spot-check fines are the most economical, least intrusive tool against underage smoking. They avoid cumbersome regulations and paperwork. The method does not interfere with adult smokers, and leaves proprietors free to decide for themselves how to make sure no underage smokers buy cigarettes on their premises. It pinpoints irresponsible vendors with fines heavy enough to make youth sales lose money. Honest, diligent vendors (roughly half the stores in last summer's study) not only escape fines but enjoy relief from unfair competition.

- Punishment for children instead of vendors. In 1994, lobbyist Bruce Bereano and tobacco forces deftly reshaped an enforcement bill to focus new penalties on the young buyers of cigarettes. Their maneuver subverts the entire rationale for underage tobacco law, of course, which holds adults accountable for fateful smoking decisions by minors.

- Blaming middle-schoolers and high-schoolers is ineffective, unprincipled, and downright ghoulish, because nicotine addiction fastens even harder upon children than adults. Half of Maryland's eighth-grade smokers say they have tried to quit already — and failed. Ninety-five percent of new teen-age smokers say they intend to quit within a year, but only 25 percent succeed within a decade.

In a pinch, tobacco interests will say that enforceable spot checks by a few deputized teen-agers would "corrupt" our youth in tattletale crime — never mind the comparable effect of routine sales welcoming thousands to the big illicit ashtray. Or they object that the economy cannot stand a serious drive against illegal smoking — as though Maryland's prosperity really depended on turning a fresh supply of pink lungs into soot-seared crusts.

These evasions should surprise no one. It is their practice to blow smoke rings and our choking task to see through them. What galls is that big tobacco regards states like Maryland so lightly.

Although the Clinton administration's pending regulations on youth marketing are limited, and subject to lengthy constitutional appeal, the Tobacco Institute is fighting them desperately because

the stakes and the relative intensity of federal politics are so high. Tobacco also fears the myriad local governments as unpredictable, though purty, and has pushed through the legislatures of 27 states recent boilerplate laws that curtail or forbid local ordinances on cigarettes.

Ironically, tobacco works hard to stay in the hands of the very jurisdictions that have the acknowledged power to enforce laws against underage smoking — the states. Why? Maryland and sister states have proven to be docile pushovers for scoundrels in the cigarette business.

The General Assembly now meets in Annapolis. Rumors fly of bank-shot deals that might use profits of one crassly addictive new vice (slot machines) to shore up

horse racing purses, cut income taxes, and scuttle Gov. Parris N. Glendening's proposal to raise cigarette taxes. A jingle of hard cash echoes from the background.

This is our legislature. Plenty of good people serve in it, but voters are responsible for the outcome and the tone of debate. Whatever happens in the gambling-and-tax thick-et, a strong resolution on youth smoking would shine with the courage of proper adults.

Instead of averting our eyes from garish sales to puffing kids, we could work a revolution of leadership against cancer and cynicism at once. We could restore faith with new generations that yearn — literally — to breathe free. The enforcement issue stands alone. It touches nothing but the self-respect of citizens and the health of our children.

THE PRESIDENT HAS SEEN

2-7-97

To

~~Legal~~

counsel's office

Fgt

Bz

The American Oxonian

Fall 1996

Volume LXXXIII

Number 4

ST. JOHN'S



1555

KEBLE



1870

REGENT'S PARK



1927

ST. PETER'S



1961

TRINITY



1554

The American Oxonian

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Number 4

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THE PRESIDENT HAS SEEN
2-7-97

Brown Fyl-

BK



THE
PRESIDENT'S
REPORT
1993-1995

HARVARD UNIVERSITY

DIVERSITY AND LEARNING

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THE WHITE HOUSE
WASHINGTON

February 5, 1997

MEMORANDUM TO THE PRESIDENT

FROM: STEPHANIE STREETT & ANNE HAWLEY *At*
SUBJECT: SCHEDULING DECISIONS
CC: JOHN PODESTA

FEB 5 4:04

ACCEPT:

Date of Event:

2/6/97

Description of Event:

OPTION: Phone Interview With Kathy Kiely of the
Arkansas Democrat-Gazette

**Kathy is writing a profile on Rodney Slater and she
hopes to discuss with you your relationship with him.**

2/7/97

OPTION: Drop by White House Meeting of the AARP
National Staff and Volunteer Leaders

2/11/97

Campaign Finance Reform Event

2/11/97

OPTION: Drop by Reception For Secretaries of
State Hosted by the Vice President

*Must
drop
by
2/11/97
at 10:00
AM*

NOTE: The Secretaries of State have awarded
Daisy Bates the Margaret Chase Smith American
Democracy Award. Daisy Bates along with Sharon
Priest will be attending this reception. We can arrange
a separate photo if you would like to see them.

2/12/97

Aviation Safety Announcement With the Vice President

2/12/97

Meeting With the Vice President, Roy Romer, Steve
Grossman, Brad Marshall, Alan Solomont, Erskine Bowles
and John Podesta to Discuss Fundraising

2/17/97

Speech to the 50th Anniversary of the PTA,
Washington, DC

2/25/97

OK

OPTION: Greet Seniors From the U.S. Military
Academy Football Team That Won the Commander-
in-Chief's Trophy

**The seniors will be at the White House for
a tour on this day.**

Feb. tbd

Drug Policy Announcement With General McCaffrey

Feb. tbd

OK

Interview With Richard Hyatt For the Book
He is Writing on Zell Miller

These questions will be submitted on paper.

3/2/97

White House Reception and Ford's Theater Gala,
Washington, DC

PENDING

Date of Event:

Description of Event:

Feb. tbd

Interview With Sarah Staley For VH1

OK

**Sarah would like to interview you to get your
reflections on the importance of your friends and
your love for music. Sarah spent time with your
friends during the Inaugural weekend and captured
their recollections of you on camera. This special will
air nationally on VH1.**

3/3/97

OK

Meeting With Senator Moynihan and the Commissioners of
the Commission on Protecting and Reducing Government
Secrecy

**The commission is expected to issue their report at a
press conference to be held on March 3 and they would
like the opportunity to brief both you and the VP on
the subject of government secrecy and their findings.**

3/11/97

Speech to the FREE TV for Straight Talk Coalition's
Conference on Free Air Time and Political Reform,
National Press Club

**The FREE TV Coalition is dedicated to improving
campaign discourse on television. Their Free Air Time
and Political Reform Conference is an all day program
addressing how politicians and broadcasters can work
together to reduce the cost of campaigns, to distribute
air time more equitably, and to enhance accountability
and straight discourse by promoting more candidate
on-screen communication.**

March tbd

White House Dinner Kicking Off the Blue Room
Lecture Series

REGRET:

Date of Event:

Description of Event:

2/5/97

Interview With Hillary Stout of the *Wall Street
Journal*

2/13/97

Dinner Honoring Senator Paul Simon, Illinois

2/14/97

Receive HHS Report on Increasing Adoptions

NOTE: This is a day off for you.

2/14/97

Photo With Leadership From the American Heart
Association

**We are going to ask the VP or the First Lady to
do this photo op.**

3/17/97-3/19/97

Reception For the Delegates of the Communications
Workers of America

2-7-97 197 FEB 6 PM 3:49
THE WHITE HOUSE
WASHINGTON

February 6, 1997

MEMORANDUM TO THE PRESIDENT

FROM: STEPHANIE STREETT
NICOLE ELKON
COPY: BG DONALD KERRICK
PATTI SOLIS
SUBJECT: AMBASSADOR HARRIMAN

On Saturday, February 8, at 4:10 pm the plane transporting Ambassador Harriman's remains will land at Andrews Air Force Base. (That morning there will be a memorial service at the Ambassador's residence in Paris. President Chirac will attend and bestow the Grand Cross of the Legion of Honor on Ambassador Harriman.) At Andrews, a brief military service with a 15-gun salute is planned. The arrival is being organized by the State Department and approximately 100 colleagues and friends are expected. Secretary Albright and other members of your Cabinet will be there. Mr. and Mrs. Winston Churchill III and their four children, Sandy Berger, Under Secretary Peter Tarnoff, former Speaker Tom Foley and DCM Don Bandler will be arriving on the plane.

If you attend you would make a very brief statement. With travel time, I estimate the entire event will take from 3:45 pm until 5:15 pm.

Do you want to attend the plane arrival?

YES _____

NO _____