

JIM DORSKIND:

Please coordinate
the reply.

4-2-97

send to Dorskind?

Yes

No

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Chion

—

THE WHITE HOUSE
CORRESPONDENCE TRACKING WORKSHEET

INCOMING

DATE RECEIVED: APRIL 01, 1997

NAME OF CORRESPONDENT: THE HONORABLE BRUCE BABBITT

SUBJECT: REQUESTS PRESIDENT TO DESIGNATE APR (21-27)
97, AS NATIONAL PARK WEEK

97 APR 2 PM 1:38

ROUTE TO: OFFICE/AGENCY	(STAFF NAME)	ACTION		DISPOSITION	
		ACT CODE	DATE YY/MM/DD	TYPE RESP	C D
KATHRYN "KITTY" HIGGINS		ORG	97/04/01		
<i>Stern, Todd</i>		A	97/04/02		
REFERRAL NOTE:					
REFERRAL NOTE:					
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REFERRAL NOTE:					
REFERRAL NOTE:					

COMMENTS: ENCLOSURE

ADDITIONAL CORRESPONDENTS: MEDIA:L INDIVIDUAL CODES: _____

MI MAIL USER CODES: (A) _____ (B) _____ (C) _____

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*ACTION CODES:          *DISPOSITION          *OUTGOING          *
*                       *                       *CORRESPONDENCE:  *
*A-APPROPRIATE ACTION  *A-ANSWERED          *TYPE RESP=INITIALS *
*C-COMMENT/RECOM       *B-NON-SPEC-REFERRAL *   OF SIGNER      *
*D-DRAFT RESPONSE      *C-COMPLETED        *   CODE = A       *
*F-FURNISH FACT SHEET  *S-SUSPENDED         *COMPLETED = DATE OF *
*I-INFO COPY/NO ACT NEC*                       *   OUTGOING      *
*R-DIRECT REPLY W/COPY *                       *                   *
*S-FOR-SIGNATURE       *                       *                   *
*X-INTERIM REPLY       *                       *                   *
*****

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REFER QUESTIONS AND ROUTING UPDATES TO CENTRAL REFERENCE
(ROOM 75, OEOB) EXT-2590
KEEP THIS WORKSHEET ATTACHED TO THE ORIGINAL INCOMING
LETTER AT ALL TIMES AND SEND COMPLETED RECORD TO RECORDS
MANAGEMENT.

5

212361

Handwritten initials



THE SECRETARY OF THE INTERIOR
WASHINGTON

MAR 25 1997

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

97 APR 2 11:38

Dear Mr. President:

In each of the last 3 years, you helped America celebrate National Park Week by issuing a Presidential Proclamation.

Plans are underway for this year's event to be celebrated at parks throughout the Nation. We ask that you designate April 21-27, 1997, as National Park Week. A draft proclamation is enclosed.

This year marks the 125th anniversary of the creation of America's -- and the world's -- first national park--Yellowstone. The endurance, evolution and strengthening of the "national park idea" into a system of more than 370 areas visited by 270 million people annually, as well as the millions more served by National Park Service community-based recreation and historic preservation programs, is what National Park Week celebrates this year.

National Park Week 1997 will once again coincide with two other events: Earth Day (April 22) and the National Parks and Conservation Association's annual March for Parks (April 18-21) in an estimated 1,000 cities and towns in the United States and around the world. This offers an extraordinary opportunity to coordinate these complementary events and fulfill the promise of National Park Week as a positive and public vehicle to focus America's attention on our national parks.

As in the past, the National Park Foundation, is a major partner in National Park Week. The Foundation and the National Park Service will present several prestigious national awards at a reception and dinner in Washington, D.C. These include the National Park Ranger Award and the Partnership Leadership Awards recognizing outstanding National Park Service employees and the partners with whom they work.

For the second year, we are setting aside the Saturday of National Park Week (April 26) as a "National Park Volunteer Day."

Thank you for your interest in, and support of, National Park Week.

Respectfully,

Enclosure

MAR 31 1997

NATIONAL PARK WEEK, 1997
By the President of the United States of America
A Proclamation

This year marks the 125th anniversary of the creation of America's -- and the world's -- first national park -- Yellowstone. The wisdom of those whose foresight protected this magnificent natural landscape, those who created the national park idea, has endured, strengthened, and evolved over these 125 years.

Today, from the oldest to the newest not yet open, our system of 374 national parks protects not only America's unparalleled scenic wonders but our remembrances of those who shaped this land. In our national parks, America preserves both where we live and who we are.

In America's national parks, we can see ourselves at war and at peace. We are struck by the innovation of a Thomas Edison and the artistry of a Frederick Law Olmsted. We explore the remains of ancient civilizations at Mesa Verde and walk the hallways of a Kansas school where a struggle for civil rights provoked the landmark Supreme Court decision in *Brown v. Board of Education*. We see those who led this Nation as President and remember those who followed their leaders into battle to preserve our freedoms.

Beyond the parks themselves, the national park spirit is thriving in thousands of communities around the country where the National Park Service provides support and technical advice to create close-to-home recreational opportunities and honor local history through programs like Rivers, Trails and Conservation Assistance, the National Register of Historic Places and National Historic Landmarks.

And, no matter where they work, as the parks and the mandate of the National Park Service have evolved, the demands on those entrusted with the stewardship of these resources have become more complex and the skills required of the National Park Service workforce more sophisticated.

Pristine wilderness or urban beach, the national parks remain a touchstone for the American public. Every year, millions of visitors flock to our national parks--270 million in 1996. They come to honor the memory of Dr. Martin Luther King, Jr.; stand over the submerged remains of USS *Arizona*; hike the stately rainforests of Olympic; experience the site of the first Women's Rights Convention held in Seneca Falls in 1848; dream about the fragile plane that carried Wilbur and Orville Wright off a high dune at Kitty Hawk; and stand silently in the place where Lincoln died.

Our national parks let us reach out and touch the past. National Park Week this year celebrates the strength of our singular system of national parks, a system unique in the world.

NOW, THEREFORE, I, WILLIAM J. CLINTON, President of the United States of America, by virtue of the authority vested in me by the Constitution and laws of the United States, do hereby proclaim April 21-27, 1997, as National Park Week.

JIM DORSKIND:

Please coordinate
the reply.

Jim -

I've spoken with
Rebecca about this. We're
not going to do it. Can
you do a JSD fundam
letter?

Marks
Phil



Phil can you
please hand
a response done?

March 25, 1997

President Bill Clinton
Washington, D.C.

RE: 1997 Relay for Life
Drew County, Arkansas

Dear Mr. President:

Plans are underway for our 2nd annual Relay for Life which will be held on Friday, April 25th - Saturday, April 26th at the University of Arkansas at Monticello campus. Last year over 100 people participated in our Relay for Life which has now become the signature event for the American Cancer Society on a national level. More than 300 people are expected to participate in the event this year!

I know that I do not have to explain to you the importance of cancer research. We have both watched or felt this illness destroy lives and families physically, psychologically, and financially.

As part of our event, we are going to present a city trophy to the business that raises the most money for the Relay for Life. This trophy will be a "moving trophy" and will be passed along through the coming years. We are writing you to request an old worn-out pair of jogging shoes to be made into the city trophy! I realize this is an unusual request but we feel that it would be the "hit" of our event!

If you can be of assistance in this request, we would sincerely appreciate your generosity. With your help, we are fighting cancer in our hometown!

Sincerely,

Stacy D. Sanderlin
Relay for Life Committee
Drew County Unit of the American Cancer Society

STEVE SAVAGE
P.O. Box 240
Monticello, AR 71655
(501) 367-3436

OFFICE OF THE DEPUTY SECRETARY
DEPARTMENT OF VETERANS AFFAIRS
810 VERMONT AVENUE, NW
WASHINGTON, DC 20420

FACSIMILE TRANSMITTAL SHEET

TO: Nancy Hernandez FROM: Hershel Gober
COMPANY: ASST TO THE President DATE: 3/26/97
FAX NUMBER: 456-6703 TOTAL NO. OF PAGES INCLUDING COVER: 2
PHONE NUMBER: SENDER'S PHONE NUMBER: (202) 273-4817
RE: SENDER'S FAX NUMBER: (202) 273-4878

URGENT FOR REVIEW PLEASE COMMENT PLEASE REPLY PLEASE RECYCLE

NOTES/COMMENTS:

IS IT POSSIBLE TO DO THIS? THEY
SENT TO ME SINCE I AM FROM Monticello.

Hershel

3/27 CC: Counselor for
for comment
to the H.
asap

Kathleen M. Whalen

03/28/97 10:01:45 AM

Record Type: Record

To: Nancy V. Hernreich/WHO/EOP
cc: Charles F. Ruff/WHO/EOP
Subject: American Cancer Society event

Chuck forwarded to me the request from the American Cancer Society for an item from the President for their auction. As we have advised in the past, we generally discourage the President from participating in charitable auctions. However, if he feels strongly about a particular organization or has a connection to it, he may send a personal item (such as old tennis shoes), but not an official item (i.e., something paid for by the government or anything else with the Presidential seal). It should be forwarded using Bill Clinton stationery as opposed to official Presidential stationery.

If you have any questions, please call me at 6-6229.

RC
Do you know
what she's talking
about?
NA
NO - don't
recall

copy

THE WHITE HOUSE
WASHINGTON
March 31, 1997

THE PRESIDENT HAS SEEN
4-2-97
197 APR 1 PM 12:46

RECOMMENDED TELEPHONE CALL

TO: Lute Olson, Head Coach
University of Arizona Wildcats Men's Basketball team

DATE AND TIME: April 1, 1997, after 5:00 pm EST

RECOMMENDED BY: Maria Echaveste (Danny Wexler)

PURPOSE: To congratulate them on winning the 1997 NCAA
Championship.

BACKGROUND: The Arizona Wildcats won their first NCAA victory with an
incredible 84 -79 overtime victory over last years champion, the
Kentucky Wildcats.

*Copied
Echaveste
COS*

Arizona, (25 - 9) became the first school to beat three top seeds
since seeding was established in 1979. They beat Kansas in the
Southeast region semifinal and North Carolina in the National
semifinal on Saturday night.

Arizona Guard, Miles Simon, was named Most Outstanding
Player of the Final Four. Simon, who averages just under 12
points a game, scored a career high 30 points and hit four free
throws in the final 41 seconds of overtime to capp their victory.

TALKING POINTS:

- o Congratulations on winning your first NCAA championship.
- o Your victory was one of the most amazing journey's in tournament history,
going through three number one teams, Kansas, North Carolina and then
Kentucky. They are the winningest teams in NCAA history.
- o We look forward to seeing you at the White House.

TELEPHONE NUMBER: 520-621-4813 (office)
520-577-2339 (home)

DATE OF SUBMISSION: April 1, 1997

4-2-97.

Alleged Launderer Moved Millions Despite Scrutiny by U.S., Mexico

By CRAIG TORRES
And LAURIE HAYS

Staff Reporters of THE WALL STREET JOURNAL

MEXICO CITY — A suspected Mexican money launderer moved millions of dollars through the international banking system, including Chase Manhattan Bank, at a time when his accounts were under scrutiny by U.S. and Mexican authorities, people familiar with the matter say.

There isn't any indication that Chase, a unit of Chase Manhattan Corp., knowingly abetted a money-laundering scheme. Still, the emerging details suggest that banking and enforcement systems in both countries are highly vulnerable to the sorts of complex multinational transfers that are typically used to disguise illicit money.

The case, which has become an irritant to U.S.-Mexican relations, involves bank accounts purportedly controlled by Rigoberto Gaxiola Medina, a Mexican citizen who was indicted in 1994 on marijuana-trafficking charges by a federal grand jury in Detroit.

Mexican authorities, working with U.S. assistance, subsequently identified some \$183 million in various peso and dollar deposits into accounts under the names of Mr. Gaxiola Medina or his relatives and alleged associates. But at the time when the Mexicans seized the accounts Jan. 23, only \$16.7 million were in them. U.S. officials complained publicly that Mexico botched the operation by allowing most of the money to escape the accounts.

Law-enforcement authorities from the U.S. and Mexico say they suspect some of the money flowing through the accounts may belong to purported drug kingpin Amado Carrillo Fuentes, said to be Mexico's most-powerful trafficker.

Members of the Gaxiola Medina family couldn't be reached for comment, but their attorney has strenuously denied that they are involved in drug trafficking or money laundering.

In the weeks since the dispute became public, Mexican officials have been attempting to trace the route of the money.

Authorities here appear especially interested in a large multistep transfer involving Chase Manhattan and other banks. In this case, investigators say, \$15 million was transferred from a trust account in Banca Serfin, Mexico's third-largest bank, to an ordinary account at another Mexican bank, Banco Union. From there the funds were wired to an account at Chase Manhattan Bank in New York that clears dollar transactions for Banco Union. Authorities believe the cash was then forwarded to Mercury Bank & Trust Ltd., the Grand Cayman subsidiary of Grupo Financiero Bancomer SA.

Officials at Banca Serfin didn't return telephone calls seeking comment. Bancomer declined to comment. Banco Union, which has been controlled by the Mexican government since late 1994, didn't return a telephone call seeking comment.

Mexican bank regulators say all Mexican banks are cooperating in the probe.

Money laundering experts say Chase doesn't have any liability for an account held by its correspondent bank, but if Chase suspects that bank is participating in criminal activities, it may question the bank and has the right to close the account. Chase declined to comment on whether it is reviewing Banco Union's account.

Foreign banks use their correspondent bank accounts with Chase and other New York money-center banks to settle their U.S. dollar payment activity. Most of the dollar payments between banks all over the world go through New York where the Federal Reserve System each night nets out the payments through its Clearing House Interbank Payments System. Chase is a member of that system.

U.S. officials have expressed concern about the possibility that Mexican banks may wittingly or unwittingly be using their relationships with U.S. banks to launder money. Last October, the U.S. Treasury issued an alert to banks identifying Mexican bank drafts, which are issued in dollars by Mexican banks and payable by correspondent banks, as a popular tool for money laundering.

The investigation into the banking relationships of the Gaxiola Medinas is complicated by the fact that the family has many apparently legitimate businesses in the northern Mexican state of Sonora.

Pedro Garcia Palazuelos, an attorney for the family, said in a recent interview that both the large deposits and account transfers can be explained by the family's businesses which are involved in cross-border trade. "They are leaders in buying and selling wood," said Mr. Garcia. "You will never find a crime against this family."

Some early results of the Mexicans' investigation appear to cast doubt on U.S. claims that Mexican officials allowed a large sum of money to vanish. Mexican officials say that many of the 18 accounts now under investigation show numerous transactions that result in large swings in account balances. As deposits were made, the funds began a series of transfers and at no time did a total balance of \$183 million ever exist in the accounts, authorities say.

The Mexicans add that there is little evidence that Mexican officials tipped off Mr. Gaxiola Medina to an impending order to freeze the accounts, as U.S. officials have suggested. During a 13-day period it took for Mexico's drug-fighting agency to act on freeze orders in January, the account balances rose by \$15,229,796, to over \$16 million, Mexican officials say.

"This was an unnecessary problem with the U.S. based on misinformation," said a Mexican official embittered by U.S. criticism. "We don't need these artificial problems with the U.S."

THE WALL STREET JOURNAL
TUESDAY, APRIL 1, 1997

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Street
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ROS*

97 MAR 31 PM 6:58

THE WHITE HOUSE
WASHINGTON

THE PRESIDENT HAS SEEN
4-2-97

March 31, 1997

MEMORANDUM FOR THE PRESIDENT

FROM : MIKE McCURRY *MMc*

SUBJECT : PROPOSAL FROM THE NEW YORK TIMES

Late last year, Richard Ford wrote to you proposing that he write an article about you for the New York Times Magazine. Please find attached a copy of the letter.

As his correspondence indicates, Ford is a Pulitzer Prize winning author and a supporter of yours. He would like to spend a week with you to provide the New York Times reader with a behind the scenes look at you and your life as President.

Jack Rosenthal, the editor of the New York Times Magazine, is extremely interested in this project. A similar piece was done by John Hersey in 1975 with then President Ford. I have included a copy of that article for your review.

The Magazine is interested in having Ford spend as much time with you as possible. Nonetheless, they also understand that there will also be some groundrules on coverage and participation. We might also want to explore Ford spending a week with you when you are travelling and the schedule is more in the public domain.

Rahm, Doug, Don, Ann and I feel that this project would be a worthwhile endeavor. Please let me know if you would like me to proceed with the New York Times.

Thank you.

*copied
McCurry
cos*

*Every time the three
has done a proposal I have
adding you want to
BC
but I don't*

1139 Bourbon Street
New Orleans, LA 70116
December 11, 1996

Dear Mr. President,

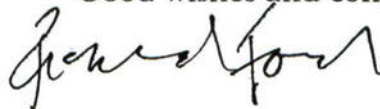
I propose to write an article for the New York Times Magazine, an article that focuses on you and that relies on time spent with you. The article would be reportorial and would include personal observation of you by me. To write the article I would like to spend a week or perhaps two with and around you, being as unintrusive as possible.

My qualifications for such a piece of writing are that I have worked as a novelist, a short story writer, an essayist, and too as a journalist for the past 28 years. This year I won the Pulitzer Prize for fiction for a novel, *Independence Day* (not the movie).

My other--I suppose--qualification is that I spent more than half of my growing-up years in Little Rock. My grandfather, Ben Shelley, ran and I lived in the Marion Hotel, although my school time was done in Jackson, MS. You and I have a number of mutual friends from the sixties. I, in fact, spent part of the summer of 1962 in Hope, working as a switchman on the Missouri Pacific. Beyond that, I am a Democrat, a supporter of yours, etc.

I hope this idea will appeal to you. I cannot know at this early stage what I will find to write about. But I will try to make it good work, writing that will be faithful to the truth and useful to its readership.

Good wishes and congratulations,

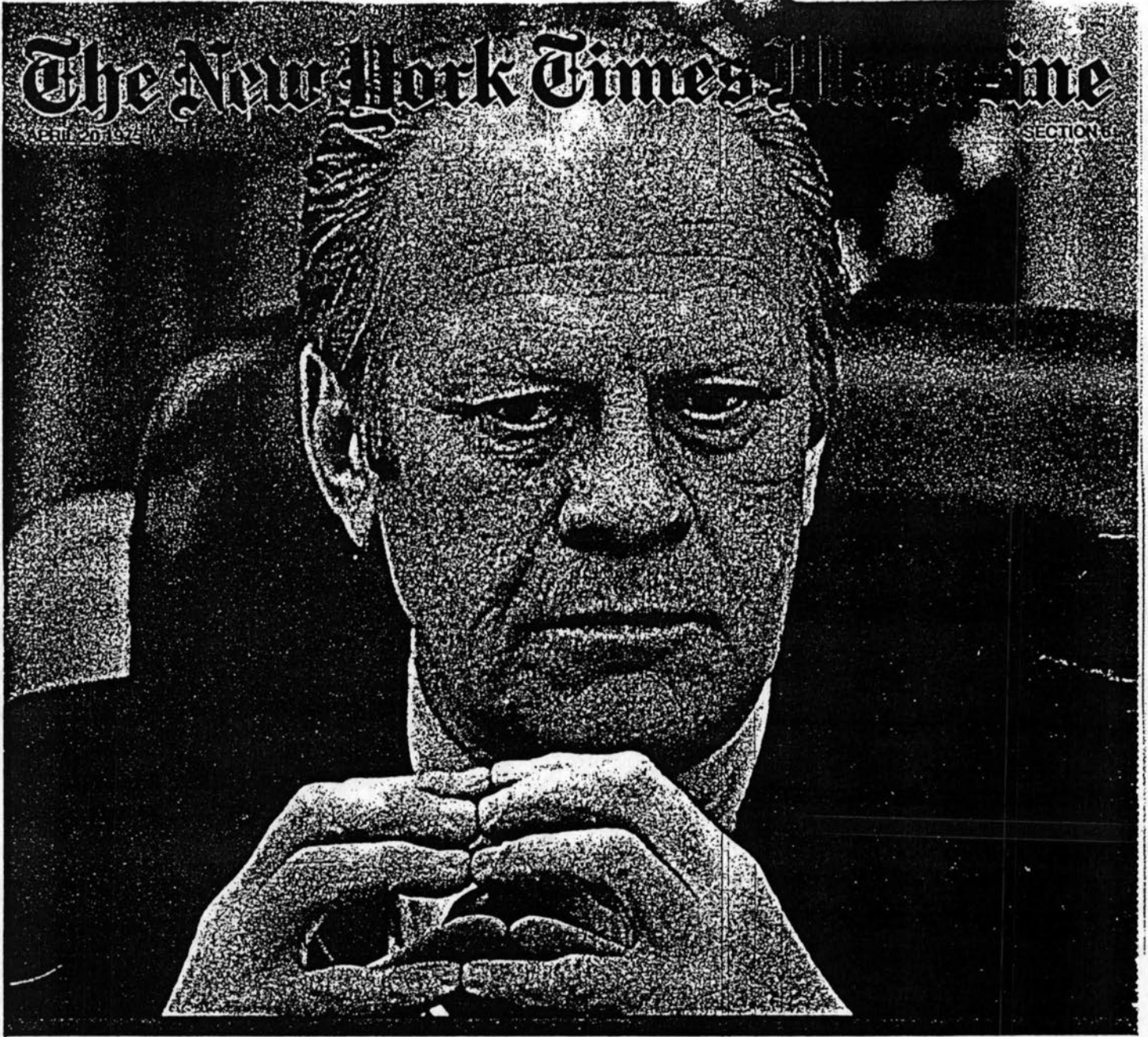
A handwritten signature in cursive script, appearing to read "Richard Ford".

Richard Ford

The New York Times Magazine

EST. 207 1975

SECTION 6



THE PRESIDENT has given me permission to take a kind of voyage with him — to watch him closely through a working week. I have a unique opportunity, and at this moment its prospect staggers me....I will in fact be doing something that less than a handful of Mr. Ford's own staff of 533 has done: I will be with him most of the time, hour in and hour out, through the whole week's range of his back-breaking routine. **BY JOHN HERSEY**



THE PRESIDENT

By John Hersey

MONDAY

A stubborn calm at the center

'I get a lift from his awkwardness. I am glad that he is a hard case for the hired image-makers.... The real Gerald Ford, for better or worse, will always be visible.'

Donald Rumsfeld, with a sheaf of papers under his arm, opens the staff door to the Oval Office and nods over his shoulder to me to follow him, and we walk in. The President, seated behind his desk, greets us; first names come easily to him, and because he and I have met before, he uses mine.

It is 8:33, Monday morning. A rainy day.

Rumsfeld pulls a chair up to a corner of the desk and puts the papers down. I sit against the curving east wall of the room, in a straight cane-backed chair. The President, holding a pipe to his mouth with his left hand, tips a butane lighter into it and puffs up a cloud.

The Assistant to the President begins talking and passing papers across the desk. A Navy steward in a red coat serves coffee. I am far too excited at first to be able to follow what is being said. I am conscious of the arching energy, on a table just to my left, of Frederick Remington's sculpture,

"Bronco Buster," a cowboy bending to the rise of a violent caracole, the dark bronze horse under him seeming to explode with ferocity and joy. Not quite so sharply to my left is the utterly still figure beyond the desk, dark-suited, contained, reading some document his aide has handed him, pale drifting smoke the only motion there.

The President has given me permission to take a kind of voyage with him—to watch him closely through a working week. I have a unique opportunity, and at this moment its prospect staggers me. By the time the week is over, I will have been given access to a President of the United States of a sort no journalist has ever had. It is already clear that Mr. Ford is going to be even more open with me than was Harry Truman when, a quarter of a century ago, he allowed me a somewhat similar privilege. I will in fact be doing something that less than a handful of Mr. Ford's own staff of 533 has done:

Photographs by George Tames

I will be with him, most of the time, hour in and hour out, through the whole week's range of his back-breaking routine.

I sit here trying to get my bearings. Charles Willson Peale's foxy and sexy old Ben Franklin is squinting disconcertingly at me from across the room through mod-looking spectacles. Over the mantel one of Peale's seven Washingtons, this portrait full-length, the face austere and disapproving, looks past me and straight at his distant successor, as if wondering, wondering. I am curious about the days ahead. I want to know what I suppose every citizen wants to know. Our country has been through agonies of failed leadership. Are we in the hands of steady men now? What is the quality of this quiet person murmuring to his aide? What is his style, and what secrets, if any, does it encode—or is all of him right out there on the surface? How does he make decisions? Is he bright enough? How stubborn is he? Is he at all flexible? Is the office changing him? Has he been able to lift his vision from the boundaries of the Fifth Congressional District of Michigan to the full sweep from Maine to Hawaii where the electorate lives that had no chance to choose him?

The figure behind the desk is drenched in the dazzling artificial light of this room. A dark pin-stripe suit, the lapels just the right width for this year; a tie slashed with bold diagonal stripes. I search the face, now tilting up from reading. There is a slight tuck on the lower right cheek, not matched on the left. Higher on the left cheek are three barely visible bumps, suddenly folded now into the creases of a smile. Which fades quickly. At the foot of the long slope of the bald forehead there are stark, slashing horizontal lines of the skinfold over the deepset 61-year-old eyes that need no glasses, and, beneath, two darkish puffy semicircles. The eyes seek Rumsfeld's. The strong impression I get is of total relaxation: The hand guides the pipe as if the pipe were free of gravity.

Rumsfeld is explaining something. His hands, held out before him on a plane parallel to the desk top, sharply chop thumb to thumb, then cut away from each other, the fingers fanning. Ford listens, puffs, says, "Let's get them in here and talk about it."

9:05 A.M. Jack Marsh is in the chair where Rumsfeld sat. "You saw the letter," the Counselor asks, "from 37 Democrat freshmen opposing any further aid to Cambodia?"

"I read about it this morning."

The pipe is clamped in the right side of the mouth. The face gives no message. Strong eye contact is maintained.

"Here's a letter from 15 Senators"—Marsh reaches it forward; says it proposes a candidate for Under Secretary of Transportation; summarizes the man's record; makes it clear that he has been a good political soldier.

"Give it to Bill Walker, Jack."

Beyond the Presidential desk from where I sit, a head of Harry Truman thrusts its feisty challenge into the room. The bronze face looks pleased, as if saying: Who'd have thought I'd be one of three past Presidents represented here?

The third is Abraham Lincoln, who stands, slender and brooding, on a pedestal on the east side of the room, to my right. Ford chose this company of three: Washington, Lincoln, Truman. Mrs. Ford found the Truman head abandoned in the White House warehouse.

9:18 A.M. Rumsfeld, Marsh, Hartmann, Nessen and Friedersdorf enter for the daily session preparing Ron Nessen for his briefing of the press. Ever since Watergate days, reporters' questions in these briefings have been searching, prolonged, often fierce—the sum of all the questions being: Does a President ever tell the truth?

As the men draw chairs around the desk, the President rises—what a big man he is!—steps to a table behind him, picks up four brand new pipes, still in their store packages, and tosses one to each of the pipe smokers, Hartmann, Marsh, Rumsfeld and Nessen, who has just switched from cigarettes. "Someone gave me these. I don't much care for that type of pipe," he says. Bright-colored pipes with meerschaum or plastic bowls and elaborate cooling stems. Marsh and Rumsfeld, knowing each other's color preferences, make a swap. The steward is passing coffee again. The President, who drank tea at breakfast, now takes his second cup of coffee.

NESSEN (glasses perched on top of his head): On Cambodia. I think I'll be getting flak from some things Humphrey said on "Face the Nation" yesterday—that aid wouldn't help the situation even if it got there. Hubert said he'd seen some C.I.A. cables that came to the same conclusion.

The Plexiglas-covered globe of the earth beyond the President's desk suddenly seems to jump up into full scale. Cambodia. I am all ears. The President, who has in recent days seemed to be completely out of touch with the mood of the country on the everlasting suffering of the Asian wars, is in a tight struggle with Congress—yet again—over emergency funds for both Vietnam and Cambodia. I can imagine Truman's explosion if he had been crossed on a conviction of his in this way by an old friend. No—Ford's tone, when he speaks, is exactly the tone he used when he was talking earlier about a prospective Under Secretary of Transportation: his utterance is slow; he pauses long at his mental commas; he never uhs; he speaks as if he means just these words and no other words would do.

FORD: What I've said was that if no aid was sent, it would be inevitable that the Government would fall; if it was sent, there'd be a 50-50 chance of survival till the rainy season, or roughly that.

RUMSFELD: In the senior staff meeting, Brent Scowcroft said he knows what Humphrey saw, and it did not say that even if aid were sent the Government would fall. But I cautioned Ron about being too blunt here. There are bound to have been differing interpretations.

FORD: I agree. Point one (he raises a straight right forefinger), whatever Hubert saw, there could have been a phrase or a sentence that could have led him honestly to believe what he was saying, and point two (his right hand comes up again, the forefinger and middle finger raised but bent; the hand is loose), we don't know for sure everybody Hubert saw, or for that matter exactly what cables he saw.

HARTMANN: We do know that the public believes the President gets all the information and others only partial information. Don't call Hubert a liar. Say something like, "The President's best judgment is . . ."

MARSH: It's significant that he did tip his hat to you for supplying more information than in the past.

FORD (leaning back in his shiny black leather swivel chair): We made a conscious decision that Henry would go before Congress, or maybe a subcommittee, and give as much information as possible. That led Sparkman to come to his conclusion, which was to support the whole package, and it led Clifford Case to support substantially the whole package. Even in that group, though, who got a lot of facts, you have differences of opinion.

RUMSFELD: Ron, use Bob's point that we have all the information, and various people using the same information can come to different conclusions.

NESSEN: Then I'll say, based on the facts you have, Mr. President, you've concluded that there's a 50-50 chance of the Government's being able to carry on till the rainy season if aid is sent—

FORD (holding up an arresting hand): —in time. Ten days or two weeks.

NESSEN: What do I say to questions about their dickering for a lower figure?

FORD: In our discussions they suggested a lower figure. We believe our figure is right. They have the authority to set the figure. Henry made the point to the group that we want no part of giving too little. Better an adequate figure and an honest effort than too little.

MARSH: Wasn't it Churchill: "Too little and too late"?

HARTMANN: The Sudeten Plan. It was when Hitler . . .

9:50 A.M. The Nessen group departs.

Behind the President's big black seat at the desk, between it and the tall south windows, stands a wide table, on which, backed by two delicate silver Argand lamps designed for tubular wicks that once burned whale oil but are now equipped with tiny, flame-shaped electric bulbs bravely glimmering in a sea of light, there are color photographs of Betty Ford; of all the Ford children at their father's swearing-in, with Jack in the foreground; of Mike and his wife Gayle; of Steve and his bright jeep; of Susan and her cat Shan; and of the family's golden retriever, Liberty, on the White House lawn. Papers that the President must read, most of them in separate blue folders, are stacked in front of these pictures on the table, and Mr. Ford swivels now to pick up the pile and lift it to his desk.

He takes a fresh pipe from the top right-hand drawer of his desk, packs it and lights it. The steward comes in to remove cups and rearrange chairs. The President reads a personal communication from Secretary of State Kissinger, who is away, shuttling; and a long briefing paper for a meeting the President is to have before lunch with Dr. Arthur Burns, Chairman of the Federal Reserve Board.

After a time, Mr. Ford rings for Terry O'Donnell, the keeper of the staff door, and asks him to have some photographs delivered to Mrs. Ford, for her to autograph for friends. Later O'Donnell comes in with some commissions to sign, among them the certificates of appointment of Carla Hills, the new Secretary of Housing and Urban Development, who is to be sworn in at noon on this day, and of John Dunlop, the new Secretary of Labor, who is to be installed next week.

The President begins reading again.

I feel that no matter how still I sit, I am a distraction, and I leave the Oval Office.

I listen to Ron Nessen's briefing on a monitor in his office. It turns out that after all the time spent with the President on Hubert Humphrey and Cambodia, there is not a single question from reporters on the war. Instead there is a ferocious grilling that starts with a question whether the President had been informed at any time by William E. Colby, Director of the Central Intelligence Agency, or by any other C.I.A. official, "that the late Senator Robert Kennedy had told two associates that he had vetoed or been able to veto a plan—this question takes a long time to ask because it is a complicated thing—the C.I.A. plan to contract with the Mafia to assassinate Prime Minister Castro."

NESSEN (after a pause for thought): I am not going to say anything about that, Jim.

Q: Will we ever find out anything about that, or the previous story about the C.I.A. assassination allegations which were asked about last week; that is, is the White House ever going to have anything to say about those stories?

NESSEN: Right now, I am not going to say anything about it, Walt.

Q: Last week you said a number of things. Why are you not going to say anything about it?

NESSEN: I can't.

All during the press conference, reporters keep coming back and back to this subject, and 14 more times Nessen says, in one phrasing or another, "I am just not going to talk about that."

11:51 A.M. During the meeting with the Nessen group, the President asked to see "the latest go-round on the Carla Hills thing," and now Bob Hartmann, who is in charge of speechwriters, and Bob Orben, one of them, bring in the final draft of the President's remarks for the swearing-in.

It suddenly seems that Cambodia and the C.I.A. might as well be on the moon.

"I thought I might have a little fun with Carla to disavow my male chauvinism," the President says.

"You have to be careful there, Mr. President," Orben says. "That's suddenly a verboten area. In no part of the speech do we refer to her as a woman."

"Betty's been out in front on this Equal Rights Amendment business, and I'd like to get something in. Can't we do something with the budget side of it? You know, like a household budget. Let's see." He looks at the text. "The budget gives her a lot more than was given to Jim Lynn—her male predecessor, still in the Cabinet as Director of the Office of Management and Budget. "That doesn't sound like male chauvinism to me. Why don't you fool around with that?"

12:07 P.M. He stands at a lectern on a podium in the East Room of the residence, alongside Secretary-Designate Hills and flanked by her husband, her children dressed to the nines, the Vice President, and a ceremonial delegation of Senators and Congressmen. The room is murmurous with standing guests. Television lights are on. The President places his speech on the lectern, and a respectful silence falls.

"I am in very good company," he starts out, "welcoming Carla into the Cabinet as Secretary of Housing and Urban Development. Carla; Mr. Justice White, who is about to administer the oath; HUD Under Secretary Jim Mitchell and I are all graduates of Yale Law School.

"Maybe I better not say that too loudly. I can imagine a dozen other prospects starting to practice the Whiffenpoof Song. (Half-hearted laughter) . . ."

This voice is different from the relaxed one I have been hearing all morning. Of course, it is amplified; perhaps the amplifier has wooden parts. I have heard that Gerald Ford loves to make speeches. That he loves to sit for hours at luncheons eating bad food and listening to worse speeches than his own. That for years he has been flying here and there across the country carrying the Republican word. Recently he hired a former producer for CBS News, Robert Mead, to give him pointers, and Mead has been trying to help the President loosen up. He has urged speechwriters to provide texts early, so the President could read them out loud several times to get his mouth comfortably around the written words. "It's hard to vocal some of those long sentences," Mr. Mead says. He has been trying to stamp out some of Mr. Ford's Grand Rapids pronunciations: "guh-rah-tee," "judgment." But Gerald Ford has very likely uttered five million words in speeches on and off the floor of the House, and as Vice President and President, and he is, I am beginning to see, a man of intransigent habits. Right now, introducing Carla Hills, he is his old speaking self. Besides, his arms and hands, which all morning have been gliding as gracefully as the smoke that played games around them, have gone rubbery—though it must at least be said that his gestures, unlike Mr. Nixon's, have a direct connection with what he is saying. I get

a lift from his awkwardness. I am glad that President Ford is a hard case for the hired image-makers. Here his stubbornness will help us all. It is likely that the real Gerald Ford, for better or for worse, will always be visible and audible to the citizenry, no matter how hard the experts try to disguise him.

Now he praises Mrs. Hills, refers to the Housing and Community Development Act of 1974, and says, "One of Carla's major jobs will be to implement this massive and, I believe, progressive program. Incidentally, Carla's budget for fiscal 1976 will be \$7.1-billion. That is \$1.6-billion more than was given to her predecessor, Jim Lynn. Now if that does not dispose of male chauvinism, nothing will." (A pretty good laugh.)

12:19 P.M. The President walks from the East Room along the brilliant red carpet of the cross hall, past the flags, past the aggressive Houdon bust of Joel Barlow, under the twinkling Adam



"Nice to meet you, Shirley. . . . I thought all the girls down there in Texas looked like this."

chandeliers, past the proud Hoban columns like marble guardsmen—beyond whose picket line crimson-coated musicians of the United States Marine Band, their violins soaring to salute the chief, play from the score of a moving picture called "Villa Rides"—past black ushers, past uniformed aides, past Secret Service operatives with radio wires dribbling down from their right ears under their jacket collars, past notables and bureaucrats and toadies, breasting all the pomp with his brisk stride, which is loose-haunched and shoulder-floating, like that of a fettle some quarterhorse.

In the State Dining Room he receives guests beside his new HUD Secretary, and he chats without haste with those who push their faces close to his.

12:36 P.M. He is back in the Oval Office, at his desk, his chin resting on his left hand. Dr. Arthur Burns, Chairman of the Federal Reserve Board, whose gray hair seems not to be receding but actually to be advancing down his forehead, leans over the end of the desk to the President's right, shuf-

fling papers. David Kennerly, the President's personal photographer, who is bearded and brassy, and who well knows that the most abashing eye on earth to men of power is the camera's winking lens, comes in to snap some shots. Kennerly, or one of his four assistants, makes a record of every appointment the President has, except for those with his closest staff. Perhaps these are "for history" in lieu of the Nixon tapes. Mr. Ford pleases many of his visitors by seeing that they receive photographs, later, of themselves in easy intimacy with the President of the United States.

The President has a number of questions he wants to ask: How soon will there be signs of economic recovery, and how strong will it be? Is the money supply going to continue to rise? Fast enough to promote recovery? Not so fast as to re-ignite inflation? Inflation is slowing down—is this a permanent reduction or is there still an underlying problem of inflation that will reappear when the economy begins to turn around? What will be the effects of larger-than-budgeted Federal deficits?

Dr. Burns, in a quiet, rather high-pitched voice, gives the President a thorough explanation of monetary and economic trends; the meeting, scheduled for 30 minutes, lasts 65. Dr. Burns has brought several charts; on some of them upwardness is visible.

1:41 P.M. Enter, breathlessly, Miss Shirley Cothran, of Denton, Tex., Miss America of 1975, who has had to cool her nifty heels for 40 minutes while the President and Dr. Burns were having their tête-à-tête. Miss America is accompanied by Doris Kelly, a young lady who is described as her chaperone; by her Congressman, Ray Roberts; and by Mayor Joseph A. Bradway of Atlantic City, where she was crowned.

The President, apparently bucked up by what he has heard about money, now seems to have no difficulty whatsoever wrenching his attention away from the economy.

FORD: Nice to meet you, Shirley.

MISS AMERICA (memorization straining every sweet muscle of her face): I have presents here, sir, for you, and also one for Mrs. Ford.

FORD: My wife and I watch the Miss America contest all the time. We really enjoy that on TV.

MISS AMERICA: I sure hope you saw it this year. That was the best year.

FORD: It sure was!

ROBERTS: My most famous constituent, Mr. President, and, I may say, my most beautiful one.

FORD: I thought all the girls down there in Texas looked like this, Ray.

Now comes a stampede of pool photographers with still and motion-picture and TV cameras, and with hooded lights on long wires. The President and his little party are herded toward the east side of the room. David Kennerly, who has grown familiar with his boss, says, "Would you mind putting her in the middle, please?" "Not her, David," the President says. "Her name is Shirley. Where are your manners?"

Miss America runs off to the side to put down her purse, which may not look nice in the photos. While cameras click, the President, taking advantage of a briefing, which has informed him that Shirley has studied at North Texas State University and plans to be an elementary-school guidance counselor, is chatting with her in a low voice. "How long will that take? . . . That's wonderful. . . . Fine new buildings you have there. . . ."

"Thirty seconds, please," Assistant Press Secretary Bill Roberts calls out to the photographers. Then: "Lights, please. Thank you." And out goes the pool.

MISS AMERICA (in haste, sensing that the herself is being eased toward the door): As I travel

around, people ask me about all kinds of things, Mr. President, and I'm only 22 years old, but I really can say that I support you in every single thing you do.

FORD: I really appreciate that, Shirley. Going back to school next fall?

MISS AMERICA: In January.

FORD: I'm certain that after a hard year it will be welcome.

MISS AMERICA: Sure hope you have a chance to visit North Texas State again, sir.

FORD: Real nice to see you, Shirley. Congratulations and good luck.

Miss America looks flustered and puzzled. The President realizes why, before anyone else in the room does, possibly even before Miss America herself. "Hey," he says. "Better not leave your purse, Shirley. We've got some real bad characters around here."

1:45 P.M. The President has 15 minutes for lunch before the next scheduled appointment. He ducks into a small private room off the Oval Office that Betty Ford has been fixing up for him as a kind of hideaway.

I retire to the staff anteroom. So far I have had a sense of rushing after the President from one isolated fragment of administration or ceremony or politics or planning to another and another. I realize that I am still slightly agog, and that I have suddenly cut across the grain into a continuous timber of the Presidential process. But I wonder: When is policy made? When is thinking done? How have I missed scenes of the tense struggle over Cambodian funds? I have seen so many new faces; perhaps in time I can sort them out. I feel hurried. But here in the anteroom Terry O'Donnell, the young man who juggles people and papers in and out of the Oval Office, and Neil Yates, who keeps the logs and assists O'Donnell, are calm. Come to think of it, everyone I have seen today has been calm. And the center of the calm, its essence and source, has obviously been the President. With Truman it was all nervous energy, moral intensity, emotion in harness, history clamoring for expression. Here the strongest impression, so far, is of relaxation.

1:55 P.M. The President, it turns out, has taken only 10 minutes to eat. He calls me in and tells me that it will not be appropriate for me to sit in on the next meeting, which is to be in the Cabinet Room. "This isn't really my party," he says. "The Chief Justice asked if he could come in to see me, and we've got the leaders of Congress, too. This is a historic get-together. I don't know as there's ever been a summit meeting of all three branches of Government in the White House like this in recent times—certainly not in my memory since I became Minority Leader."

He motions me to a seat.

"Let me tell you about the meeting." I am impressed in these few minutes by the President's courtesy and trust; with one or two exceptions, members of his staff have been far more cautious or manipulative than he in dealing with me. He really does seem to be an open man. I am touched that he rushed his already meager lunch period in order to give me this time. I take note, too, as he talks, of his grasp of the briefing he has had.

"We have a tough decision," he says. "There hasn't been increased compensation for the Judiciary since '69, and there has been a 44.5 per cent increase in the cost of living since then. This is particularly serious in the court system, because most real fine lawyers get more than the \$40,000 District Judges get, or the \$42,000 that Appeals Court Judges get, or even the \$60,000 that Supreme Court Justices get, or the \$62,500 the Chief Justice

gets. The Chief Justice thinks the courts aren't getting, or else they're losing, their best Judges on account of this. We have the same problem in the Executive Branch, where the ceiling is \$36,000. We're losing top people both in the military and the State Department. Congress is having similar problems. The Chief Justice strongly feels that Congress ought to separate out the Judiciary from Congress and the Executive, but I doubt if this will be possible. The political environment is not right for increases. Congress isn't in the mood for them. I myself have suggested a 5 per cent one-year cap on all Government increases. Under the present system the cost-of-living increase would amount to something like 9 per cent. If you coordinate that with 5 per cent increases in all three branches, the first-year cost would be \$1,159,400 for the Congress, \$1,039,250 for the Judiciary, \$1,496,725 for the Executive, and—I was astonished at this—\$27,450,000 for the military. An arrangement like this wouldn't catch the Judiciary

This room is an egg of light...there are dazzling parabolas of power here; authority seems to be diffused as an aspect of the light in this room, and each person who comes into this heady glow seems to be rendered ever so slightly tipsy in it and by it.

up, but it would give some relief and then keep them current. I don't know. We're going to have to work something out to keep our best people in Government."

2:01 P.M. He takes me into the Cabinet Room for the opening moments of the meeting, when the pool cameramen will in any case be present.

Chief Justice Warren Burger, Speaker of the House Carl Albert, Senate Majority Leader Mike Mansfield, Senate Minority Leader Hugh Scott, House Minority Leader John Rhodes are waiting for Mr. Ford. The warmth of the greetings is abounding. Cambodia, energy, taxes—all quarrels are forgotten. Here enemies seem to be in love.

FORD: All three branches—

A SENATOR: A three-ring circus.

BURGER (seeing the other two branches in such intimate embraces): I feel as if I ought to be on the other side of the table.

FORD: In judgement?

BURGER: In the dock!

Re-entering the Oval Office alone, I feel its great force.

This room is an egg of light. I have seen that each person who comes into it is lit up in two senses:

bathed in brightness and a bit high. I have clearly seen each face, to the very pores, in a flood of indirect candlepower that rains down from a pure white ceiling onto the curving off-white walls and a pale yellow rug and bright furnishings in shades of gold, green and salmon. But there are also dazzling parabolas of power here; authority seems to be diffused as an aspect of the artificial light in the room, and each person who comes into this heady glow seems to be rendered ever so slightly tipsy in it and by it—people familiar with the room far less so, of course, than first-time visitors, some of whom visibly goggle and stagger and hold on tight as they make their appeals; but even the old hands, even the President's closest friends, and even the President himself, sitting in a bundle of light behind the desk of the chief, seem to me to take on a barely perceptible extra shine in the ambiguous radiant energy that fills this room.

Gerald Ford wanted, and was entitled to, an Oval Office in his own style. His wife helped him achieve it. Only a few traces remain of the Nixon Oval Office, with its ostentatious expense-account taste: the Peale Washington; a picture by an unknown artist of the mid-19th century, called "The President's House"; the vulgar gold curtains behind the President's desk; the desk itself; and a few chairs. The vile bugs that fed the tapes are gone; when President Ford learned that a device, though dead, was still embedded in the desk, he had it rooted out. Mrs. Ford, assisted by the tasteful Curator of the White House, Clement E. Conger, planned a thoroughgoing redecoration, and while the Presidential couple was in Vladivostok, the transformation was made.

Some exquisite pieces were brought into the room—a Massachusetts Hepplewhite-style chest of drawers, for instance, on which the Truman head stands, with a serpentine front and fan inlay quadrants on the drawers; and a Federal card table made in Salem, Mass., about 1810, whose top is supported by a large, carved, gilded, spread-winged eagle—the only known table of its kind in America. Most beautiful of all, to my mind, is a grandfather clock, designed by John and Thomas Seymour of Boston in the early 19th century, with fluted columns at the corners and beautiful satinwood inlays; its forceful ticking inexorably marks the moments of history—and of nonhistory—in this room of light.

And so the room now is elegant, but the President's own territory, on and around his desk, is simple, and is comfortable for him. Centered on the desk in front of him is a metal football, raised from a penholder base, with a plate inscribed SOUTH HIGH FOOTBALL CLUB. It is from the teammates with whom he still has occasional reunions. To his right, next to the desk, is a side table with shelves for smoking things. Next to that, on the floor, is the brown suitcase in which he carries papers back and forth to the residence each evening and on weekends. His whole family is on the table close behind him.

3:18 P.M. The President is back. Secretary of Health, Education and Welfare Caspar Weinberger and Rumsfeld enter.

The President and the Secretary have been to the same party last night.

WEINBERGER: Thanks for last night. That was fun.

FORD: Barbra Streisand's a real good entertainer. WEINBERGER: She is. I'd never known much about James Caan...

The President, leaning back at ease in his big chair, and placing his hands together, fingertip to fingertip, praises the job that Cap, as he calls the Secretary, has been doing in H.E.W., and asks him to stay on in the Cabinet.

FORD: Every President has to have his own

Cabinet and his imprint on a Cabinet, but I never agreed with those demands for wholesale resignations in 1973.

WEINBERGER: That first Cabinet meeting after the '72 election was the most shocking thing I've ever been through. Such a contrast to your first meeting, Mr. President. There wasn't a person who'd been at that earlier meeting who wasn't impressed with the difference.

Secretary Weinberger thanks the President for the great honor of his invitation to stay. He says he is 57 years old, and for seven years he has been away from "an income-production situation." His wife, he says, has had a great deal of discomfort from osteoarthritis and is "anxious to get back to California."

"I didn't know Jane was that adversely affected," the President says. "I'm sorry, Cap. Betty has something like that, I guess you know. She's been having some trouble again this week. She has this pinched nerve, you know—gives her a whole lot of discomfort. She has a great deal of fortitude, though. She bounces back."

After some further exchanges the Secretary again thanks the President for the great compliment, and says he will give an answer very soon.

3:48 P.M. The President receives Bob Hartmann and three speechwriters, Theis, Friedman and Orben. Two speeches are in the works. One is to be a light affair at a dinner of the Radio and Television Correspondents' Association. "It's a fun occasion," Orben says. "Nothing serious. They're going to have Charlie Byrd, a jazz musician, then Bob Hope for 15 or 20 minutes; then you'll follow."

FORD (with a laugh that is not altogether comfortable): Why do I always have to be hooked up with Hope and these pros? (Starts reading a preliminary draft.) He again laughs: this is his infectious boomer. Then, after a pause: What's this about Judge Crater? Who's Judge Crater?

ORBEN: That's a milking laugh after the big one—
HARTMANN: Judge Crater was a prominent judge of the thirties who disappeared, and—

FORD: Why don't we leave that one out? . . .

A serious speech is scheduled for Notre Dame

next week, and the President reads several pages of a draft. Then he breaks off.

FORD: The only problem I have with this—and maybe I misinterpret the attitudes of college students today—but I think they're moving away from the views of the last five years. I'm concerned about building rather than tearing apart. We don't want to repeat the mistakes of the sixties—or of the thirties. We want them to prepare themselves to avoid those mistakes. We need a subject that's meaningful—I'd think a foreign-policy topic. Not condemning the generation that ran things the last 10 years, but looking back to the mistakes of the thirties and fifties.

THEIS: Father Hesburgh, who was a leader of the antiwar movement, strongly suggested we avoid Southeast Asia. The subject of hunger—

FORD: I'm not talking about Vietnam or Cambodia. I'm talking about a positive approach—that this generation of college students shouldn't fall into the trap of the college students of the thirties, of being oblivious to Europe's problems and those of the rest of the world.

HARTMANN: The timing's bad. Cambodia is going to be coming to a head, and anything you say is going to be read by the press as another plea for aid.

The President has put his feet up on his pipe-stand side table. Suggestions from the speechwriters begin to swirl around him, but even I can see that an idea has lodged itself in his mind, and is there to stay.

"Higher education in the private sector . . . " "Office of liaison in the White House for higher education . . . " "College presidents . . . " "A quasi-governmental agency, where kids can buy tuition bonds . . . " "Going without dinners, eating rice in the dining halls . . . " "Notre Dame prides itself on bringing students from abroad . . . " "Peace between generations . . . "

The Presidential feet come down.

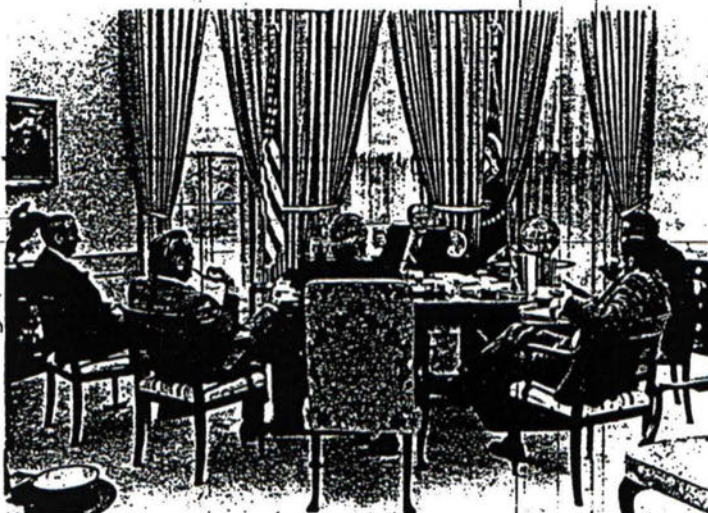
FORD: O.K. Let's think about the theme of staying involved in the world. You know, Kennedy made the Peace Corps proposal at Ann Arbor. I think the Peace Corps, with all its critics, has been a good program. The U. S. has had a great record of being humanitarian. The first foreign policy I

voted for in Congress in 1945 was on the Marshall Plan—that was a great humanitarian one. If you go back to the post-World-War-II period—the Marshall Plan was nonmilitary. The best commencement speech I ever gave was at Wake Forest. I didn't want to lecture them but wanted them to be better than we had been. Disciplined freedom—here (reaching for his brown suitcase), I have it right here. My files are the only ones I trust. Here. (He reads:) "Of course, the young generation knows perfectly well that we senior citizens were never your age, that we were born on the threshold of senility, and that whatever we think we remember about our youth is inaccurate and irrelevant. . . ."

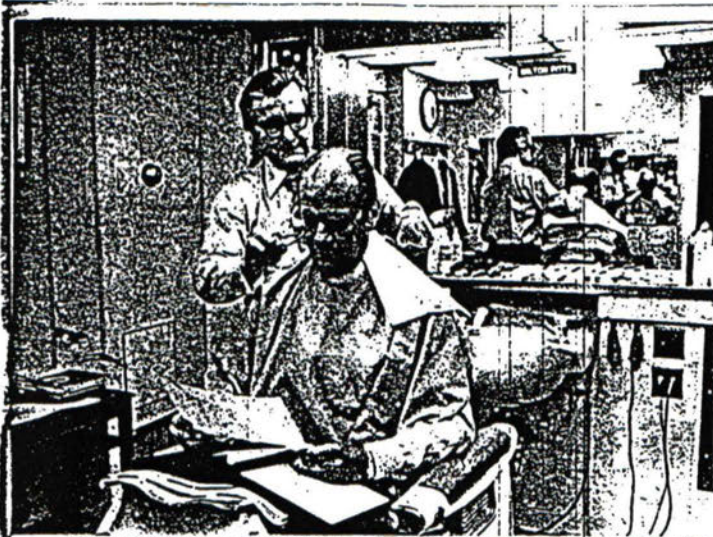
4:40 P.M. Rumsfeld, Marsh and Counsel Buchen talk with the President on sensitive matters of personnel. I am not present.

6:05 P.M. I sit by while Rumsfeld goes over a wide range of matters, many of which are ready for the President's initials. Mr. Ford writes with his left hand, the hand curving above the writing. My thrilled agitation of the morning has given way to dazed exhaustion. I am still profoundly disturbed by what seemed to me the aimlessness of the speechwriting session—though I realize there will be another round on the Notre Dame speech, perhaps several more rounds. I keep thinking, however, of a speechwriting session of Harry Truman's, at which most of his principal advisers, including Dean Acheson, were present, and during which policy was really and carefully shaped through its articulation. But now Rumsfeld, with his endless vocabulary of hand signals—stabbing, long-fingered rounding out of abstractions, flat-handed layering of relationships, squaring off, chops, slaps, flicks, pinches, punches, piano playing and a bit of harp work—gives concise and brisk explanations of items he raises, and President Ford, in no hurry, makes decisions as they are needed.

7:20 P.M. After 11 hours and 44 minutes of work in the West Wing (this does not, of course, include reading done in the residence between 5:30 and 7:30 in the morning, nor reading to be done there later this evening), the President goes "home."



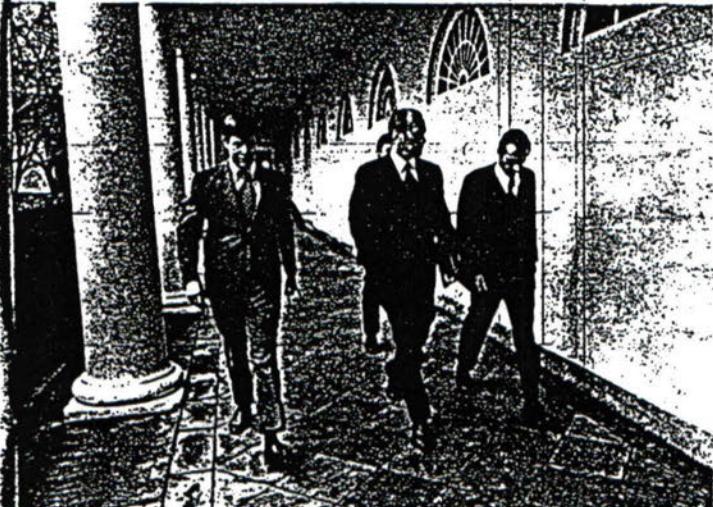
Oval Office meeting: Nessen, Rumsfeld, Hartmann, Marsh, Friedersdorf: "Are there any traces at all of the temper tantrums? . . . Ford sounds, as always, totally serene."



Every-10-days-or-so routine: "The texture of Mr. Ford's hair is extremely fine; Mr. Pitts tries hard to give it the dry look, full on the sides."



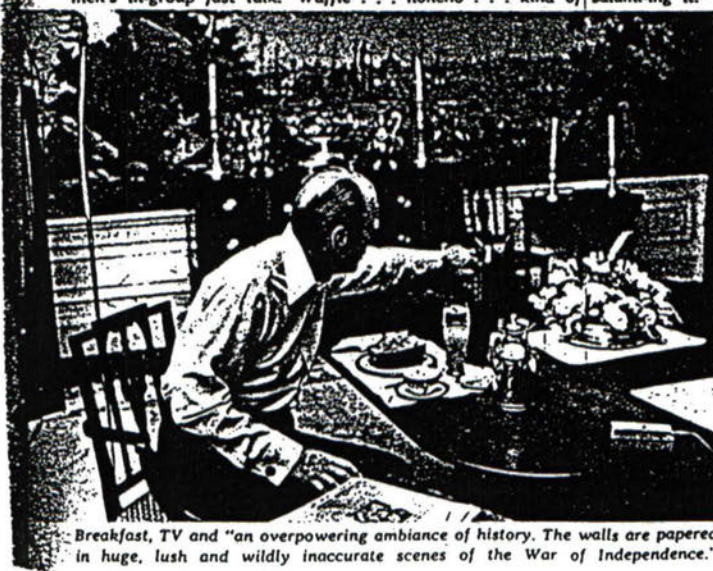
Liberty is her name, and she gets a not inconsiderable number of letters, all of which are answered. There's also a resident Siamese cat named Shan.



With O'Donnell and Rumsfeld. "The style is that of Middle American businessmen's in-group fast talk: 'Waffle . . . honcho . . . kind of salami-irig it.'"



"He does 20 push-ups and 20 lifts of his torso. He says he falls asleep in 10 seconds, sleeps soundly for five hours and wakes up fully refreshed."



Breakfast, TV and "an overpowering ambiance of history. The walls are papered in huge, lush and wildly inaccurate scenes of the War of Independence."



"This woman said, 'You're one of the few odd people who do things left-handed when you sit down, but you're right-handed when you stand up.'"

TUESDAY

A hard-edged conservative voice

"I have seen a first glimpse of another side of the man who has been so considerate.... Is it an inability to extend compassion far beyond the faces directly in view?"

7:40 A.M. The President, accompanied by two Secret Service men and a valet carrying the brown suitcase, arrives from the residence. He is dressed today in a flashy suit of bold vertical stripes of shades of gray; he looks a bit drawn this morning. It is raining again.

7:42 A.M. Brent Scowcroft goes in to show the President dispatches from Henry Kissinger and intelligence messages that have accumulated overnight. I am not invited to join them; the President, in setting the ground rules for my access to him, has specifically excluded these daily foreign-policy and security sessions.

Lieutenant General Scowcroft, who is 50, is Deputy Assistant to the President for National Security Affairs. This means—though you would never know it to look at him—that he is Henry Kissinger's administrative alter ego; when the Secretary of State is away, and he is often away, the general alone speaks for him to the President on foreign and national-security matters. Short, wiry, rooster-quick, with sparkling eyes, he seems a living model of a sprite that must surely dwell in Dr. Henry Kissinger, who cannot possibly be as heavy and lugubrious all the way through as he looks and sounds on the outside. As to point of view, Scowcroft does in some eerie way actually seem to inhabit Kissinger. The general is a rarity—an intellectual soldier. He has a Ph.D. from Columbia in international relations, he has studied at West Point, Lafayette, Georgetown, the Strategic Intelligence School, the Armed Forces Staff College and the National War College; and he has been an assistant professor of Russian history at West Point and professor of political science at the Air Force Academy.

8:30 A.M. Robert Trowbridge Hartmann, with whom I now enter the Oval Office, is one of the President's two Counselors; he is 58. His explicit areas of responsibility are speech-writing and, vaguely, politics, but he is a long-standing friend of Mr. Ford's and was his Chief of Staff during the Vice-Presidency, and he talks about all sorts of things with him now. Hearty, bluff, gray-haired, ruddy, he was once Washington bureau chief for The Los Angeles Times, and he is shrewd and accurate in assessing how the press will respond to whatever the President does. He has a mischievous look in his eye

Before breakfast—"Up since 5:30, as on most mornings," and well into the day's Washington Post.

as he hands the President a strip of teletype, saying, "You'll be happy to see that Martha Mitchell is against you."

The President reads and laughs. "That's a cheery note at 8 in the morning," he says.

Hartmann hands him another item—some not-so-cheery news about conservative Republicans; and an announcement that the Senate is planning to recess for Easter in just 10 days—which allows a very short time for the struggles over taxes and Cambodian aid.

He tells the President that a delegation from the Gridiron Club—the Privy Council of the Press—seeks an audience with him to present a formal invitation to this year's dinner.

He gives the President a speech Ford had made at William and Mary, as possible background for an interview he is to have later in the day with the editors of Fortune, on the development of American institutions.

Then Hartmann says that Jack Stiles, a Grand Rapids newspaperman who collaborated with Ford on "Portrait of the Assassin," a book that was a by-product of Ford's service on the Warren Commission, wants some information from the President's personal files.

Now I have a moment of seeing the President as an author, with the look on his face of one who may have a deal in the works.

THE AUTHOR: M-G-M contacted me about taking "Portrait" and making a documentary of it. Buchen turned them down. Then M-G-M contacted Jack, and he went to California for a day or so. They want to make three two-hour documentaries, using "Portrait" as a theme. Our book took the testimony of witnesses from the report, and it backed up the commission's finding that Oswald did it alone. Simon & Schuster's thinking of republishing it. Jack wants to find out how the radio and television rights stand. With all these charges of assassination plots against Castro and everything, there may be some interest. I still think the way we used the witnesses' testimony was: Number One (the forefinger rises to the count), more readable than the report and than the other books that were critical....

The President does not get beyond Number One.

8:35 A.M. The senior staff meeting is apparently lasting somewhat longer than usual this morning, and Rumsfeld's deputy, Richard Cheney, fills in for him while he is delayed.

Right away, Cheney brings up a sticky item. In his first State of the Union Message, in January,

urging "energy independence," the President asked Congress to authorize full-scale commercial development of the naval petroleum reserve at Elk Hills, Calif. Out of the blue, a few days later, without having notified the Administration, the Standard Oil Company of California announced its intention of pulling its drilling rigs out of Elk Hills in order to avoid possible criticism of its role there. (Elk Hills was one of the reserves involved in the Teapot Dome scandal of 1922.) The Navy, Cheney says, has not yet found a new operator and he raises the question whether the reserve should be transferred from Navy to Interior Department control.

FORD: I'm more interested in getting action, getting production, getting oil, than I am in what agency runs the place. On my next trip west I want to go out there and see first-hand what Elk Hills looks like. I'm disturbed nothing's happening there. I'd like to get some action. We're interested in substance, not jurisdiction!

8:50 A.M. Donald Rumsfeld, who comes in now, is by far the most equal of the theoretically equal top members of Mr. Ford's staff. He is also, at 42, the youngest of them. His gift is for organization. He is the only member of the staff frequenting the Oval Office in whose eye I think I can see, now and then, behind his fashionable "aviator" glasses with their delicate black rims, a glint that seems to say, "That big leather chair on the other side of the desk looks comfortable. I wonder if it would fit me." He is bright, jealous, crafty and fiercely combative; he once captained the Princeton wrestling team. He served four terms in Congress, representing the wealthy North Shore above Chicago, and his voting record was almost identical with Gerald Ford's. He is a Nixon holdover—campaigning for him in '66, ran the Office of Economic Opportunity for him awhile, and in 1970 entered the White House as his Counselor and Director of his Cost of Living Council. To Rumsfeld's credit, he eventually was given the shudders by Haldeman and Ehrlichman, and he had himself shot out as far away from them as he could be—to Brussels, as Ambassador to NATO. President Ford called him home from there. His active hands move as if blown by every gust in his mind—always shaping, shaping, grasping bits of form out of the chaos of power.

Now, taking over from Cheney, he reviews the senior staff meeting and helps the President plan the rest of the day.

8:07 A.M. As Jack Marsh is about to enter the Oval Office, someone hands him an urgent cable for the President's eyes. Marsh reads it. He says to Terry O'Donnell, "Get General Scowcroft. The President's going to want to ask him some questions about this." He enters and hands the paper to the President. It is from Ambassador Frank Carlucci in Lisbon, and it informs the President of an uprising against the Portuguese Government by air-force units. Scowcroft is soon at attention before the big desk.

FORD (Unflapped): Do we have any information that their air force has been unhappy?

SCOWCROFT: Not particularly, as a whole. Two or three weeks ago there were some rumors of a possible coup, primarily, it was thought, in armed forces guarding—

FORD: Any philosophical differences between the air-force group and other army units?

SCOWCROFT: Not that we know of. As a practical matter, it would be difficult for the air force to mount a coup.

FORD: Keep me posted, Brent.

SCOWCROFT: I will, Mr. President.

FORD: I'm glad we've got Frank Carlucci over there. He's a good man. Any further word from Henry?

SCOWCROFT: Yes, sir. I'll bring it in later. From Turkey. Not particularly encouraging.

John O. Marsh, Jr., who is 48, and who, as Counselor, is in over-all charge of the President's relations with Congress and with various sectors of the public, including businessmen, women, minorities and consumers, has a way of pointing at a photograph over the mantel in his office of his farm in the Virginia hills and with a slanting look just above, and off to one side of, his interlocutor's forehead, saying, "That's my little shanty in Strasburg. I'm just a country lawyer." Roughly translated, this means: Watch out, my friend—take a good grip on your credit cards. Jack Marsh was in Congress with Gerald Ford—as a Byrd Democrat. Now calling himself an independent, he is ideologically much the most conservative man in the inner circle on the staff (in the 80th Congress, Gerald Ford voted 63 per cent of the time with the so-called conservative coalition of Republicans and Southern Democrats; Marsh voted with the coalition 98 per cent of the time), yet he seems personally the most sensitive and humane man in the group.

MARSH: Did you see that they've got this \$6-billion bill up there to create jobs? They apparently put it together quietly in committee.

By now I have noticed that whereas the Nixon insiders used the word "they" when speaking of hostile forces, the press, demonstrators, enemies, all who were considered threatening this Administration uses it exclusively for a single, solid and frustrating entity—the Democratic majority in Congress.

FORD: Let's get some more information on the bill.

MARSH: I've been talking with some folks from Chrysler, and they feel there's maybe too much bad news about the economy coming out of here. They were talking about boat shows. They've been doing real well, selling lots and lots of big craft. Sales are down on the blue-collar lines, the small boats, but they're real happy over-all. Chrysler boat sales are up and auto sales are down. Maybe we ought to take hold of some signs.

Now Marsh brings up a sensitive matter. The Washington Star has carried a story that Representative John Rhodes, the man who succeeded Gerald Ford as Minority Leader of the House and an old friend of his, has announced that House Republicans are going to develop a legislative program of their own, separate from the President's. He has been quoted to the effect that "the days Republicans can get elected on somebody else's coattails are gone, gone forever."

MARSH: I'm not that upset about it, Mr. President.

The President's face is a mask. I can see no surprise, no hurt, no anger.

8:20 A.M. The Nessen group comes in.

NESSEN: I had a big go-round on the C.I.A. in yesterday's briefing. I'd like to ask you this: What are your personal views on the use of assassination?

Here I do see a moment's flash of the Truman style: Mr. Ford's answer is an immediate reflex. FORD (leaning forward, striking the edge of the desk repeatedly with a forefinger): I've been assured it's not going on, and I don't want it to go on.

Nessen gives a full account of the ferocity of the questioning in yesterday's briefing. The range of allegations, he says, is widening, to

the point of speculation that the C.I.A. may have been involved in one or another Kennedy assassination, or both. What is he to say about all these things?

A long discussion ensues, about who is, or should be, checking out allegations of past plots by the C.I.A. The question is not settled here; it will be taken forward.

And I have seen one way in which policy is spurred, if not engendered.

The Rhodes embarrassment is discussed. Rumsfeld bitterly says he thinks the Republicans on the Hill have been watching the President slide in the polls and "are trying to put some light between them and you. Wait till the polls go up again: then they'll come running."

FORD: John's all right. I don't worry about him.

HARTMANN: It's like when I was writing papers for the Republican Policy Committee—remember, Mr. President?—and we called them Constructive Republican Alternative Proposals. It didn't take those clever Democrat lads long to find out what the initials spelled.

Hearing this, I suddenly remember the parentheses marking deleted expletives marching like an army of ants across the Nixon transcripts, and I realize that I have yet to hear—except in Hartmann's acronym, to cheer the President up—a single four-letter word in this room.

Max L. Friedersdorf, Assistant to the President for Legislative Affairs, gives a report on how the President's request for \$222-million in emergency aid for Cambodia stands in a Senate Foreign Relations subcommittee, and in a House Foreign Affairs subcommittee, and how the dickering on the tax-cut bill is coming along in the House Ways and Means Committee. Friedersdorf, a tall blond Hoosier, a former newspaperman, is in complete command of his material; he has preliminary counts on how the votes will go in various committees. The President, thoroughly at home with Congressional give and take, talks zestfully, predicting how this man and that man will finally come down. He names some who are dead set against him; he speaks their first names with fondness.

The prospects are bleak. It is hard to understand why the President, who has made so much of the need for this aid, is not upset.

10:50 A.M. The President receives a young lady who has been designated Maid of Cotton for 1975. This stunt is a replica of yesterday's reception of Miss America, except that it has more crassly commercial overtones.

At his press briefing a few minutes later, Ron Nessen tells the mediamen about the visit to the Oval Room of the Maid of Cotton, who in real life is Miss Kathryn Tenkhoff, of Sikeston, Mo.

NESSEN: Secretary Butz also attended the meeting. Q: Did Butz come over just for that?

NESSEN: Cotton is his area of responsibility.

Q: How much cotton do they grow in Missouri?

NESSEN: They grow cotton queens in Missouri. They grow cotton somewhere else.

11:01 A.M. The first sharp shock of the week is in store for me.

Assembled in the Cabinet Room are all the Administration's big guns on the economy and energy: the President himself; Vice President Nelson Rockefeller; Secretary of the Treasury William Simon; the President's Cabinet-rank Assistant for Economic Affairs, William Seidman; the new Secretary of Labor, John Dunlop; James Lynn of the Office of Management and Budget; Chairman Alan Greenspan of the Council of Economic Advisers; Chairman Frank Zarb of the Energy Resources Council;

Dr. Burns of the Fed; Rumsfeld, Hartmann, Scowcroft and some staff assistants.

The President asks Secretary Simon for a report on the status of the tax-rebate bill.

SIMON: Mr. President, we're attempting to keep this to a temporary, one-shot thing. As you know, the House has proposed a \$21.3-billion rebate using more or less our method, but lowering the income allowance. No one in his right mind believes that when they get going on this it'll be temporary. On the Senate bill, I went up and testified before the Senate Finance Committee, and I guess a ball-park figure of where they'll come out would be \$25-billion, and you can bet your hat the House won't be able to resist matching those goodies . . .

FORD: Any chance of lifting the \$200 ceiling on individual rebates?

SIMON: There's a fair shot of getting \$500. Mr. President, this whole deal of theirs is more of a welfare thing than anything else. They're making the assumption that low-income people should get more than their share of the giveaway. It's just a welfare thing, Mr. President.

FORD: Let me ask you this: I have two sons who worked last summer and earned about \$1,500 each. Would they get \$100 rebate?

SIMON: In my judgment absolutely.

FORD: That's ridiculous.

SIMON: If they're typical of young people who work in the summertime—

FORD: It's ridiculous.

SIMON: I couldn't agree more, Mr. President.

SEIDMAN: Essentially it gives them back their Social Security tax.

SIMON: That's exactly what it does.

HARTMANN: But if they go out and spend it—

FORD: They'll spend it, all right! (Laughter.)

A little later:

FORD: What's going on about the oil-depletion allowance?

SIMON: I think they're cutting a deal up there right now. . . .

FORD (after more discussion): Our position should be that we do not want a Christmas-tree bill, with a whole lot of favors and gifts attached to it, and we've got to attack the whole issue of including cutting out the oil-depletion allowance in the tax-stimulus bill.

This was the first time I had seen the President and the Vice President in the same room. They now face each other on opposite sides of the center of the long Cabinet table. The President, as usual, is still, controlled, imperturbable. The Vice President, by contrast, is as active as a 2-month-old kitten. He slumps, shoots bolt upright, leans to one side, then to the other, whispers, nods when he agrees, shakes his head when he differs. Now he speaks up.

ROCKEFELLER: Is it too late to propose an excess-profits tax on the oil companies with an allowance for plowback?

SIMON: It is, sir. We've proposed a windfall-profits-tax-in preference to that.

FORD: I'm not sure I understand the difference between a windfall and an excess-profits tax.

SIMON: Sir, the windfall tax aims like a rifle at crude oil, as opposed to an excess-profits tax which would cut across the whole range of an extremely complex system of profit calculation.

GREENSPAN: Trying to audit through the profits system of the multinationals would lead you into a hopeless maze.

The Vice President subsides like a balloon with the air escaping.

FORD: The main thing is to attach as few amendments as possible to the tax bill, so as

to get the stimulus as soon as we can. . . .

The meeting lasts for an hour and 15 minutes and goes into great detail on issues that are quite technical: an intention to impose countervailing duties on European Community dairy products; proposed Export-Import Bank financing of liquefied natural-gas facilities abroad; negotiations with Chairman Albert Ullman of the House Ways and Means Committee on the energy bill, and what to

Face to face, across the Cabinet table—the Immovable Object and the Irresistible Force.



do about "their" \$5.9-billion Emergency Employment Appropriations Act.

Mr. Rockefeller with belling tones interrupts the Ex-Im discussion with a warning that supertankers carrying liquefied gas are extremely dangerous. If one blew up in an American port, he says, the whole city would go up. He paints a vivid picture of urban devastation.

The President's interventions are minor, until the discussion of the Democrats' big bill to provide jobs. Here his only interest is in keeping spending down. He proposes the preparation, as quickly as possible, of "an updated scoreboard" on the budget, reflecting Congressional proposals to spend more and more, and Congressional refusals to rescind or defer spending already authorized. He stresses more than once the need to dramatize "their" additions to the deficit.

Why am I shocked? Because in this discussion I have seen a first glimpse of another side of the man who has been so considerate, so open and so kind to me as an individual—what seems a deep, hard, rigid side. Talking here he has seemed a million miles away from many Americans who have been hardworking people all their lives and are now feeling the cruel pinch of hard times. What is it in him? Is it an inability to extend compassion far beyond the faces directly in view? Is it a failure of imagination? Is it something obdurate he was born with, alongside the energy and serenity he was born with?

12:16 P.M. He takes Rockefeller into the Oval Office with him. To my regret I am not invited to join them—I would have loved to see the Immovable Object and the Irresistible Force collide.

I gather they talk about two things. First, the Domestic Council. This body, originally conceived as a planning unit in the Executive, devolved under Nixon and Ehrlichman into an operational clearinghouse that kept things moving. Ford and his staff early saw a need to restore its predictive function, because it was obvious that the President was not by nature a planner. Ford had had a long habit of juggling a multiplicity of problems in the Congress that demanded instant attention; everything was always on a day-to-day basis. And he succeeded to the Presidency, as his Counsel Philip Buchen puts it, "under a tyranny of urgency." And much as he would have liked to emulate Truman, he lacked Truman's sense of history—lacked a feel for how a decision would look five—or 50—years hence. The thought was that Rockefeller, having put a Commission on Critical Choices to work after he resigned from the Governorship of New York, might bring a planning competence to the council. Ford appointed James D. Cannon, long a political adviser to Rockefeller, as director of the council, and the two men talk now about the early stages of Cannon's and the Council's work.

Second, the C.I.A. Who should investigate?

12:35 P.M. The President calls in Alan Greenspan to fill him in on the conversation yesterday with Dr. Burns. Alan Greenspan is a devotee of Ayn Rand ("The Fountainhead," "Atlas Shrugged"), the Objectivist philosopher, and, like her, he advocates pure laissez-faire capitalism and "rational selfishness."

12:46 P.M. General Scowcroft goes in for two minutes—presumably with the latest word from Dr. Kissinger.

12:48 P.M. Mr. Ford receives Frank Stanton, former vice chairman of the board of CBS, who for a year and a half has chaired a panel, set up jointly by the U.S. Advisory Commission on Information and the U.S. Advisory Commission on International Education and Cultural Affairs, reviewing the operations of the U.S. Information Agency, the Voice of America and the Bureau of Cultural Affairs of the Department of State.

Before each appointment, the President is given what is formally called a briefing paper; informally, a talking paper. It has three parts: a statement of the purpose of the appointment, background and "talking points"—actual language the President might appropriately use.

In this instance, Mr. Ford has been given the following talking points:

"(1) I understand that your panel has addressed some of the long-standing issues. . . . These activities play an important role. . . .

"(2) There have been a number of proposals in recent years for restructuring our information and cultural activities. . . ."

Mr. Stanton is then to be given a chance to make his recommendations—which, in the event, are that U.S.I.A.'s information functions be transferred to the State Department, that the long-range cultural functions of U.S.I.A. and State be combined within State and that the Voice of America be set up as an independent entity under a Government-and-public board.

"(3) The scope of your study and its recommendations are very impressive. I will want to have it studied very carefully. . . ."

"(4) Thank you for your efforts. . . . You have made a most needed and timely contribution."

Actually, the exchange is far freer and a little less grammatical than this, but all the same, it's the way it goes.

1:10 P.M. The President retires for lunch. I join him for a few minutes in his two-room hideaway. One room is a small study, the walls of which are covered with mementos, including a huge Presidential seal, which is actually a rug, hooked for the President in Grand Rapids by his half-sister-in-law, Mrs. Richard Ford; in one corner there is a luxurious stuffed-leather Barcalounger, into which the President occasionally settles to read.

His lunch is served on a tray on a small table beside a desk in the other room.

Day in and day out, Mr. Ford eats exactly the same lunch—a ball of cottage cheese, over which he pours a small pitcherful of A-1 Sauce, a sliced onion or a quartered tomato, and a small helping of butter-pecan ice cream.

"Eating and sleeping," he says to me, "are a waste of time."

I tell him that it has appeared to me that he likes being President.

"I do," he says. "It's mainly the challenge, John. I always have enjoyed facing up to problems; it's always been a sort of way of life with me—and you certainly have them here. I really enjoy getting up every morning, looking at the schedule, seeing what the problems are. I don't long for the end of the day."

2:03 P.M. Secretary of Defense James Schlesinger and General Scowcroft are closeted with the President, to re-

port on the deteriorating situations in Cambodia and Vietnam. After about half an hour, I am admitted.

They are talking about G.I.-bill education, which the President apparently wants to cut back, or perhaps cut out altogether. The tall, rugged-looking Secretary holds the line as well as he can.

FORD: You do get into a paradoxical situation. You have an all-volunteer service, but these benefits give an incentive to get out.

SCHLESINGER: They give an incentive to get in, sir. But many will stay. We're attracting a different sort of person.

FORD: Ever thought of offering a greater educational opportunity if they stay in?

SCHLESINGER: We do some of that now, Mr. President, but we're going to cut back on it. English grammar but not basket weaving, for which they've gotten credit in the past.

FORD: There are things I can do to cut off certain benefits. But we'll have to go to Congress sooner or later. There has to come a time when we end the so-called Vietnam war, and all its extras.

SCHLESINGER: We'll get up an options paper on the whole thing.

The two now discuss several other subjects—officers' pay, certain personnel decisions, Thailand, Diego Garcia, Turkey.

Suddenly the President leans forward, and with a vigor far surpassing any I have previously seen him show, his voice rising almost to a shout, his forefinger pounding on the edge of the desk, he adjures the Secretary to get the Navy going on the Elk Hills petroleum reserve.

FORD: Get up there and get the legislation, or we're going to give that whole deal to Interior. Tell 'em to get off their cushions up there at the Navy. The Navy damn well better get moving. I want you to get action. It strikes me the Navy likes the cushy little deal they've got out there. I'm going to go and see Elk Hills, and when I come back I'm going to be one of the few people who's actually seen the place, and I'm going to be in a position to tell 'em what's what. Now you get going.

SCHLESINGER (to his Commander in Chief): Yes, sir.

3:08 P.M. Rumsfeld, Cheney and William N. Walker, Director of the Presidential Personnel Office, come in to talk

about some prospective appointments.

4:20 P.M. Marsh, Cheney, Cabinet Secretary James Connor and Dr. Robert Goldwin enter to warm Mr. Ford up for the Fortune interview. Dr. Goldwin has recently been appointed a consultant, with a mission of bringing intellectuals in to see the President. So far, he has exposed Ford to people like Irving Kristol, of the Department of Urban Values, New York University; Mrs. Gertrude Himmelfarb, historian, of City College, New York; Thomas Sowell, an eminent black economist, of U.C.L.A.; Herbert Storing, a political scientist, of the University of Chicago, and Edward Banfield, an urban specialist, of the University of Pennsylvania.

In preparation for this meeting, Dr. Goldwin has provided Mr. Ford with the Encyclopedia of American History, edited by Richard B. Morris, et al., and the Encyclopedia of American Facts and Dates, edited by Gorton Carruth, with certain pages tabbed. Mr. Ford has done his homework. There is a meandering conversation on history—one which Mr. Truman would never have needed; or, had he heard it, would have called just too damned highfalutin.

4:55 P.M. Fortune editors in. Goes pretty well, Mr. Ford reports afterward.

5:40 P.M. Marsh, Friedesdorf, Cannon, Cheney, Lynn, Lynn's O.M.B. deputy, Paul O'Neill, and a couple of other staff members meet with the President to discuss the possibility of sending a message to Congress on a consumer protection bill.

Once again, as the group reviews a long options paper, I hear in the President's comments the distant, hard-edged, negative voice I heard this morning in the economy-energy meeting.

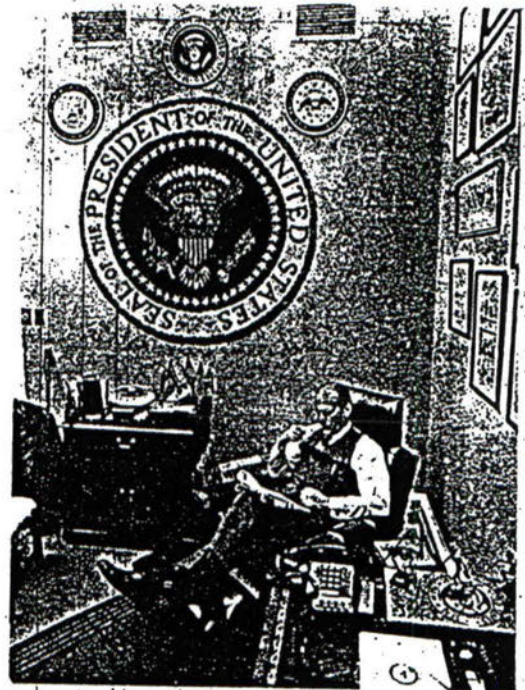
FORD: Is a consumer-protection bill in any form a violation of our new policy of limited spending?

LYNN: You're going to get a new law, no matter what you put in this. It's almost a certainty they'll have a law.

FORD: Then you get a question: Is it wise for me to go with a message?

LYNN: Well—to get out in front with the consumer. . . .

FORD: On page 2, we ought to hold this for further study. . . . I'd be very hesitant about establishing a consumer-representative office in every department. Your agency head is going to lose con-



A memento-filled hideaway. The hooked-rug seal was made in Grand Rapids—by the President's half-sister-in-law.

trol. . . We ought to get better titles for things. The Democrats come up with titles like Model Cities, and we come up with the Ocean Dumping Act. . . . (Considerably later, after discussion of 19 of 24 options): I must say, on the basis of what we've been talking about, I can't see justification for sending up a message on consumer protection. . . .

In the end, Marsh suggests that at a Cabinet meeting the President might "mandate the departments to concern themselves with consumer considerations." The President adds that he might then also write letters to the chairmen of the appropriate committees, on the need for certain reforms in the regulatory agencies.

So much for the faraway consumer.

6:55 P.M. Rumsfeld and Cheney come in together for the evening cleanup. At one point:

RUMSFELD: This is just something to think about. It occurred to me after our meeting this morning with Ron [Nessen] that began as a session where he could get guidance from you, and then the Congressional side came in, so Max [Friedesdorf] could get guidance, then other voices were added, so that now it has become a kind of senior staff

meeting. This morning it was scheduled for 15 minutes and lasted an hour.

FORD: This morning the circumstances were rather special.

RUMSFELD: That's true. That's true. But what I'm wondering is whether there shouldn't be a regular senior staff meeting in place of that. And whether we shouldn't get in a somewhat different cast of characters—Jim Lynn, Brent, Jack, Bob. It's fine for Ron to come to you and get your position on things, beyond which he wouldn't go.

FORD: As long as he could get some input from you and others besides myself—

RUMSFELD: Sure. He does that all day every day. . . . Maybe the senior staff meeting should be followed by a smaller group in here with you.

CHENEY: Or perhaps you should preside over the senior staff group.

FORD: Always remembering that I get more out of a meeting with several people than just one.

RUMSFELD: I'm just thinking of the most efficient use of your time.

FORD: Why don't you think it through and come up with a plan?

7:20 P.M. Mr. Ford leaves for the residence. Today he spent four minutes less in his office than yesterday.

WEDNESDAY

Politics: That's how it works

Why is he so quiet when he loses ... as if nothing really has been lost—and that nothing would have been gained, either, if he had won?

7:38 A.M. Here he comes along the walkway, through another soggy dawn. He steps through a tall door into the brightness of the office in a newish three-piece suit, middling brown with a faint check, trousers cuffless, and when he bends down over the brown suitcase for some papers and then swings quickly toward his desk chair, coat-tails flying, you can see that the pattern of his silk foulard tie, riding a silver of a tiepin, is repeated in the lining of the jacket. He has no less than three pens clipped in the vest pocket over his heart. The Presidential seal helps link his white cuffs.

Like everyone else in the vicinity, I am energized by the zest of this arrival. I feel the need of a lift. Some bad questions have been building in my mind. Whatever became of the motto of "communication, conciliation, compromise and cooperation" with the Congress that the President promised on the evening after his swearing-in? Why does everything here seem to present itself in terms of a contest with "them"? Yet when he loses and "they" win a round in that struggle, why is he so quiet, so unperturbed, as if nothing really has been lost—suggesting that nothing would have been gained, either, if he had won? What is the source and nature of the deep, hard sound I heard in his kind man's voice yesterday, the sound that troubled me so?

7:42 A.M. General Scowcroft and David Peterson, of the C.I.A. White House Support Staff, go in for the daily briefing.

8:02 A.M. Counselor Hartmann goes in for his daily appointment.

But this morning, I go to the senior staff meeting, in a sort of mini-Cabinet room, where Teddy Roosevelt glares down excitedly from over

the mantel at the bully young chaps he sees at the long table. Ford's staff, befitting his constant yearning to be with friends, is horizontal in form. Nixon's was pyramidal; urgencies mounted the slopes to Haldeman at the apex, and then went in, maybe. Nine men of Ford's staff can walk into the Oval Office at any time—though there are obviously heavy constraints on their doing so: Assistant Rumsfeld, Assistant Kissinger (or Scowcroft), Counselor Marsh, Counselor Hartmann, Press Secretary Nessen, Counselor Buchen, Assistant (Economy) Seidman, Assistant (Budget) Lynn, Assistant (Domestic Council) Cannon. The senior staff comprises these men, and they or their deputies, and some others, like Frank ("the Energy Zarb") Zarb, Greenspan and Friedesdorf, attend. Secretary Simon is sometimes present, though not today.

Rumsfeld sits at one end of the long table, and he calls on one man after another. Whoever has something on his mind that he thinks the President either should know or should act upon speaks his piece; others take passes.

Budget's Lynn says that yesterday he took the liberty of telling some reporters that the Democrats' \$5.9-billion emergency spending bill would overstimulate the economy and swell the deficit, and that he would urge the President to veto it; perhaps some of the staff have seen the story in this morning's Post.

Several have. There is some talk about "how high a profile" the President should have on vetoes at this stage of delicate bargaining. Up to this morning, he has vetoed 25 bills—has been the most veto-prone President since Grover Cleveland, the all-time record holder. Most of his

vetoes have been standing up recently, however, and indeed, Friedesdorf now reports that yesterday the Democratic leadership decided it did not have the troops to override Mr. Ford's veto of the 90-day oil-tax delay.

"Just thought I'd toss out a signal to them," Lynn says.

Friedesdorf tells the staff he has some other good news, too, for a change—that the Senate Foreign Relations subcommittee, dealing with emergency aid to Cambodia yesterday voted 4 to 3 in favor of giving the Cambodians \$125-million, and the House Foreign Affairs subcommittee split 3 to 3 on a proposal for somewhat less aid; the Cambodian proposition is not dead. . . .

8:40 A.M. In the Oval Office.

RUMSFELD: The slot situation. As you know, we've been keeping periodic book on how we're doing on the 10 per cent reduction in the White House staff. We now have 533 permanents. We're aiming for 490, although we budgeted 500 for some leeway. It's very hard; there's constant pressure to add people. Last month we had 17 departures and 13 arrivals. We have a sizable percentage to reduce between now and June.

FORD: You'll just have to keep the pressure on.

RUMSFELD: We should be thinking about the problem of coordinating domestic and foreign policies. This has been a problem in our Government since the forties, at least. On that business yesterday of the countervailing duties on European cheese and so on, Simon went ahead on the basis of domestic pressures—no contact with State, which has to deal with the repercussions in the European Economic Community. Something to think about. . . .

9:00 A.M. One of Counselor Marsh's many duties is as White House overseer of plans for the Bicentennial in 1976. On the way in to his appointment, Marsh, a Virginian chauvinist, whispers to me that he thinks of the whole forthcoming celebration not as Bicentennial but as Tercentennial—on account of Bacon's Rebellion against the colonial authorities in 1676.

MARSH (to the President): They're getting ready to go with a Wagon Train, a Freedom Train—all sorts of national programs, some O.K., some awful. The workload on the Bicentennial is getting pretty fierce, Mr. President, and I wonder if we could set up a task force on it? I'd suggest [Human Resources Assistant] Marrs, Cheney, Goldwin, [Cabinet Secretary] Connor, [Domestic Council Director] Cannon.

FORD: Good idea.

MARSH: Each state will have one week of national observance, with one night each in the Kennedy Center. With 50 states, that'll take just about the whole year. It's an idea that might suit me, but it sure might not suit you. Once a week!

FORD: The only thing that would suit you would be a 13-week celebration, for the original 13 colonies. Right?

MARSH: Of which Virginia, sir, was the first. Do you know that until 1937, Virginia was a colony longer than she was a state?

FORD: Some think longer than that.

MARSH: We've got to work out a role for you that won't pull you apart. . . . The 1876 Centennial theme was technology. Alexander Graham Bell introduced the telephone, up in Philadelphia. I think it was. There was the reciprocating engine. New processes. Men came on from St. Louis and Akron and Council Bluffs, and there was a great outward

burst in technology. We need to get some sort of logos built into our planning.

FORD: Jack Stiles (co-author of "Portrak") was talking to me about the idea of getting an American electronic and aviation and space industry show set up at Cape Canaveral. They've got a lot of unused space down there since the cutbacks.

MARSH: A sophisticated Disneyland. That's a good idea.

FORD: I think it's a meritorious idea. . . .

9:19 A.M. Most of the discussion in the Nessen group this morning is political. Max Friedesdorf's slightly encouraging news from the Hill raises questions: how to push through as much Cambodian aid as will survive; how to get Congress to move on the tax bill; how to get "their" big-spending bill recommitment.

The President stirs with pleasure—it almost seems as if he has suddenly walked through a door into his real self. Familiar names: the old horse-trading routines. Even his hands seem independently to enjoy themselves now as they settle into the little enactments of bargaining they know so well—counting, weighing, arresting; a finger encircles a thumb (We have that man), knuckles rap the desk (Try again), the whole hand flaps (He's hopeless), reminiscences about motions to recommit like memories of great football games. The names like candies in his mouth: Frank, Gale, Hugh, John, Al, Herman, Gaylord, Barber, Mike. . . .

FORD: That Gale McGee is a stanch guy. I remember when Gale and I used to fight tooth and nail for foreign appropriations. In those days, old Passman was adamant against anything foreign. . . . What's the next step, Max?

FRIEDESORF: Well, the House subcommittee will vote again; of course, and the full Senate Committee will vote. I believe, on Monday.

FORD: Anything I can do?

FRIEDESORF: Our present count on the probable vote in the full Senate committee is 7 to 7, with Senator Percy undecided. I think a call to the Senator would be most helpful.

FORD: Sure. I'll call Chuck. JACK HUSHEN (Nessen's deputy, who is going to have to take the briefing this morning, because Nessen will be sitting in on a scheduled Cabinet meeting): What am I to say about this Republican loyalty oath, to you and the principals of the party, that

Representative Anderson and Senator Percy are circulating? A kind of pledge of allegiance to the party.

FORD: Haven't see it. I only saw the news story.

FRIEDESORF: John Anderson mentioned it Monday night.

RUMSFELD: A value it does have is that it brings people out into the open, and it offsets that Rhodes' stuff about a program independent of yours.

FORD: Let's say, I'm grateful for this show of strong support.

HARTMANN (always the realist): You don't have that yet.

FORD (trying again): I'm grateful for the support, and I hope as many as possible.

MARSH: "Loyalty oath" is not what it is.

FORD: I wouldn't use that term at all.

FRIEDESORF: Or even "vote of confidence."

HUSHEN: Jim Lynn came out in the papers urging you to veto the big emergency jobs bill. Do you want to say something about that?

FORD: I do feel an inclination to veto a bill for \$5.9 billion. But I don't want to get too far out in front on that, because some of these smart politicians up there might tack onto the bill something we want a lot—this Cambodia and Vietnam aid. This word of warning from Jim Lynn, Director of O.M.B.—that's a pretty strong signal. That's as far as I'd want to go just now.

9:46 A.M. Mr. Ford reads some briefing papers—Cabinet meeting coming. Across the room, the Seymour grandfather clock utters, utters, utters.

10:17 A.M. The President goes to the Cabinet Room to greet 53 state and national winners of the 28th annual Voice of Democracy script-writing contest, sponsored by the Veterans of Foreign Wars and its Ladies Auxiliary, for which this year half a million competing 10th, 11th, and 12th-grade students across the country have written short broadcast scripts on the theme "My Responsibility as a Citizen."

As the Chief Executive en-

ters, these young presences fill the Cabinet Room with a vibrant energy, like that of a ravenous school of fish breaking water to feed. They surge forward, wink flashbulbs, blurt out heartfelt encouragement and advice. The President's cool soon quiets them.

Mr. Ford's talking paper has offered him some bland suggestions on how to greet these winners: "I want to thank . . . congratulate . . . I would like to hear each one of you. . ."

Instead he strikes out on his own with a brief and basic civics lesson—so basic as to be, it seems, quite a few grade levels below those of his audience; yet he delivers the central passage of this simple lecture with an intensity of emotion that I have not heard in anything he has said up to this time.

FORD: I think this is a wonderful thing for the V.F.W., of which I am a member, and its Ladies Auxiliary to have done. You've been here for a week? Then I trust you've seen all three branches of the Government. This Government of ours has three coequal branches. First we have the Supreme Court, that's the first branch. Then the Senate and the House of Representatives, that's the second. And then we have the President, and the Executive branch, that's the third. We have a system of checks and balances. The founders of this Government, those who drafted the Constitution, had very strong feelings that the best way to protect individual freedom and to meet the challenges from day to day was to keep this system of checks and balances in each branch strong—and also to leave substantial powers in the hands of state and local governments. I hope you'll go back to your states and sooner or later you'll take some part in one of these branches, whether in the judiciary, or as a Senator or Congressman, or maybe right here as President. Have a safe trip home, and we'll see you back here one of these days, hopefully, running things.

10:22 A.M. General Scow-

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croft and Rumsfeld confer with the President in the Oval Office.

10:45 A.M. Mr. Ford spends a quarter of an hour preparing himself for the Cabinet meeting. 11:04 A.M.—The President enters the Cabinet Room. 11:05 A.M.—"Camera Opportunity": Photographers bustle and shove. 11:07 A.M.—Exit press.

11:08 A.M. FORD: We have a very full plate today, and we should get started.

He greets two new Secretaries, Carl Hills of HUD and Bill Coleman of Transportation, and reserves time for a departing Secretary, Peter Brennan of Labor, to speak at the end of the meeting.

He tells the Cabinet that with the extension of the Clemency Board's period of activity, there has come a sudden flood of 11,000 new applications for clemency from draft evaders and A.W.O.L.'s, with 4,000 to 5,000 more cases expected before the deadline. To save money on the huge load of clerical work this will entail, he asks all the departments to lend staff personnel to the Clemency Board.

Now he calls on Vice President Rockefeller to give the Cabinet an account of the recent drama in the Senate over the filibuster. "I might add," Ford says, "that Rocky handled himself brilliantly."

The Vice President rises, brimming with joy, and Dick Parsons, a towering assistant of his, props up a large chart on an easel at the end of the room, and hands Mr. Rockefeller a wooden pointer.

ROCKEFELLER: . . . On Jan. 10, I asked the President how he wanted Rule 22, which regulates filibusters, handled. The President decided that as the presiding officer of the Senate, it was my responsibility and that I should handle it as I saw fit. As you can see by the chart, there are essentially two strategies referred to as the Northern and Southern route. . . Mondale put two motions in one during this period, which is incorrect, and that was disallowed. Then Senator Allen put three motions in one which was also disallowed. Senator Byrd and Senator Griffin finally agreed on the wording of the motion, but Mansfield objected. . . . As we move through these series of steps outlined on the chart, alternating between the Northern and Southern routes and various motions, we reached a point where I asked for the clerk to call

the roll. Senator Allen objected and raised a point of parliamentary inquiry. The Vice President again then asked for the roll to be called, and again Senator Allen raised the point of question of parliamentary inquiry and again I asked for the roll to be called. This is where the controversy really became a public feud. The Senators at that point gave me a very bad time. But according to Rule 19 in the Senate, on a point of parliamentary inquiry, the Chair is allowed, at his discretion, to recognize or not recognize the Senator. At any rate, we finally reached an agreement. There was a two-hour recess during which a compromise was worked out, and the final agreement was the Southern route, which is the way the majority wanted to go. Everyone was happy—the conservatives, the liberals, the Republicans and the Democrats have all generally turned out to be fairly happy about it. I have arranged a series of small dinners with various members of the Senate to make certain that there are no "hard" feelings.

I might add, Mr. President, that I am grateful for the support that you gave me during this period, both publicly and privately. I appreciate it, and I believe and hope I did what you wanted. . . .

FORD: At this time, I would like Earl Butz to tell us what has been happening to farm and food prices, and what we can expect for the rest of the year, Earl?

BUTZ: Well, Mr. President, it looks like this. There has been a 14 per cent increase in price of food in 1974 over 1973. Eighty per cent of that increase has come after the product has left the farm. This can be accounted for by higher wages, higher transportation costs and higher fuel costs. While the increase has slowed down some, it has not stopped during the first quarter of 1975. It appears that food prices will be up 1½ per cent to 2 per cent over the last quarter of 1974. So the increase has slowed down markedly. It is interesting to note that the index of prices paid by farmers is up 12 per cent, but the index of prices received by farmers is down by about 15 per cent. The statistic that you will find interesting is that 17 per cent of the take-home pay of the average American will go for food. This is down slightly over 1973, and also interesting to note is that only Canada and the United States are nations below 20 per cent of take-home pay going for

The President: 'Let's say, I'm grateful for this show of strong support.' Counselor Hartmann (always the realist): 'You don't have that yet.'

food. This can be attributed to several things. One-third of the meals are currently eaten outside of the home. Looking toward 1975, we anticipate a leveling off or decline in food prices. There will be more beef eaten by Americans this year by about 7 pounds per capita for the year. However, Americans will eat less pork and poultry per person, and the beef will be relatively cheap. Fruits and vegetables will generally be less expensive, and of course, Mr. President, you know about our peanut problem. We have had one for years. We are up to our ears in peanuts. The area where we will be shortest in everyday diets will be on grain-fed beef. Mr. President, you can expect a record wheat crop. Since 70 per cent of all wheat in America is winter-grown, that crop is already in. We have had a 6 per cent increase in acreage, and 400 million to 500 million bushels of grain above last year's crop, so we will have a record crop. We currently have four million acres in soybean cultivation. So we hope, as we look toward 1975, the escalation of food prices is behind us.

FORD: Are the farmers happy, Earl?

BUTZ: No, sir, they aren't. Now the President introduces Administrator Russell Train of the Environmental Protection Agency to explain a controversial decision Mr. Train made last

week, giving the automobile industry until 1978 or even— if Congress will approve—until 1982 to meet final antipollution standards.

TRAIN: Thank you, Mr. President. As most of you know, it was a very complicated and controversial issue. . . . As you know, auto- using catalytic converters cut down pollutants, give low operating costs, better gas consumption and have fewer maintenance problems; but it has been found that they also give sulphuric-acid mist, which is dangerous. So the decision was whether to hold the line and continue with the interim standards, or to go with the higher standards and run the risk of putting the sulphuric-acid mist in the air. Our research indicated that the sulphuric acid was a very real and dangerous problem. While it isn't a national problem yet, it soon could be, and we really can't afford to play the numbers game. Through our research we found that desulphurization was not a good solution, for it would take some two years of research and testing to be prepared to do that on a regular basis. We also found that sulphate traps aren't a solution, and not something that our technology is readily able to produce. The real concern we had was if we moved to the new higher level of standard, which is the 9 California standard, we would actually be doubling

the amount of sulphuric acid in the air. Therefore, after much thought and a lot of advice, the decision was made to stay with the 1975 interim standard, 1.5-per cent hydrocarbons as opposed to .9 per cent, the California standard. This of course caused considerable problems. The health-services industry was not happy, the auto people were not happy, and the Mayors and Governors were not happy.

There is considerable discussion of the catalytic-converter issue. Vice President Rockefeller, having had a nice chance to talk, is relatively unbouncy today, but soon he does sound another of his alarms.

ROCKEFELLER: Mr. President, I fear that this could really become a serious political problem and perhaps a liability next year. I know we will have examples of garages catching on fire and people burning to death; cars catching on fire, gas stations exploding—all because of the catalytic converter. If someone wanted to make this a political issue in 1976 and brought out these gruesome details and stories, they would put the burden on your back, and they would be asking why you didn't tell them that this was a problem. . . . TRAIN (later): Mr. Vice President, what you say is true, perhaps to a certain extent, and if one carried it to the extreme, it could become a political liability. However, the reports about fires, explosions and death are very fragmented at best. We simply don't have adequate information at this time to prove that this is true. If we do pull the catalyst off the automobile at this time, we will have an increase of three, times in the level of pollutants.

ROCKEFELLER: I would really like to see the President take the public into his confidence and include them in this information, so they feel like they are sharing in the decisions, and we can assist them in making their determinations, and this therefore will not become a political liability at a future date. . . . FORD (after 20 minutes' discussion): Last October we decided that an inflation impact statement should be made about all new legislation which we were proposing, and the Congress was proposing. Maybe we can do the same thing here. It says something about my basic philosophy of government. I think that we have to implement this philosophy, and the consumer

has a right to know what the exact impact, both pros and cons, will be of decisions which his Government is making. It's not just environmental regulations that raise this issue. There are literally thousands of examples. I recall the problem we had with the truckers' regulation issued by the Department of Transportation before you arrived, Bill. I had to make a decision on New Year's, when I was on vacation, to let a regulation go forward because we were so far down the road on it. To hold it up would have imposed economic hardship on the industry, which had geared up to implement the Federal rule. As a result, we are increasing the cost of trucks and trailers 5 to 7 per cent. — It's some very large sum like \$200-million dollars, I now understand that this regulation might force some companies out of business. I have no doubt that many energy regulations create the same kind of dislocations. Therefore, when we submit legislation and proposals, we must make certain that we know both sides of the story and what the total impact will be, so we can inform the Congress and the public about everything to do with that particular problem.

Next the President calls on Secretary Schlesinger to brief the Cabinet on the situation in Cambodia and Vietnam.

The Secretary unwraps maps; there is some joshing, to the effect that he might simply use Rocky's filibuster chart, which is still on the easel, to make his case.

The Secretary's briefing, the discussion that follows it, and Secretary Brennan's swan song, uttered in the street hardened tones of Hell's Kitchen, Manhattan, conclude the meeting.

12:44 P.M. The President returns to the Oval Office for a chat with Secretary Morton. They discuss Morton's imminent transfer from Interior to Commerce.

12:58 P.M. Mr. Ford is joined by Congressmen John Rhodes and Albert H. Quie for a short prayer meeting. Mel Laird usually joins the group in these habitual devotions, which have continued intermittently for about seven years; he is unable to be present today. The three talk awhile, then each prays aloud and alone for about a minute, asking for guidance, giving thanks, weaving in his largest concerns, praying not only for his own interest or for those of the President, but also for the good of Congress and the country. Then

the three intone the Lord's Prayer together.

1:10 P.M. Lunch: cottage cheese drenched in A-1 Sauce, and so forth. 1:20 P.M.—Mildred Leonard, Mr. Ford's executive secretary for 23 years, comes into the hideaway to assist him with private correspondence. 1:35 P.M.—Other paperwork. 1:57 P.M. — Major Robert E. Barrett, one of the President's military aides, in for three minutes on a personal errand.

2:03 P.M. For the third time today, the President enters the Cabinet Room, this time to receive the United States Commission on Civil Rights.

Chairman Arthur Flemming, former Secretary of Health, Education and Welfare, has asked for this meeting to discuss the current state of Federal enforcement of civil rights law. The President has done his homework, and shows his familiarity with many of the questions Chairman Flemming and other commission members raise. It does not take him long to start talking about Congress: FORD: Of course you know that I have recommended a five-year extension of the voting-rights law. We may have a problem up there on the Hill. You know the present act expires Aug. 8. I've noted that several interested and influential members of Congress think something ought to be added to the act: for the benefit of Spanish-speaking citizens; others want to extend the act to some pockets in the North where you have alleged discrimination; others want to extend it to the whole country. I don't know what the impact will be, but these are knowledgeable and influential Senators and Congressmen. There could be a delay. There are some people who don't want any voting-rights law at all, and there are some who want it amended. If those two groups got together fortuitously, you could have trouble—you might not have the present law extended. . . .

2:42 P.M. The President makes his telephone call to Senator Percy.

FORD (leaning back): Hi, Chuck. . . . I'm fine, how're you? . . . No. Say, I appreciate the initiative you and John Anderson and Bill Milliken have taken to support me up there, trying to get a few signers here and there. . . . Oh gee, that's good, I hadn't heard that. . . . You know, it's good to have a policy, but if you don't have 51 per cent of the vote! (Laughs). . . . Chuck, the reason I called, in addition to



"Pamela Jo Baker, this year's Easter Seal child, seems— understandably—very frightened. But when she leaves, her eyes are fearless. She has obviously liked that quiet man."



Cottage cheese, A-1 Sauce, raw vegetables and butter-cream ice cream: "Eating and sleeping are a waste of time."

thank you, was because of the vote that's coming up Monday, I believe it is, on Cambodia in the Foreign Relations Committee. You know about the 4-to-3 support we got in the subcommittee for a \$125-million drawdown for economic and military support. . . . I'm hoping that if, after you've looked at it, you can see your way to help out in the full committee. It would be extremely appreciated. . . . Chuck, I can't ask for anything more. . . . I have not talked to—say, while I have you, I'm sure you're cognizant of the thing Jim Pearson and Frank Church. . . . Yes, the three-year program, with termination, vis-à-vis South Vietnam. If we could satisfy both Frank as well as Jim, this might be a way of, if we can get them to agree. . . . You're a friend of Jim Pearson—could you see if you can. . . . Let us know, and we'll do our best to cooperate. . . . (Big laugh.) I can't disagree with that under any circumstances. . . . O.K., Chuck. Right. . . . Right. . . . That's good. Many, many thanks. Good-by.

He hangs up. He turns to me and says: "That's the way it works."

I remark that it sometimes sounds to me, as if he misses the good old days in Congress. FORD: When you've worked in a place 25 years you can't help missing the people—on both sides. It's different. Up there you're only one of 435. Even if you're a leader, you have to work with 434 very independent people. They can tell you no, and you can't do anything about it. Down here, the President is the final

decision maker on a few things, but you still have to work with those people—in a different relationship. My only ambition in all those years was to be Speaker of the House. Obviously that was not going to be. So now I'm here—I liked that, and I like this. I'm adaptable, I guess.

"That's the way it works." Suddenly, after this phone call, I have a sense of links—of a kind of chain that has been there all morning. Nostalgia about votes to recommit. "Strong feelings" about checks and balances, in the homely to the kids. "My philosophy of government"—in the Cabinet meeting—which seemed to come down to making sure the consumer understands "both pros and cons." Offering up prayers with his old friend John Rhodes—the very man who has just announced the plan for a House Republican legislative program independent of his. Doubts about survival of the voting-rights act in the give-and-take of the Hill—"knowledgeable and influential men." And now the phone call: "Chuck, I can't ask for anything more."

The adversary process of checks and balances in which Mr. Ford has become chafed, as President, all the more starkly because he deals with a Congress dominated by the opposition party, merely adds new links to old ones. He believes in this process. He has a long habit of playing the national poker game it is of his essence. "I liked that, and I like this."

I go back to the press room, and someone digs out for me the text of the President's

statement that evening after the swearing-in, and I find the catch. The full sentence reads: "As President, within the limit of basic principles, my motto towards the Congress is communication, conciliation, compromise and cooperation." Now I am beginning to realize the weight of the reservation.

What are the basic principles? This morning I heard the first name Barber in passing in the Nessen session. Who is Barber? He is Barber B. Conable Jr. And who might he be? He is the Congressman from New York who, in the last full year of Nixon's Presidency, distinguished himself by casting the greatest number of votes in favor of Nixon-backed bills of any member of Congress. For some reason Barber B. Conable Jr., is not now President of the United States. And what about the man who is President? When all the ayes and nays were counted, he was the second most faithful to Nixon of all the 435 members of Congress.

The basic principles are couched in the voting record over the years: against Federal aid to education (1956, 1961, 1963, 1965, 1969, 1970); against Federal support for water-pollution programs (1956, 1960); against creation of the Office of Economic Opportunity (1964); against mass transit (1973); against ending the bombing of Cambodia (1973). For defense spending (consistently); for revenue sharing (1972); for cutting off aid to students who participated in campus disruptions (1968); for the Civil Rights Act (1964) and the Voting Rights Act (1965)—but only after the failure of weaker substitutes, which he favored; for watering down of the Voting Rights Act (1969). In 1967 he gave a speech on the House floor entitled, "Why Are We Pulling Our Best Punches in Vietnam?" He supported Vietnamization. In 1970 he advocated the impeachment of Supreme Court Justice William O. Douglas.

Classical Republican conservatism is deeply implanted in Gerald Ford. The hard sound I heard yesterday was perhaps less a matter of coldness of heart than of glacial caution. Wariness in a world in which change is rampant. The aggressiveness of the defensive center—most valuable man on the team.

And above all, I realize there is this: Ever since he entered public life in 1949, Gerald Ford has been on the losing side. He has always

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been a member of the minority. He has a firm habit of losing—of shrugging off each setback and of turning to the next day's hopeless task.

"I'm adaptable, I guess." Now I wonder, how adaptable? In form or in substance? In ways of working or the set of the mind?

3:23, 3:34, 3:49, 3:55, 4:00 P.M. The President interviews a series of candidates for replacement of his military assistant. At the end of the session Dick Cheney, Rumsfeld's deputy, asks him his preferences.

FORD: "Who all on the staff interviewed them?"

CHENEY: Jack, Don, Brent, [Staff Secretary] Jerry Jones, Jim and I.

FORD: I'd rather wait and get your recommendations. (After a pause): I don't want to prejudice you.

4:25 P.M. The President calls me to his desk.

FORD: I want to tell you about Bob Orben, who's coming in next. In '68 I had

to represent the Republicans at the Gridiron dinner. You're supposed to be funny for 10 minutes and serious for two, you know. I'd been to several of those dinners, and I'd heard two top people misjudge badly—Soapy Williams made a political speech, and John Lindsay told off-color jokes. So I thought I'd better get some help. I went to George Murphy, and he went to Red Skelton, and he got me Bob Orben, who'd been writing for TV comedians for years. Well, the speech turned out to be well-received. Of course, my opposition was Hubert, and he talked for 24 minutes. But Bob comes in nowadays on a consulting basis. He has an excellent style, and he's broadening me out in speech work.

4:30 P.M. Orben comes in with the text for a speech the President is to make at a Gridiron-like dinner of the Radio and Television Correspondents' Association tomorrow night.

FORD (reading aloud from the text): "I have only one thing to say about a program that calls for me to follow Bob Hope. Who arranged this? Scoop Jackson? It's ridiculous. Bob Hope has enormous stage presence, superb comedy timing and the finest writers in the business. I'm standing here in a rented tuxedo—with three jokes from Earl Butz!"

ORBen: I've been playing the tapes of your speeches. Your timing at the Alfalfa Club was fine—conversation-

al. But other times you tend to be a little slow. Whenever you're doing humor, don't pause in a sentence. Watch Hope. You'll see he really punches through a line. Don't pause.

(The President tries again.)

ORBen: That's better.

FORD: Is it moving?

ORBen: You're moving right along. Put a slash in after "ridiculous." You could pause there. . . .

FORD: (a little farther on): "And so far, this has really been a very exciting week in Washington. Particularly in the Congress. On Monday, Carl Albert picked up Bella Abzug's hat by mistake . . . put it on . . . and disappeared for three days!"

ORBen: Very good.

FORD: If I get a laugh—would it be a good idea to gesture, as if I'm putting on a big hat?

ORBen: I don't think it's necessary. They'll be getting a visual picture. But if you're more comfortable doing it that way—

FORD: It's a little demonstrative.

ORBen: It wouldn't hurt.

5:00 P.M. Rumsfeld in the evening roundup. The astonishing range of an hour's business: the Cabinet meeting that morning; the C.I.A.; the meeting yesterday with Chief Justice Burger; the decision of the staff aides on the candidates for military assistant, and the roles, desired ranks, number and responsibilities of military aides in the future; a candidate for a Federal post; some procedural questions; the possibility of some time off for a staff member; tomorrow's schedule: a half-dozen schedule decisions for the future; some administrative questions concerning the President's secretaries; the recruiting of a new deputy for a Cabinet officer; the need for some guidance on management of an agency; Cambodia; trips that have been planned; details of an imminent visit to the West Coast; attendees at Cabinet meetings; urgent details of planning on the economy; some non-Government views on the economy; two personal matters. The President also "signs off on" the retirement of an Admiral and the promotion and reassignment of two other Admirals, and gives Rumsfeld three notes on matters that had come up in meetings he had had during the day, of which he want action.

6:00 P.M. Paperwork.

7:13 P.M. To the residence.

THURSDAY

Where, deep down, does the poor boy lurk?

The junior in Deke, unable to make ends meet, driven to begging from his nonfather of a father.

6:00 A.M. He is grinding out a mile on his exercise bike. It is a long mile, an uphill mile, because the brake screw is turned down tight. He is in navy blue pajamas and a light blue, short-sleeved, karate-style kimono.

"Henry exercises on one of these things," he tells me, "but while he's riding he props a book on the handlebars and reads."

We are in what can only be described, amidst the lavish décor of the rest of the White House, as the Fords' real home within the home. Mr. Ford, pumping away, tells me, "The Nixons had separate bedrooms; this used to be his." But when the Fords moved in, Betty said she and Jerry had shared the same bed for 25 years, and she wasn't about to let that be

changed. She is still asleep now in the big bed in the next room.

The President has been up since 5:30, as on most mornings. He has read part of The Washington Post before I arrived. He is chugging away now, his inner motor fully engaged, as alert and calm as if in a Cabinet meeting. He says he falls asleep at night in 10 seconds, sleeps

soundly for five hours and wakes up fully refreshed. "Oh, very occasionally," he tells me, "Betty will say, 'Gee, you had a bad night,' but I'm not cognizant of it. She'll complain I was restless. Maybe it woke her, but it didn't wake me. I sleep very deeply, and I come back easily."

He dismounts the bike and moves to a machine for strengthening thigh and knee muscles; this stands between the bicycle and a tall corner cabinet, which holds the trophies of a lifetime of competition. He sits on the red leather platform of the machine and does 40 knee-lifts with each leg; on his left foot is a weight of 40 pounds, on his right, 25 pounds. "This knee"—a hand indicates the right—"I favor a bit." Both knees suffered football injuries, and the left knee was operated on in 1932. "The other one gave me problems for 30 years," he says. "It

would begin to lock on me on the fairway, or it would go weak when I was skiing. So in '72, after I got back from China, I had it operated on, too. The usual cartilage-and-ligaments thing."

He gets down on the floor and does 20 push-ups and, prone, 20 lifts of his torso, with his hands behind his head, to harden his gut.

Then, a trifle winded, he drops into a blue leather lounge chair, an old favorite of his, made in Grand Rapids, and he lifts his slipped feet onto a matching footstool and resumes reading The Post. "In the evenings," he says, looking over the edge of the paper, "I'll sit here, Betty'll sit there"—in an overstuffed chair close by—"and we'll read or watch television. It's just family in here." Resting on the spines of three photo albums in a magazine rack to his right, between the two chairs, is a remote-control push-but-

ton box for changing the channels on a television set and, under it, a paperback copy of "Plain Speaking: An Oral Biography of Harry S. Truman," by Merle Miller. The television set is in a huge console built into the corner next to the fireplace, which is to the President's left. Beside the President's feet on the footstool is a looseleaf notebook inscribed in gold letters: "The President's Daily News Briefing." The brown suitcase, for his official papers, is propped open between the footstool and the fireplace.

I leave him while he reads the rest of the paper and the staff news summary; and gets dressed.

6:55 A.M. He joins me, in shirtsleeves, and we walk into an overpowering ambience of history in the President's dining room. The walls are papered in huge, lush and wildly inaccurate scenes of the War of Independence—Washington in command at the Battle of Niagara Falls; the capture of Wechawk Hill by Lafayette, the surrender of Cornwallis at Yorktown, and Washington's triumphal entry into Boston—printed in France in 1854 by Jean Zuber. A tiny television set is on the dining table, off to the left of the President's place-setting. A scooped-out half pineapple serves as a bowl for chunks of its flesh; a tall glass of orange juice and a thermos-carafe of tea wait for him; a butler brings him a single toasted muffin with margarine. The New York Times is on a side table to his right, but this morning he does not read it. We eat and talk.

"I get my energy," he says, "from my mother. She was a tremendously energetic person, just fantastic. She probably had more friends than any woman I ever knew. Everybody loved her. She was a human dynamo in a womanly way. She wasn't a great career type. But she was the most thoughtful person, always writing to people—a note on a birthday—or calling on some who were in the hospital. She just had great compassion for people, plus this almost unbelievable energy."

"My very young years, I had a terrible temper," he says. "My mother detected it and started to get me away from being upset and flying off the handle. She had a great knack of ridicule one time, and humor, the next, or cajoling, to teach me that anger—visible, physical anger—was not the way to meet problems. But then adversity

in athletics also helped teach me. Adversity in my personal life; I thought I was madly in love with a very attractive gal. It didn't work out. One time, I thought that was the greatest catastrophe in my life. It just didn't turn out to be that way. But going back to my mother's input: She taught me that you don't respond in a wild, uncontrolled way; you just better sit back and take a hard look and try to make the best decision without letting emotions be the controlling factor."

He speaks deliberately, without emotion, sometimes pausing in midsentence to gather his thoughts, and using my first name often. He is concerned about whether I am getting enough breakfast. Dr. Lukash is very strict with him about his intake of calo-

"Sometimes I do get angry," he says. "People feuding—and I guess this goes back to experiences I have had in athletics. A feuding football team never got anyplace. A feuding staff in the White House is never going to get anyplace. It's so senseless. Anything that's senseless is frustrating and upsets me. . . . Nothing is more frustrating

"This man came in, and . . . he was a stranger. . . . He said, 'I'm your father.' . . ."

to me, John, than to have staff jealousies. Nothing gets my mind off what I want to think about more than to have little petty jealousies in staff people. I just can't tolerate it, and it's more disturbing to me than anything. But competence, loyalty, hard work—I do think I get those things from the people on my staff."

We talk quite a lot about football.

" . . . The last game we played was with Northwestern, and I had a very good day against a darned good Northwestern guard. Rip Whalen. I just gave him fits. I knocked him all over the field. . . . And on the way back from the Shriners' game, Andy Kerr and Curly Lambeau spent a good share of time trying to talk me into

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playing for the Green Bay Packers. And then Pottsy Clark, who was the head coach of the Detroit Lions, who had seen some of the Michigan games, tried to get me to play for the Lions. . . . I'd learned a little about sitting on the bench. . . . In those days, the center had to pass the ball, not to a quarterback, but to a tailback. You really had to pass the ball; you had to lead the runner, and had to block at the same time, and you played defense, too. . . . The people that I met. . . . I had some good teammates and good coaching, and I've kept those associations. . . . The actual competition is a pretty good character builder. . . . And football is as good a training-ground from the team-operation point of view as anything I can think of. . . ."

And now he tells a strange tale. I have known that Gerald R. Ford Jr. was not born with that name—that his mother and his natural father, then a Nebraska wool trader, were divorced when he was 2 years old and that not long afterward he was adopted by, and renamed for, the Grand Rapids paint salesman his mother married. The story: "I was, I think, a junior in high school in the spring, 1930. I worked at a restaurant across from South High called Skougis's. It was a 1929, 1930 hamburger stand with counters—a dilapidated place. Bill Skougis was a shrewd Greek businessman, and he hired as waiters the outstanding football players. He hired me my sophomore year. He paid me \$2 plus my lunch—up to 50 cents a meal—and I worked from 11:30 to 1:00, through the noon-hour class periods, and one night a week from 7 to 10. I waited on table at one of the counters, washed the dishes and handed the cash register. My working place was right near the entrance. It was a long, narrow restaurant. You came in, and I was on this side washing dishes, checking people out. There was a candy counter on my side that went right down the room. There were tables and another counter. I was standing there taking money, washing dishes, and I also had to make cheese sandwiches behind the barrier. This man came in, and he stood over there. And he was a stranger. Strangers didn't come in often. This man stood over there against the candy counter. I was busy, yet I couldn't help but notice that he stood there for 10

minutes. Finally he walked over to where I was working. Nobody was bothering me. 'Leslie,' he said. I didn't answer. He said, 'I'm your father.' He said, 'I'm Leslie King, and you're Leslie King Jr.' Well, it was kind of shocking. He said, 'I would like to take you to lunch.' I said, 'Well, I'm working. I've got to check with the owner.' He said, 'I haven't seen you for a good many years. You don't know me.' So I went to Bill Skougis, and I said, 'I've got a personal matter. Will you excuse me?' And he did. My father took me out to his car, which was parked in the front—a brand-new Cadillac or Lincoln—and he introduced me to his wife. So we went to lunch. He was then living in Wyoming with his wife, and they had come out to buy a new Cadillac or Lincoln, which was a beautiful car for those days, and they had picked it up in Detroit and were driving back to Wyoming, and they wanted to stop in and see me. Which he did. And after he had finished lunch, he took me back to the school. I said good-by. He said, 'Will you come out and see me in Wyoming?' I said I'd think about it. . . . The hard part was going home that night, and how to tell my mother and stepfather. That really worried me, because I had grown up, since I could remember, with my stepfather. It was only a year or two before this that I'd learned I was not living with my real father. My relationship with my stepfather was so close that it never entered my mind not to tell him. It was real hard. That was the difficult part."

"My junior year at Ann Arbor," he says, "which would be '33-'34, when my stepfather's business had long gone to pot, he was hanging on by his fingernails, my father—my real father—had been ordered at the time of the divorce to pay my mother child maintenance, and he never paid any. I was having a terrible time. Sure, I was earning my board, and I saved some money working for my stepfather in the summer. But it wasn't enough. I wasn't able to pay my bills—the fraternity, the room where I lived. And I wrote my father and asked him if he could help. And, as I recall, I either got no answer or, if I got an answer, he said he couldn't do it. I felt that, from what I understood, his economic circumstances were such that he could have been helpful. I had that impression. From

that Lincoln or Cadillac I'd seen that he'd bought. And then after I graduated from Michigan, I went to Yale, of course. And then one time, out of the blue, I got a letter, a phone call, or something, saying that he was coming with his wife, the woman I had met, with his son by the second marriage—he was really my stepbrother. And they were trying to find a school in the East for him, and could they stop by and maybe I could give them some advice. So they stopped. I did meet the son. And I went to dinner with them and gave them some thoughts about schools in the East and never saw them again."

"My stepfather," he says, "was the only boy in a family of three girls. His father died at a very young age, I think of a train crash. So Dad Ford quit school, or had to—never went beyond the eighth grade. And he really lifted himself up by great effort, going step by step. He was probably one of the most respected people in the community for his civic-mindedness, his integrity, hard work. . . . He always saw something good in somebody, even people who had nothing in common with him. We got into a discussion about somebody one time, and I said, 'Oh, he's no good. He does this, or he does that.' And he said, 'Well, but he also does this, which I like—and you ought to like.'"

"At one stage," he says, "when I was 8 or 9, I had a slight tendency to stutter, very infrequent, and yet it did appear once in a while. Some people alleged at that time that my being left-handed also being partly right-handed, that the ambidextrous situation contributed to the stuttering tendency. Either outgrew it, or it wasn't well-founded. But this is an interesting thing: I never noticed it in myself, until one night I was sitting at dinner in Washington about six months ago, and this woman noticed I ate left-handed. She said, 'What else do you do left-handed?' I said, 'I write left-handed.' And she said, 'Do you throw, kick, play golf left-handed?' I said, 'No.' She said, 'You're one of the few odd people who do things left-handed when you sit down, but you're right-handed when you stand up.' I've never gone into it, but this woman really perked my interest."

"I spent a great deal of time for a period of about four years as a Boy Scout," he says. "I think scouting

had a great deal to do with getting me on, and helping me stay on, some of the character attributes that I think I have, and that are important. Again, it was good associations—with leaders, with troop members. I was just very fortunate to get into a stream of athletics, student groups—a stream of people that was good, clear, strong."

He tells me another story: "As assistant navigator, I stood officer-of-the-deck watches. You had four hours on and then usually eight hours off. But it just so happened that about Dec. 16 or 17 of 1943, we got caught in that terrible typhoon off the Philippines. We had spent the day before refueling and helping in the over-all task-force refueling operation. I had had the midnight to 0400 watch, and that was at the very high point in the typhoon. I was relieved and went down to hit the sack. And that morning I got about 45 minutes' sleep before we had our regular morning general quarters, a half-hour before sunrise. I then went back to bed, and I had gotten back to sleep again. I don't know how long. Not very long. All of a sudden, general quarters rang again. And I woke up, and several people were dashing down the passageway yelling, 'Fire, fire, fire!'—which I later learned had been caused by a plane breaking loose, not adequately tied down, and slamming against another, and that broke loose another. And pretty soon they were all rolling back and forth as the ship rolled at the height of the storm. And, unfortunately, somebody had left some gasoline in one of the planes, and friction sparked it, and the gasoline started a fire, and these planes as they were going back and forth bashed into the air intakes, so instead of fresh air going down to the boiler room, they took in smoke from the hangar deck. So we lost 10 or 12 people down in the boiler room and engine room who just never knew what hit them. . . . I woke up and I was down in officers' quarters. And I started up—have you got a pencil there? Here's the carrier, and here is the island of the carrier, right here. My stateroom with another fellow was down here. When I heard general quarters, got out of the sack, saw people running, smelled the smoke—I always went out of my stateroom up to a ladder here and then went

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out a door there onto the flight deck and climbed up another ladder onto the island structure to my job as officer of the deck. Well, this time, the moment I stepped out on the deck, the ship rolled way over, and I lost my balance. I went sliding just like a toboggan. Couldn't have lasted more than two or three seconds, 'cause it was only one hundred and some feet wide. But anyhow, I spread out as much as I could. There was nothing to grab onto. But fortunately, around a flight deck, there's a little raised metal rim so that tools won't roll over the side. And I hit that with my feet, and it spun me around, and I dropped, half in and half out of the catwalk that goes all the way around just below a flight deck. I fell halfway in, and halfway out. If I'd gone another foot, I'd have gone over the side. We lost about five men overboard. For me, it was just one of those things. Pure happenstance. If I'd had a different angle, different speed. . . .

"You know," he says, "I wasn't married until I was 35. Basically, two reasons.



President as father: "Grades are very important, but I don't think that's the final way to judge people." Susan: "Well, that's news! . . . You put restrictions on if my grades go down."

One, I was always so busy, never really had enough time to get involved, and I always had sort of a focus on, concentrating on something careerwise—focused in that area. And second, I had only one serious romance, other than the one I had with Betty,

with this girl from Connecticut College, very superior girl—but it didn't work out. So I just forgot being too much interested in marriage. Then I met Betty, and she was very attractive. She added a sense of stability and serenity. And by the time

I was 35, I was pretty well on course and wasn't preoccupied. I knew where I was going—at least, where I wanted to try to go. And so our lives sort of fitted at that stage, plus a very excellent, broad, broad relationship. And she has done a super job,

because in Congress, which our married life coincided with, she was strong, self-reliant, ran the family, gave me a chance to do things that broadened my relationships. And I think she contributed very substantially in the opportunities that materialized in my becoming President. Very loyal. She also has the capability of bringing you down to earth, once in a while, when you get some illusions. . . .

"My gracious," he says, looking at his watch. "They'll be waiting for me."

7:42 A.M. He emerges from the family room, followed by a valet carrying the brown suitcase. In the elevator, I notice—since he now has a jacket on—that he is wearing a dark gray double-breasted suit with peaked lapels and a hairline pinstripe. A Secret Service man is waiting at the elevator door to the ground-floor corridor. The President briskly steps out onto the dazzling crimson carpet that ties together the tunnel-like chain of Hoban's massive groined arches, which seem designed to bear all the weight of the history over-

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head; in the recesses of these arches, first ladies hang. Claudia (Lady Bird) Johnson is right across the way as we start along.

Standing in an open doorway on the left, opposite Caroline Scott Harrison on the right, is Rear Adm. William M. Lukash, the President's physician, who, with his almost hairless head all tanned, his figure slim and lithe, seems to have the health and poise of a hungry leopard. A specialist in gastroenterology, he was named Assistant Physician to President Nixon in 1969, and, being a Michigander with a wife from Grand Rapids, he suits Gerald Ford to a T.

"Good morning, Bill," the President says, in a tone of voice that would make it absurd to ask how he feels. The concern, at the moment, is all for Betty, who has been suffering pain this week from the mysterious pinched nerve in her neck, which has bothered her off and on for years; and for Susan, who has had a touch of bronchitis.

FORD: How's Susan? Seen her this morning?

LUKASH: Not yet. She had a little fever last night. She won't be going to school today. I'll be checking up soon.

FORD: Let me know how she is, and Betty, will you? Give me a call.

LUKASH: Yes, sir. (Seeing me with him.) Did you do your exercises this morning?

FORD: Yes, doctor. Yes, doctor.

7:44 A.M. We pace along past Edith Galt Wilson and Sarah Childress Polk, and then out into the open air—the fourth rainy day in a row—along the covered walkway beside the former swimming pool, and around into the Oval Office. Fifteen minutes late.

7:47 A.M. Scowcroft and Peterson. 8:12 A.M. Hartmann. 8:30 A.M. — Rumsfeld. 9:07 A.M. — Marsh. 9:22 A.M. — Nessen. Hartmann, Rumsfeld, Friedesdorf. All the words the President spoke at breakfast hang like a veil of gauze over these conferences. I keep looking closely at this man who had such an energetic, compassionate mother and two fathers—or none. Are there any traces at all of the temper tantrums? Where, deep down, does the poor boy lurk, to whom \$2 a week earned at Skougis's dilapidated joint made such a difference? Nessen asks what he's to say about Scoop Jackson's proposal that Mike Mansfield

go to China and negotiate with Sihanouk. This is an insolent suggestion—that the Democrats should simply take over foreign policy from the President. "The way it's being phrased," Rumsfeld says, not soothing the sting, "is, 'Why aren't you willing to try anything at this stage to get peace?'" But Gerald Ford sounds, as always, totally serene. "I frankly haven't had a chance to talk with Brent about that," he quietly says. Friedesdorf mentions the bad setback yesterday in the House, whose Democratic caucus voted 189 to 49

against any additional military aid to Cambodia. "You can say," the President calmly tells Nessen, "that my reaction was tremendous disappointment"—which does not show at all—"that such an action would be taken despite the advice of the Congressional delegation that went out to Cambodia, onto the scene."

9:57 A.M. The President leaves for a courtesy tour, long overdue, of the East Wing, where Mrs. Ford's staff, the President's Military Assistant and aides, his organization for liaison with the Hill, and those who handle White House tours and visitors have their offices. On the way through the residence, he goes upstairs to see how Betty and Susan are feeling. When he reaches the East Wing, he shakes 63 staff hands, ranging from that of Nancy Howe, Mrs. Ford's personal assistant, to that of the young lady who answers the not inconsiderable number of letters addressed to Shan and Liberty, the Fords' Siamese cat and golden retriever.

On the way through the open hallway to the Legislative Affairs office, he suddenly comes on a group of about 50 students and teachers from Brady Middle School, which, I am soon told, stands on Chagrin Boulevard in Pepper Pike, Ohio; this happens to be the next batch, lined up behind a barrier, for a White House tour.

"My God, it's the President!" a teacher gasps.

Mr. Ford, smiling benignly, unexcited, taking his time, walks into the group and shakes almost every hand, and asks earnest questions as he moves from one to another. The teachers are losing feathers in their flutter, but the kids take the whole scene just as calmly as he does. The news will spread like wildfire, first through Pepper Pike, then through all of Ohio, (Continued on Page 100)

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that President Ford personally greets every tour of the White House.

10:26 A.M. Back to the Oval Office. With all his leisurely motion through the morning, the President has made up the 15 minutes of tardiness and is now five minutes ahead of schedule.

10:30 and 11:30 A.M. The next two meetings are related to each other. The common situation is this:

The cost of postal operations has been going up. To get into the black, the Postal Service either will have to reduce its services and increase postal rates again in a few months, or will need to receive larger Federal subsidies. Wages account for 80 per cent of postal costs, and one reason it has been so hard to get the Postal Service out of politics is that nearly 1 per cent of the entire working population of the country is in the Postal Service; there are 700,000 votes there. Postal unions will soon begin negotiating a new contract; there is talk of a possible strike, even though it would be illegal. Would the National Guard be used in that case?

The President meets first with the chairmen and ranking minority members of the House and Senate Post Office and Civil Service Committees, Representatives David Henderson and Ed Derwinski, Senators Gale McGee and Hiram Fong.

McGEE: There's no way that the 30,000 post offices in this country can pay their way. We have to support them.

FORD: Could you justify a 10 per cent subsidy for those communities that have post offices?

McGEE: Congress doesn't think it can stand for another first-class rate increase, because we get so much mail on it.

FONG: Would you designate someone on your staff for liaison with us on this?

FORD: We will do that. I'd like to give the signal that we don't want a strike, we'll do everything we can to reach an equitable labor contract. But if there is a strike—well, we must move the mail.

McGEE: Nobody loves us. FORD: I'm learning that fast down here, Gale.

Meeting next with Postmaster General Benjamin F. Bailar, William J. Usery, director of the Federal Mediation and Conciliation Service,

and some others, the President gets his message across more explicitly: He believes the users of the mails should pay for the service; he does not favor larger subsidies, which, he says, would transfer costs from postal users to taxpayers at large.

Myron Wright, vice chairman of the Postal Board of Governors, quietly points out that more than 80 per cent of all mail is "business-oriented," and suggests that the general public shouldn't have to subsidize that.

FORD (toward the end of the meeting): I want to say very firmly, we want equity, but we can't afford to have the inflation re-exploded. I expect the mails to be delivered. We hope the contract will be solved, but the mails (strong emphasis) will be delivered.

During these discussions, which have been long and intricate, three shadowy images have been hanging like smoke in my mind: of the junior in Deke at Ann Arbor, unable to make ends meet, driven to begging for money from his nonfather of a father; of the assistant navigator shooting across the tilted deck of the Monterey and very nearly flying into the sea; of Michigan's center giving Northwestern's Rip Whalen fits, knocking him all over the field.

12:20 P.M. The President receives 5-year-old Pamela Jo Baker, the model for this year's Easter Seal poster—a curly-haired child who has been crippled with cerebral palsy since birth, and who has learned to walk and talk through Easter Seal services. She wears braces on her legs; she totters; and she seems—understandably—very frightened. With her is Peter Falk, star of the TV show "Columbo," who is honorary national chairman of the Easter Seal drive, her father and her two Senators, Randolph and Byrd.

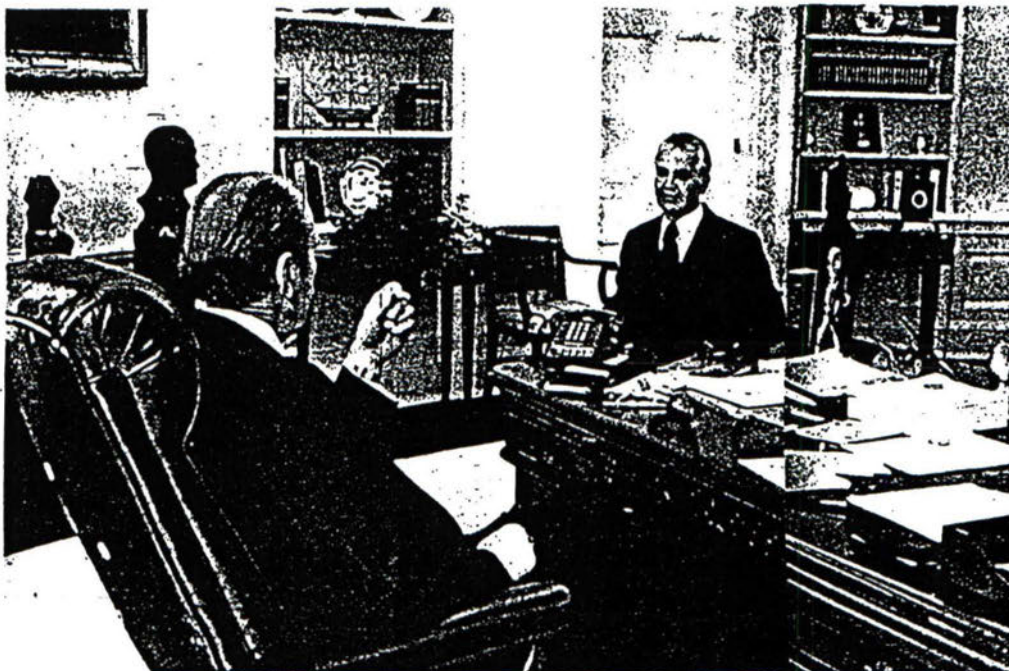
FORD: (to Falk): My wife and I watch your program a lot. I get very concerned about your personal security and safety from time to time.

FALK: Don't worry about me. I'll be all right. I have to come on the next week.

FORD: How many handicapped children do your services help?

FALK: Children and adults. Nearly 300,000 this year.

The President takes Pamela Jo up in his arms, and he talks to her softly. Then he asks where Liberty is. Somebody runs for the dog. Liberty romps wildly around the Oval



Westmoreland: "There is only one language that Hanoi understands. . . . If we'd just send our B-52's in there. . . ." Ford: "Unfortunately, the law says we can't do that, Westy."

Office, then suddenly lies down on her back at the President's feet.

FORD (to Liberty): That's not a very nice position for a lady to get into!

The President carefully pins a little brooch, with a Presidential seal on it, on Pamela Jo's dress.

When she leaves in her father's arms, the President calls, "So long, Pam." Her eyes are fearless now. She has obviously liked that quiet man who was holding her. With an effort, she waves.

12:44 P.M. Gen. William C. Westmoreland, former commander of U.S. forces in Vietnam and former Chief of Staff of the Army, pays a call, deferred since early in the year because the general had a heart attack on Jan. 5. He comes in as an office-seeker—or, as it is decorously put in a briefing paper from Henry Kissinger, to "discuss his opportunities for further Government service."

FORD: I was real sorry to hear about your heart attack, Westy.

WESTMORELAND: I was the lowest-risk sort of person. No weight problem. Low cholesterol. . . .

FORD: I've been trying to get Betty to go along with me on buying a place near you down there at Hilton Head, but I'm not making much progress. How's that Kuwaiti project doing? Aren't

they trying to develop the shoreline near you there?

WESTMORELAND: There was some opposition from environmentalists. But now the Jews have gotten into it—some highly respected people—and I believe several houses are under construction.

FORD: Like Hilton Head? WESTMORELAND: Smaller and more exclusive. Something like Seabrook Island.

Now, for the first time, I have noticed something. There is a certain urge toward mimicry, an echoing effect, in Gerald Ford. He seems anxious always to please; one assumes that as a basic drive in all politicians. But the hint I am getting now is of something more, some sort of protean need and knack—some part of him becomes the person he is talking with. Westmoreland sits ramrod-straight; Ford is upright now. Westmoreland talks in cranky, clipped tones; Ford is growing more spare in his speech.

FORD: I'll keep my eyes and ears open, Westy. Some part-time commission.

The President mentions one possibility—on which it is obvious the general has had his eye—but Mr. Ford says there is no vacancy. He has just replaced one person on that group.

WESTMORELAND (taken aback): I was given to understand there was no statutory

limit on the number of mem-

bers— FORD: Well, its chairman doesn't want it to get too big. I can understand that. We'll definitely keep you in mind, though.

WESTMORELAND: I've been decorated in 16 foreign countries. I know something about . . .

They begin to talk about conditions—about inflation and recession and energy and: FORD: I've been having a hard time getting Congress to act responsibly on Indochina, Westy. I just learned a few minutes ago that the full House Committee on Foreign Affairs rejected the Cambodia package by a vote of 18 to 15.

WESTMORELAND: It's reminiscent of the early days of the German military threat. The North Vietnamese are the Prussians of the Orient. . . . Sihanouk has no clout.

FORD: That's my impression, Westy.

WESTMORELAND: This Jackson proposal that Mansfield go out there and negotiate with Sihanouk—it's ridiculous. FORD: Westy, they're all trying to find some way to do something that won't be enough to save the situation but'll avoid political blame. That's all there is to it.

WESTMORELAND: There is only one language that Hanoi understands, and that's force. If we'd just send our B-52's in there to bomb the supply

trails and mine Haiphong harbor for a month, this atmosphere would change. FORD: Unfortunately, the law says we can't do that, Westy.

2:18 P.M. Personnel Director Bill Walker and Phil Burton in on a personnel matter.

2:35 P.M. Jim Cannon in to talk about the Domestic Council.

3:03 P.M. The President, secretary of the Interior Moynihan, Lynn, Zarb, Cannon O'Neill are disposed in and chairs at the fire end of the Oval Office, to talk about what the President "the politics of oil." In case, of eking oil from outer continental shelf, under the sea off our shores. The question to be discussed today is not whether to the shelf for oil; the question is who is to get revenues from the oil. It has been found. Main several other states have the Government, claim they own the offshore and any oil in it. Sec. Morton is to testify in the Senate Interior and Affairs Committee tomorrow and wants guidance on to say.

What interests me in this meeting is its big-boardroom tone—one has heard several times these days. The options strangely corporate: could take all the re-

or, if "we" were forced to, "we" could share it with the coastal states; or, at worst, "we" might have to share it with all the states. But the Supreme Court is probably going to decide that "we" own the whole smear.

MORTON: O.K. Let's ride this out-till the Court decides.

LYNN: Let's wait, and move from a position of strength. We'd want to see what we want to buy from the states with a sharing formula.

The whole style of an Administration is revealed in the phrases that it uses. Need we hear more than "take the hang-out route" and "twisting slowly, slowly in the wind" to conjure up the entire nightmare of the Nixon decline? The style of the Ford Administration is different—it is the style of Middle American businessmen's in-group fast talk. Its root stock is Adam Smith laissez-faire wheeling and dealing, onto which is grafted, to produce strange fruit, the tone of voice of Eisenhower's Defense Secretary Charlie (What's good for General Motors is good for the country) Wilson. All week long I have been noting bellwether words and phrases, spoken by Cabinet members and top advisers, and I have just added three new specimens here in the outer-continental-shelf meeting. Listen:

We're going to be nickel-and-diming the multinationals. He can bring most of his Indians along. Appearance-wise. Programs coming down the pike. Down the road. Downstream. Ball-park figure. They won't be able to resist matching those goodies. Paint a bigger picture. Public posture. Big ground. Signed off on. Shopping list. They're cutting a deal up there right now. We don't want a Christmas-tree tax bill. That aims a rifle straight at crude oil. Afraid that'll tilt the industry toward the foreign car. They're trying to put some light between themselves and you. We're kind of salami-ing it. That's just putting a different gown on the same doll. Consumerism, Naderism, clean-airism. He's John Dunlop's honcho. He's going to waffle it. Pick of the litter. God-dog it. Time to get our socks pulled up on that. This could get pretty auntsie-dandle in the next few weeks. I'm not married to the 5 per cent figure. I'm not in glue on how far we should go. Let's be stupid, if necessary—and I find that very easy. Mr. President. A game plan and a sound signal. Let's let Hollings and Jackson

fight each other till they lie down. I think I can punt tomorrow. That's one frontier that's out of the ball game. That just won't fly. Maybe you can get that under the tent. Roll it around in that direction. That's a modification I think you could hang your hat on. We'll try to screw the thing down so that it doesn't come leaking out of the basement windows.

4:07 P.M. A young Congressman from Florida named Lou Frey comes in to talk with the President about the possibility of locating a new solar-energy research program at the Kennedy Space Center, to offset recent NASA cutbacks. Frey bitterly opposed a recent 730-man cutback in personnel at Patrick Air Force Base; unemployment in the Cocoa Beach area is running about 11 per cent. Frey is considered a Republican, come; he is chairman of the Republican Research Committee in the House, and he is thinking about running against Democratic Senator Lawton Chiles in 1976. The President, after hearing his appeal, says he can't make any promises, Lou. As to the cutbacks in Lou's constituency, they've been a response to Congressional bites out of the defense budget.

Frey suddenly starts talking with flashing eyes about something called "ocean thermal gradient research," a plan for getting endless amounts of energy out of differences in temperatures in the sea. He would like to start this going in a big way off Florida, in the Gulf Stream.

FORD (taking Frey's fire calmly): Very interesting.

4:30 P.M. Hartmann, Theis, Friedman, Orben, Casserly come in for another session on the Notre Dame speech—into which, in the long run, the old domino theory makes its weary way.

5:25 P.M. Mr. Ford goes downstairs for a haircut; he has one every 10 days or so. As Milton Pitts, the White House barber, goes to work in the brightly lit shop, the President glances at the afternoon Star and then reads over once again his gags for this evening's Radio and Television Correspondents' dinner. The texture of Mr. Ford's hair is extremely fine; Mr. Pitts tries hard to give it the dry look, full on the sides. A quirky coincidence has brought these two men together. One afternoon about five years ago, Mr. Pitts, who operated four Washington barbershops, one of them in the Sheraton-Carlton, was approached in his Georgetown

"Something Phil Buchen said to me one day, in talking about the coming to power of his friend, sticks in my mind as a kind of motto for the Administration: "This is not an era for change."

shop by a young, well-dressed man who did not sit down in a chair but asked to speak privately with him. They went into a back room. The young man said President Nixon needed a new barber—would Pitts be interested? He was. The young man was Alexander Butterfield—who, some three and a half years later, blurted out to investigators for a Senate select committee, in apparent inadvertence, that everything that took place in Richard Nixon's Oval Office was recorded on tape. It can be said that Alexander Butterfield made possible the haircut that is now taking place.

6:07 P.M. Back to the Oval Office for some paperwork.

6:15 P.M. Maj. Gen. Richard L. Lawson, who is about to be replaced as the President's Military Assistant, brings his family in to say good-bye.

6:24 P.M. Rumsfeld's round-up.

7:07 P.M. To the residence. Mr. Ford takes his supper on a tray on a small table in the bedroom, to be with his wife.

9:00 P.M. The President boards a motorcade on the curving driveway of the South Grounds. At 9:03, he arrives at the Statler-Hilton, where he's greeted by William W. Winstpinger, President of the Institute for Collective Bargaining, and by Postmaster General Ballar, and by others. At 9:04 he pauses in a holding area outside the hotel's Congressional Room, waiting to be announced. At 9:05 he goes to the head table where the famous labor negotiator Ted Kheel presents him with a sculpture entitled "Collective Bargaining: Out of Conflict, Accord" by George Segal, a representation of two men at a small table in head-to-head parley.

9:15 P.M. The President again boards the motorcade and rides to the Washington-Hilton Hotel. At 9:27, in the Cabinet Room of the hotel, Charlie Shutt, Washington bureau manager of Hearst Metrotone News, presents him

with a can containing a 16-mm. film entitled "Forward Together: Gerald Ford Assumes the Presidency." At 9:32, the President stops by at the Jefferson Room to pay his respects to a dinner party being given by the Storer Broadcasting Company for the wives of the radio and television correspondents who are concurrently banqueting in the International Ballroom—to which, at 9:42, he proceeds. He goes to the head table. At 9:45, President Marya McLaughlin of the Radio and Television Correspondents' Association introduces Bob Hope, who speaks for half an hour and is, fortunately for Mr. Ford, rather peevish and dull. At 10:23, the President begins speaking:

FORD (he has listened carefully to Hope; he now really punches through his sentences): I have only one thing to say about a program that calls for me to follow Bob Hope. Who arranged this? Scoop Jackson? (An encouraging explosion of laughter.) It's ridiculous. (Slash — slight pause for comedy timing.) Bob Hope has enormous stage presence, superb comedy timing, and the finest writers in the business. (Slash.) I'm standing here in a rented tuxedo—with three jokes from Earl Butz. (Laughter and applause!)

10:31 P.M. Remarks concluded. 10:37 P.M. — President leaves head table, goes to motorcade. 10:48 P.M. — Motorcade arrives at South Grounds.

About 11:15 P.M. The President is seated in his blue chair, feet up on the footstool, reading a long and extremely complicated briefing paper from the Domestic Council on higher education; another, also complex, is on land use.

About midnight. The Iron Man goes to bed, and—if we can believe his own account, and I, for one, can, knowing at first hand that he started this day under a full head of steam 18½ hours ago and hasn't stopped once since—dives into deep, dark waters in 10 seconds.

FRIDAY

But on foreign policy,
only Kissinger

'I have seen endless meetings of six, eight, ten advisers sitting with the President to hammer out domestic policy.'

He comes in half an hour late this morning, in a dark blue pinstripe. The sixth rainy day in a row. He explains that he had a dental appointment on the ground floor of the residence at 7:15, and that cleaning his teeth took longer than expected. He smokes eight pipefuls of tobacco a day, he says, and that causes a lot of staining; sometimes he wishes he could cut down.

8:10 A.M. Scowcroft and Peterson go in.

I suffer now, more than the President ever seems to suffer, from a feeling of having got behind. My week as a watcher is drawing to a close, and so much that I have seen has flashed past me, as if in a speeded-up motion picture. I have a feeling of having missed many glimpses I should have been able to catch—and now, as Brent Scowcroft goes into the Oval Office, I am suddenly sharply aware of one of the unseen scenes; I have not had a single direct view, all

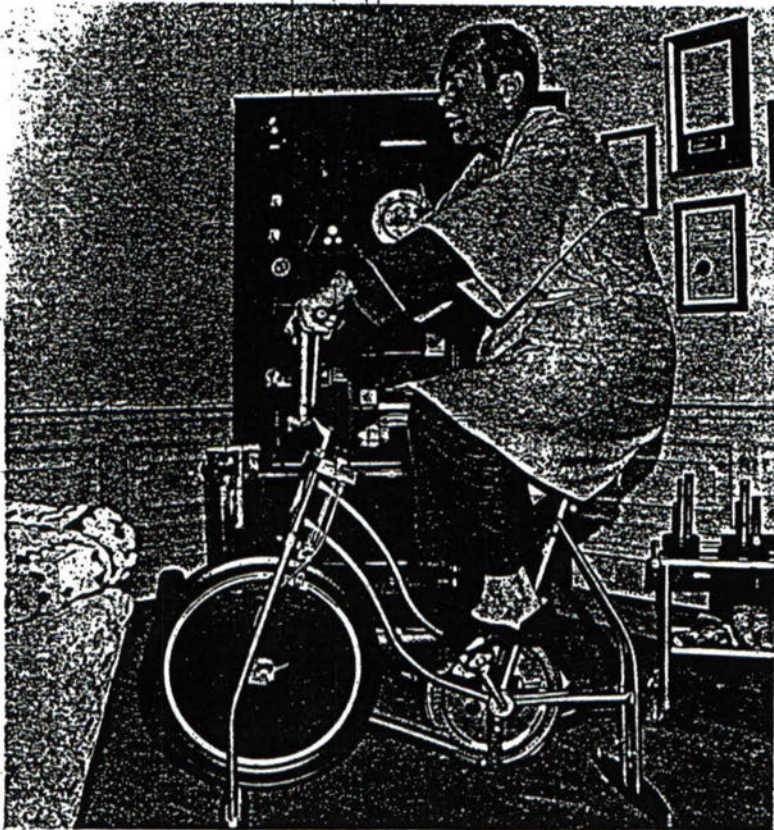
week long, of a foreign-policy discussion, to say nothing of a foreign-policy decision.

Again this morning I attend the senior staff meeting, where I hear two suggestions put forward that exemplify the staff's efforts to grope their way, from day to day, toward efficiency.

LYNN: Every proposal to the President from a department should be tabbed with a run-down of the situation on the Hill with respect to the issue involved, and with a clear indication of what the department would intend to do on the Hill, either absent a decision from the President on the proposal, or with one ... RUMSFELD: Big issues that are going to be around, and that should come before the President, should be isolated, so we make sure he has a chance to see them well ahead of time ...

8:55 A.M. Rumsfeld in for his morning conference.

RUMSFELD: You have meetings scheduled for the afternoon to discuss policy on land-use and higher-education legislation. O.M.B. has been



A long, uphill mile with the brake screw turned down tight: "Henry exercises on one of these things, but while he's riding he props a book on the handlebars and reads."

trying for a long time to get the Domestic Council to prepare option papers on these areas, but with the transition to the Domestic Council to the Rockefeller crowd, it's been a bit chaotic over there, and I'm afraid they got the papers to you very late.

FORD: Do I know it! I had to wait till after the radio-TV dinner last night to read them. Eleven-thirty at night ain't a time to read up on this very complicated higher-education problem.

RUMSFELD: I'd be for no decision. Let's get an orderly look at those issues. I'll put a stop on the two meetings, and I'll set up the meeting Jim Lynn has been wanting, to talk about the no-more-spending question ...

9:15 A.M. Marsh goes in; after him, walking haltingly with a cane, goes the President's Counsel, Philip W. Buchen; I am uninvited to follow—and I realize that another direct view I have missed this week (because everything the Counsel touches seems to be sensitive) is that of a talk between Jerry Ford and Phil Buchen. Buchen is Ford's oldest friend and closest confidant in the White House. Three years younger than Ford, Buchen, while he was an undergraduate at Michigan, met the famous athlete at one of the house parties Delta Kappa Epsilon held each New Year's Eve in Grand Rapids; later he roomed with Ford while they both took summer courses at the Michigan Law School; later still, he became Ford's first law partner in Grand Rapids. He limps from a childhood attack of polio; seated, he lifts the weak leg over the strong one to cross them. His rheumy eyes blink, and the muscles around them move with a remarkable rippling effect, under a thin slanting hedge of white eyebrows. When he speaks it sounds as if he had BB shot rattling around in his larynx; and what he says is conservative, commonsensical, decent; the President listens to him. Something Phil Buchen has said to me one day, in talking about the coming to power of his friend, sticks in my mind as a kind of motto for the Administration: "This is not an era for change."

9:35 A.M. The prebriefing session, with Nessen, Rumsfeld, Marsh, Hartmann, Friedersdorf.

NESSEN: Where do we go now, as far as legislative strategy on Cambodian aid is concerned?

FORD: Without knowing the details, I think we have to keep the pressure on. I strongly disagree with the position taken in the two Democratic caucuses. I hope that wiser heads will prevail in the end ...

Nessen tests the President on several other positions.

Suddenly there is a bad moment; it comes up from nowhere like a sudden whirling desert dust spout. Nessen has been reading from a newspaper column: "A White House source" has said something that Nessen says he thinks may need clarifying, or correcting. The President seems to shrug it off.

RUMSFELD (sharply): Mr. President, I think you should read what it quotes Bob Hartmann as saying.

Nessen passes the clipping to Mr. Ford. He starts reading it. He does not light his pipe, does not lift his unlit pipe to his mouth, Hartmann's flushed face slowly turns to the right; his lips are pursed, and the habitual twinkle in his eye is replaced by something dangerous, something that can scratch; I remember that he is rather proud of having a paperweight of carborundum, which is used in abrading steel, on his desk; The President hands the clipping to Hartmann without comment. Hartmann glances at it.

HARTMANN: This is what we used to call in the trade "thumb-sucking." When a reporter doesn't have any facts he sucks his thumb awhile, and then he writes down whatever comes out of his thumb.

But Hartmann is crossing and re-crossing his legs. Rumsfeld's eloquent hands have a delicate tremor. I watch the President closely, mindful of what he told me at breakfast yesterday: "It's more disturbing to me than anything ..."

This is where I really see the scope and influence of his self-control. I am so fascinated by his face, which is perfectly peaceful, perfectly serene, that I do not catch the exact words he speaks to Don Rumsfeld, but I cannot miss the equable, firm, unreproachful quality of his voice. Then:

FORD (in silky tones): Anything else, Ron?

NESSEN: What do I say about the conservatives who are calling Rockefeller a liability?

The nasty little twister has already passed; one can hardly believe it was ever there; the air is as still as glass. The next time Rumsfeld speaks,

his voice is completely normal. Hartmann rubs the bag under his right eye with the back of his right hand, and when he takes his hand away the benign look has returned.

10:15 A.M. Nessen group out. Paperwork.

10:52 A.M. The President goes into the Cabinet Room to receive a delegation of Soviet officials, led by (it should not be incredible that stereotypes sometimes actually do show up) a simulacrum of a bear, a great hugger of a Russian man, State Minister of the Food Industry Voldemar Lein. With him are the ministers of food production, all looking well fed, for the Ukraine, Belorussia, Estonia, Armenia, Kazakhstan, Uzbekistan and the Russian Republic. These men have just completed a delicious tour. They have been invited by Donald M. Kendall, chairman of PepsiCo—which has established a bottling plant in the Soviet Union and distributes Soviet vodka here—to see how food is processed in the United States, and from sea to shining sea they have visited plants of Hershey chocolate, Heinz soups and canned foods, Sara Lee frozen cakes and pastries, Kraftco cheese and margarine, Coors beer, Sun Maid raisins, Roma wine, Valley Foundry (winery equipment), Bird's Eye foods, Maxwell House coffee, Frito-Lay potato products, Tropicana orange juice, Pepsi-Cola bottling, and Philip Morris cigarettes.

While waiting for the President, the various national food ministers have been taking turns popping in and out of the chair with the little brass plate on the back which says, THE PRESIDENT, while a pal across the table takes snapshots of them in the highest seat of power. On the President's entrance everyone cools it and takes a Cabinet member's chair.

Of all the establishments the Russians visited, the one Minister Lein talks about with the most ursine joy is Disney World.

FORD: Did you go in the Haunted House?
LEIN (rolling his eyes in terror): Da! Da! Da!

The President makes a set speech, which is Russianized by an American translator: "... helpful and beneficial ... General Secretary ... Vladivostok ... expansion of trade ... détente relationship ..."

Then Minister Lein makes a speech, which is Englished by a Soviet translator. Minister Lein, it seems, is accustomed

to good long feasts of talk. He does not spare the courses. We learn a great deal from him about food processing, as practiced both in the Union of Soviet Socialist Republics and in the United States of America. He grows expansive on the benefits of mutual visitation, trade, friendship, cultural exchange and détente.

Mr. Ford, maintaining firm eye contact even during translational interludes, is growing larger and larger, his chin is jutting out farther and farther. At last the State Minister springs to his feet, and Mr. Ford springs to his feet. The State Minister snaps open a large suitcase of gifts—a huge buffalo carved from a root by a peasant, a scarf with

ПЕПСИ-КОЛА МИР
("Pepsi-Cola" and "peace")

'Suddenly there is a bad moment; it comes up from nowhere like a sudden whirling dust spot. Hartmann's flushed face slowly turns. . . . Rumsfeld's eloquent hands have a delicate tremor. . . . Then the nasty little twister has already passed; one can hardly believe it was ever there.'

printed on it, an exquisite miniature samovar, a very large pipe, a cup and saucer, an ancient ruble and a bottle each of Ambassador and Stolichnaya Vodka. By the time he gets around to mentioning the vodka, Minister Lein's arms, elbows bent, are flapping.

LEIN (as translated): When you are tired, President, drink a little from these two bottles and (flap, flap) you will be STRONG!
FORD (elbows bent, but not quite flapping): I WILL!

11:20 A.M. Secretary Schlesinger and General Scowcroft go into the Oval Office; I am not invited.

Once again, seeing Kissinger's deputy's back recede as the door closes, I begin thinking about what I have missed this week.

Why, I wonder, has this candid President opened the door so wide to me on domestic-policy meetings, and on appointments of all sorts, yet excluded me from every consideration of foreign affairs?

One answer, of course: Dr. Kissinger is away. Another: This has been a bad week—

Cambodia, Vietnam, frustrations by the Congress.

But now I remember that when Mr. Ford first met with me a month ago to discuss this project, he told me (not then knowing that the Secretary would be in the Middle East this week), "The only meetings I can think of that you won't be able to sit in on are my talks with Henry." After that appointment Ron Nessen softened the blow of this exclusion by explaining to me that nobody, but nobody—excepting the Secretary's other self, Brent Scowcroft, and occasionally Secretary of Defense Schlesinger—goes in with Henry to discuss foreign policy with the President. General Scowcroft later confirmed this to me.

And now this idea suddenly bothers me, and even alarms

with the director of the C.I.A. and the Chairman of the Joint Chiefs as attendant nonmembers—does not meet on a regular basis and does not set policy when it meets. Final policy, Scowcroft has told me, is set by the President in consultation with the Council's chairman, who is Henry Kissinger.

But that is not all there is to it. General Scowcroft is in there now with the Secretary of Defense; I can only speculate that they are discussing with the President the deteriorating military situation in Indochina. Earlier this morning General Scowcroft was in with David Peterson of the C.I.A. These couplings forcefully remind me of Dr. Kissinger's dual role—as Secretary of State and Assistant to the President on National Security Affairs.

Diplomacy, security, foreign intelligence—one daily voice for all? To advise a President with virtually no experience in those areas? Why are the President's domestic advisers, civilians, not present as a matter of course to speak for the citizenry on every occasion when foreign affairs and national security, with their horrendous potential for economic commitment and even armed conflict, are discussed?

Schlesinger and Scowcroft are in with the President for an hour and a half.

1:05 P.M. The Gridiron Club delegation, eight Grand Panjandrums of the Washington news corps, waits on the President with an invitation to their dinner. Photographs, standing with the President.

1:10 P.M. Winners of a White House Press Photographer's Contest in to stand beside the President and have their photographs photographed.

1:15 P.M. Lunch. That good old cottage cheese, drenched in that good old A-1 sauce.

2:03 P.M. The no-more-spending meeting. Lynn, Seidman, Marsh, Hartmann, Buchen, Nessen, Scowcroft, Greenspan, Cannon, Friedersdorf, Cheney, O'Neill.

In his State-of-the-Union Message two months ago, the President said, "I have also concluded that no more spending programs can be initiated this year, except for energy. Further, I will not hesitate to veto any new spending programs adopted by the Congress." Aware, for some time, of all sorts of proposals, major and minor, some of them meritorious or even obliga-

tory, that were "coming down the pike," James Lynn of the Office of Management and Budget, has been trying to get a precise interpretation of these two sentences.

This is an uncomfortable meeting for the President, who finds himself on the spot for having given Congress a firm commitment which his advisers had obviously not thought through! He is pulled and pushed, in this discussion, by dissonant voices—humane, goading, "realistic."

O'NEILL: If you go all the way with this, you're going to have to be against all kinds of things you may not want to be against—new medical devices, regulation of toxic substances. . . .

LYNN: Do you want to celebrate National Peanut Day?
GREENSPAN: The real problem is that there's no way, as an exact matter, to resolve this. . . . A substitute program isn't a "new" program. . . . Let's say that large spending programs are out, even if they have a future date on them—'77 or '78—but that you could get small programs under the tent. Of 1,000 programs, \$50 would be small ones you don't care about. . . .

Ever since breakfast yesterday morning, I have been looking for signals of stress under the calm exterior. I have seen all week that it is not easy for Gerald Ford to be in the presence of contention; and that, by the same token, it is not easy for him to make what he refers to, in the language of umpires, as "a tough call." Yet once he has made such a decision, he does not agonize over it; rather, he becomes convinced of its rightness and is stubborn in its defense, even when, as with the Cambodian-aid request, it is unpopular, politically hopeless and of most improbable efficacy.

I am beginning to be able to tell when the pressure is on. He has three laughs: a radiant, healthy and catching outburst of real mirth; a hesitant laugh, expressing slight embarrassment or uncertainty; and, rarely, a mild, monosyllabic utterance of a manly giggle, delivered as the immediate preface to speech—which, when I have heard it, has seemed to cover flickering anger. Also, when he touches his face in one of two ways: thumb under chin, index and middle fingers up along the cheek, ring and little fingers bent down across the mouth; a grasping of chin between thumb and forefinger.

2:56 P.M. He returns to the Oval Office with General Scowcroft, who is in for 20 minutes.

3:16 P.M. A few spare minutes, time to rehearse alone a speech he must make during his next appointment.

4:00 P.M. Mr. Ford goes to the residence — first to the East Room, where he delivers the speech, which is pleasantly bantering, to 250 editors and publishers of small-town and rural weekly and daily newspapers, convened in Washington for the 14th annual Government Affairs Conference of the National Newspaper Association; and afterwards to the State Dining Room, where drinks and a spread are furnished, and where he chats—he really does seem to enjoy these occasions—with some of the newspaper people and their families.

As he starts moving to leave, a moblet closes around him. He is besieged for autographs. The hallway is soon choked. He signs and signs, smiling and asking friendly questions. In a very few minutes, miraculously, he is swallowed by the elevator, off to the side of the cross hall.

"The secret in that kind of crowd," he says to me on the way back to the Oval Office, "is to keep your feet shuffling all the time. You get to your destination that way without offending anyone."

4:45 P.M. Personnel Director William N. Walker, brings his staff of about a dozen into the Oval Office to meet the President. This is one small episode in Mr. Ford's obviously genuine drive toward accessibility and openness. He is charming to these staffers, each of whom, in his or her way, works hard for him.

I have an opportunity to ask him whether his accessibility, of which I have been a beneficiary, has drawbacks.

FORD: It does in some respects. Don Rumsfeld and I are trying to do something about it. I really should have more time during the day just to totally concentrate without listening. My tendency is to be more open. Don's tendency is, thank God, to start closing doors. We've made headway. I think after another few months, we'll squeeze down the system, so to speak, so that I can have more time to actually think and contemplate. On the other hand—and I've argued this with Don—

In many respects I think I'm a better listener than I am a reader. I have learned to read fast and to absorb, but there are certain things you can't do quickly, without talking them out—at least, I can't. I need more time. We have to find time to study, to think.

5:00 P.M. To the Cabinet Room, to meet with retiring Secretary of Labor Peter Brennan and a group of leaders of the building trades unions, to talk about the lamentable rate of unemployment—almost 20 percent—among the members of some of those unions. These are big, hearty, tough men, and as always the President vibrates to strong chords that are struck near him.

FORD: Pete . . . Like to welcome your colleagues . . . loyal, dedicated fellows . . . What we've tried to do—we think it's a better way, though not necessarily for the building trades, I realize—is with a tax cut; if we could just get the Senators and Congressmen to move on it.

BRICKLAYERS' INTERNATIONAL PRESIDENT THOMAS F. MURPHY (on the President's left, slamming the table with his hand): Why don't you just send 'em home?

FORD: Sometimes I wish I could, Tom.

Here, as I watch Mr. Ford gradually rise to the level of intensity and decibels of these former hodcarriers and masons and plasterers and bricklayers, I also see them quieted by his final imperturbability. Thus, I am aware of a principle of reciprocating influences always at work with this man. He yields, but only to a certain point; beyond that point, he tranquilizes.

5:56 P.M. Former Governor William Scranton of Pennsylvania, an old friend, into the Oval Office to talk. This is the only strong advisory voice Mr. Ford will have heard all week long expressing views even slightly more liberal than his own. All the rest of his advice has come from people either as conservative as he, or more so.

6:24 P.M. Rumsfeld's deputy, Dick Cheney, and the Cabinet Secretary, Jim Connor, take the evening roundup today.

6:42 P.M. Paperwork.

7:11 P.M. The President emerges in his anteroom, ready to go home. But he is waylaid there by one of his military aides, who has been downstairs at a farewell party for General Lawson.

HAIDE (putting an arm around the President's shoulders): Be a good guy, Mr. President, and listen to just one song from this Air Force bunch we've got down there.

The President is willing to be a good guy.

The aide runs off and soon reappears with a quartet that calls itself The Winning Hand, belongs to the Arlington, Va., chapter of the Society for the Preservation and Encouragement of Barbershop Quartet Singing in America, and comes in several shapes and sizes of the same light blue suit.

FORD (pointing to Nell Yates, at the desk by the door to the Oval Office): Sing a serenade to Nell there.

Out pops a pitch pipe. Then:

They say that—it's a woman's world, and I believe it's true.

For women like to better men in everything they do.

In politics, science and industry, the girls are always right.

So I concede they're better than we—they've earned the right to fight.

And I'll be on the pier handing out the doughnuts

When we send the girls over there.

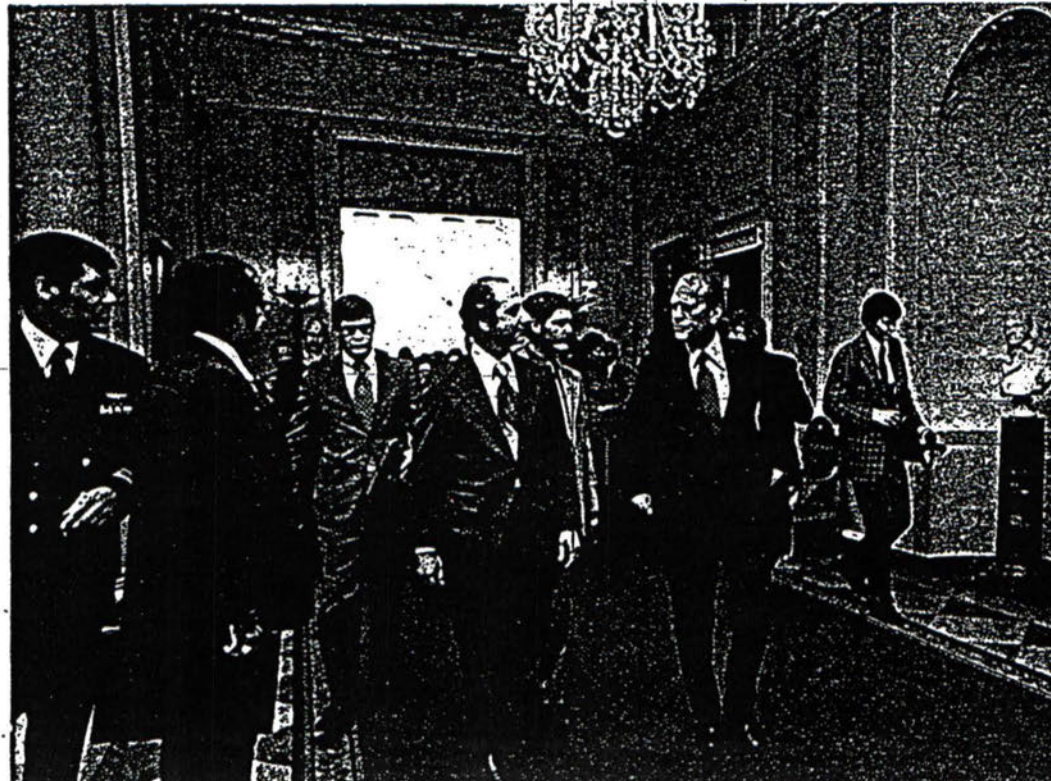
7:17 P.M. The President leaves for the residence, taking me with him.

We go up to the quarters on the second floor and he settles me in the "living room" and excuses himself; he says he wants to check in with Betty. He goes into the bedroom.

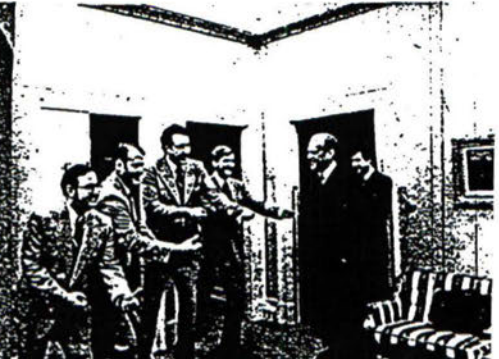
This "room" I am in really just a grouping of furniture—a sofa covered in bright flowered cotton quilting, so easy chairs, a brass-rail oval coffee table, superb porcelain lamps, four fresh flower arrangements; no body lying around—at the end of the long, long second-floor central hall; it seems a room with one wall missing.

After a few minutes President emerges, and she'd like to have me come and meet Betty.

The bedroom is a cheerful place; it is in the northwest corner of the mansion, and must fill up to the brim with sunlight, as with sweet cicadas in the daytime—though, to think of it, there has been a moment of sunshine all through this week of Mr. Ford's having suffered a neck pain. She is in the w



Leaving the East Room with Press Secretary Nessen. The Ford style—"controlled, imperturbable . . . not by nature a planner."



The Winning Hand, a barbershop quartet from Arlington. They say that—it's a woman's world, and I believe it's true. For women like to better men in everything they do.

bed. She looks frail. Her head rests on a small cylindrical pillow. I have an impression of a sea of whiteness and lace.

Susan is standing beyond the bed, in jeans and a Norwegian ski sweater.

Mrs. Ford raises her shoulders with difficulty to reach and shake my hand across the expanse of the bed. I am really glad to meet her; I have admired her straightforwardness and courage, and I have had a sense that just as Bess Truman stood close behind her Harry's backbone, so this woman fans up the warmth in her Jerry. She has been watching television. The President snaps off the set as we talk.

MRS. FORD (To her husband): Say! Lynda Bird Johnson Robb is writing a book, and she wants me to name the person I think is the most important American of all time. How about helping me?

The President seems about to make a suggestion, when she goes on:

MRS. FORD: I thought of Lincoln, and Jefferson, and of course old George—

SUSAN: What about Hamilton? Adams? John Hay?

MRS. FORD (looking up at Susan): No, I was thinking only of the top people—the giants. (She lurns her eyes—mischievous now—back to the President's) Would you buy Susan-B.—Anthony?

FORD (with a peal of his good laugh): There you go again!

The President, Susan, and I are seated now in the living room. He is on his second Beefeater martini on the rocks. The delicate subject of intellectual competence has come up.

FORD: Well, you know, it's an interesting thing, John. I don't know whether grades are the way to say somebody is bright or dumb or otherwise. But I've often thought—when I was in high school, where the competition was mediocre, I got a little over a B average. When I went to Michigan, I did the same. I think at law school—the same.

I said that Myres McDougal, a professor at the Yale Law School, had told me Mr. Ford had fared pretty well there—

In his four-year Michigan career, Mr. Ford earned A's in Decline of Rome to 1648, Civilization from 1648, Labor I and American Government. He received C's in English Composition I and II, second-year French, Finance, Geography, Money and Credit, History of the South Since 1840 and Psychology of Management. He got B's in everything else.



In the Cabinet Room, the President to Soviet State Minister of the Food Industry Voldemar Lein: "Did you go in the Haunted House (at Disney World)? Lein: "Da! Da! Da!"

had ranked about one-third of the way down from the top of his class.

FORD: Great guy. He was the Law School faculty member who was assigned to interview me as an applicant. He—or somebody—told me that in the class I entered with, which had about 125, there were 98 or 99 who were college Phi Betes, of which I was not one. And they were extremely bright. Very able guys. . . . So I seem to have had a capability of competing with whatever competition there was at each level; and yet I could have enough outside activities to enjoy a broader spectrum of day-to-day living than some of them. But I must say I worked damn hard. And I happen to agree with people that grades are very important, but I don't think that's the final criterion by which to judge people.

SUSAN: Well, that's news! FORD (to Susan): Yeah, I've been pushing you, beating you to get good grades, haven't I?

SUSAN: You put restrictions on, if my grades go down. . . .

We are at dinner. The table

Professor McDougal's notes on that interview were: "Good-looking, well dressed, plenty of poise, personality excellent. Informational background none too good, but he is interested, mature and serious of purpose. Intelligence reasonably high. I should predict a 74 or 75 average with me. I see no reason for not taking him." The professor's academic prediction was remarkably accurate. Ford's average in all subjects was 74.8. He got 78 in Constitutional Law, 74 in Federal Jurisprudence, 79 in Public Control of Business.

is lit by candles; dusk has fallen on the bold scenes from the Revolutionary War on the walls around us.

FORD: You watch, John. When they bring the dinner in, Susan's plate and mine will be all served—rations. But they'll pass things to you, and let you take as much as you want. You watch.

SUSAN: I've taken off 30 pounds.

The President's prediction is soon borne out.

Susan has been writing articles for Seventeen, and she and I talk awhile about Being Writers.

SUSAN: My second piece was about Mother's Day—really about the great job my mother has done all these years. Then they wanted me to do Father's Day for June. I said, "That's too much."

FORD: It's good discipline—writing for deadlines.

HERSEY: Yes. SUSAN: The August issue is going into the works already. They want me to write about my summer. How do I know what my plans will be? . . .

Mr. Ford talks about clothes. He gets about three suits every two years, he says. The one he has on, he says, was made by Lloyd's, a tailor in Grand Rapids to whom he went for years—it is out of style, the lapel is top narrow, he points out. He can never throw anything out. The blue shirt he is wearing, he says, is new—just got it from a Washington tailor, Harvey Rosenthal. The President is now getting his suits from

Rosenthal's, he says; they come into the White House for fittings. One of the luxuries. . . .

We have butter-pecan ice cream for dessert. After it, Mr. Ford takes tea. He starts talking again about enjoying the Presidency.

FORD: I like meeting with one group to discuss this, and the next meeting to discuss that. I don't really object to anything unless it interferes with our family relationship. And that hasn't been too bad. Probably the major test was at Vail this Christmas, and it wasn't. . . . I suppose somebody who is hypersensitive might say, "Gee, I couldn't do this, or that." But if you just relax and enjoy it, it doesn't make you tense, it doesn't make you irritable.

SUSAN: Just like when we were in Vail. Even though you did have the Cabinet meetings—when they were over, it was like you were back on your vacation.

FORD: It worked out very nicely.

SUSAN: Secretary Simon stayed, and we had a good time with him. He couldn't have been nicer.

FORD: The only thing that is disappointing—I guess any President has this. The President thinks he has the right answers. The facts of history are that he doesn't always—but he thinks he does. And he would like to implement, he'd like to execute—to get things done. But under our system, the Congress has a very definite partnership. Right now we are going through an ex-

extraordinary trauma in the relationship between the Congress and the President. I understand that. I've been on the other end of it. But if there was one part which I would really like to change, it would be the speed with which you could make decisions and carry them out—in foreign policy, particularly....

We are in the family room now, he in his blue chair, I in the overstuffed chair next to it, and the time has come for me to ask him some direct questions.

Harry Truman seems to be much in his mind. What are the things he admires about him as President?

FORD: Well, he came from relatively humble beginnings. He obviously was a man who knew people, understood people, and worked with people. He had a lot of courage, was forthright, didn't hesitate to make decisions. Those are the things I admire.

What attributes does he feel he brings to the Presidency?

FORD: I don't like to talk about it. Maybe what I say is what I would like to have brought, but I think I bring a responsible decision-making process, based on a great deal of fundamental knowledge of how things work in our Government. I consider myself very lucky that I bring this to the White House, that I have acquired, that I have retained, a great deal of background in the political process. I know I'm conscientious. I know I'm a person who can listen. I believe I bring out in people I work with their best qualities. I think I have a knack of picking people who have talent.

What would he like to be remembered for?

FORD: I think that America went through one of the most unbelievable periods in the last two or three years that we'd ever want to. And I found myself in a situation where somebody had to take over—internationally, domestically, governmentally—and handle circumstances such as had never transpired in this country before. And if I can be remembered for restoring public confidence in the Presidency, for handling all these transitional problems responsibly and effectively, for achieving decent results domestically as well as internationally, regardless of how long I serve, whether it's two and a half years or six and a half years, I think that's what I'd like on my tombstone.

He is restless. Maybe he is as dissatisfied with this last answer as I have been. He rings for a butler and asks for more tea for both of us.

Can he give, in a capsule, the essence of his political philosophy?

FORD: I happen to think that we should have great opportunity for people in this country to get ahead. Hard work should be rewarded. I don't think people who have had bad breaks should be penalized, but I don't think you can reward people who don't try.

Where does his conservatism come from?

FORD: I think it was the upbringing in my stepfather's family—he was a sort of a Horatio Alger in a limited sense. It was my upbringing in a family that had to live, not an austere, but a moderate life.

How conservative does he see himself as being?

FORD: Well, I'm conservative in that I believe in saving—I'm talking personally, now—I believe in saving. I believe in building through effort. On the other hand, I enjoy material things. This is a nice place to live, and there are many conveniences that are made available here. I enjoy belonging to Burning Tree. We were talking about clothes—I enjoy nice clothes, not flamboyant or extravagant. I enjoy doing nice things. But I enjoy these things because I worked for them.

Does he think that the material side of the Presidency, and its conveniences, won't get to him?

FORD: I don't think I've shown any evidence that they have, and I don't see why they should. I've had a long 60 years without any of this, so these aren't things that I couldn't get along without in the future.

What about the sense of power that comes with an office like this?

FORD: I don't enjoy it. I think I accept it as part of the responsibility. I recognize that it is there, and that I have to use it judiciously. I don't shy away from it.

Does he think of himself as a Middle American?

FORD: I do see myself as a Middle American. I have a Michigan background. I went to school in Michigan from kindergarten through college. But I've been fortunate enough to have exposures that

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broadened the spectrum, broadened the horizon.

How would he describe a Middle American?

FORD: A person who is moderate - to - conservative, philosophically; who yet has compassion for people less well-off than himself; who wants to have his country do what is right for everybody; who is concerned with the national security; who is willing to make sacrifices; who is willing to work; and who is a lot smarter than most politicians give him credit for being.

How can he use the word "compassion" so much—and ask for higher prices for food stamps?

FORD: The trouble with a lot of these programs, where compassion ought to be the main thrust, is that they get well beyond the properly intended scope. And the net result is that when you try to bring them back to focus on the people who need and deserve help — whether food stamps, or welfare, generally — when you try to cut out the undeserving so you can give more to the people who are really in need, you can't be compassionate for the ones who get cut out, because they shouldn't have been in the program in the first place. And yet they're the most vocal; they're the ones who feel that because they were on something, they ought to continue. Really, the ones that are deserving of compassion are the ones that complain the least; it's the ones who are sort of the fringe people who cause the most trouble and get the issue confused.

Perhaps I phrased that last question badly. I am thinking

back to Tuesday, when I was first surprised by what seemed to me the hard sound in his voice; the sound of distance from ordinary people—which seemed so contradictory to the direct and unfeigned kindness he was able to offer whomever he met face to face. Perhaps I can come at this from another direction — by way of another contradiction in him.

He was famous in Congress for his gift of compromise, but even some of his good friends say he is stubborn at times. How do these two things go together?

FORD: It is paradoxical. I try to rationalize that when I am stubborn, I am right, and therefore compromise seems fundamentally wrong. Now I suppose to somebody who's sitting on the other side, when I take a firm position, he says, "Well, he's just being stubborn—not necessarily 100 per cent right." But there are occasions where I will be very firm, and stubborn might be another term for it.

What are his feelings when he is criticized?

FORD: When I read or listen to criticism, I try to analyze whether it's legitimate by my standards; and if I think it's unfair and feel very secure in my judgment, sometimes I'm amused by the criticism, sometimes I'm irritated, but the last thing I'm going to do is let anyone know it. But as long as I feel that what I've done is right, I'm not going to be upset about it and fly off the handle or change my course of action. If the criticism is fair—and there are instances when I might have made a mistake—then I take it and look it over. If I've made a mistake, I don't hesitate to change.

Looking back, what mistakes?

FORD: Well, there's probably one incident in retrospect I might have handled differently, and this is the famous challenge to Bill Douglas. But at the time, I was faced with a very difficult practical problem within the Republican party in the House. Bill Douglas had made some decisions, and his married life was different than most—many conservative people were upset about him, and we had a very strong small group of very conservative Republicans in the Congress. And for a period of about a month or so, they kept telling me, "You either do something about it, or we're going to offer a motion of impeachment, which is a privileged motion of the highest, and we're going to force a vote." I tried to keep them from going off the deep end, and they kept pressuring and pressuring. And then this famous Evergreen publication came out, a very ill-advised article by the Justice in a magazine that I think is pornographic by any standards. And that upset me, plus the pressure from these others. So I said to myself, in order to keep the irresponsibles from forcing the vote, I will make this speech, and I will not say there should be impeachment, but that there ought to be a study. Well, I did it. I never demanded his impeachment. I advocated a study. Well, in retrospect, forgetting the pressures that were existent then, I suspect it was the one thing that was a bit out of character.

What does he say to those who call him a plodder and a man without charisma? FORD: I kind of resent the word "plodder." (What is it that one can hear in the careful way he says these words? There is something gathering, something clotting, under the perfect control.) I would put it another way. I'm a determined person. And if I've got an objective, I'll make hours of sacrifice—whatever efforts are needed. Some people call it plodding. The word is somewhat downgraded, but I'd rather be a plodder and get someplace than have charisma and not make it.

Now I realize that we have shared a moment of strong and puzzling feelings. Beneath the control, I can hear that he is angry with me, and I am glad of it. He has a right to be angry; I have asked him hard questions, and just now an insulting one. For my part, although I am deeply troubled

by some of his policies, and by the long reach and rigidity of his conservatism, I have nevertheless come to like him as a man—he has been most kind and generous with me; his good laugh, when I have heard it, has filled me with its energy and warmth. And so I am grateful for this human moment, even though it is ugly, for I feel that at last we have really and truly met.

But it is only a moment, as I must hurry on to the next question.

Does he have any chance to talk to poor people?

FORD: In this job, I have had very little. When I was in Congress, a great deal. When I was in Congress, I made a maximum effort. I think that was helpful, both substantively and politically.

Wouldn't it be now, too?

FORD: Well, we've thought about that, and quite frankly I've been intrigued with the program Giscard has, of having gone to dinner in the homes of citizens, or having people in. I'm a little hesitant about doing it, because it looks copycat. Now that I've talked about it, I think there's some merit in it. As to how you do it... I don't know if you've ever heard about my trailer operation.

What was that?

FORD: That was the smartest thing I ever did. Grand Rapids was the main area of the district. After I'd been in Congress about six years, I found I was spending 90 per cent of my time in Grand Rapids, and not doing much out in the smaller communities in the rural areas. I got the idea of having Jerry Ford's Main Street office. So we rented a trailer, and I would take it to Cedar Springs, and we'd advertise that I was going to be there in the morning. I'd speak, going to the high school and the grade school and talking to the kids, and then I'd speak at the Cedar Springs Rotary Club, or Kiwanis—this wasn't just campaign years, off-years as well. I'd walk up and down the main street for an hour or so, stopping at stores. And then from 2:30 to 8 o'clock I'd be in the trailer. And we would have anywhere from 25 to 125 people come and see me individually in the back room of the trailer. And I had my secretary or administrative assistant out front. In the course of two months in the fall, maybe three months, I'd do it in 25, 30 different places. We would have anywhere from 1,500 to 2,000 people

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who would stop in and see me, to criticize, to compliment, to give us problems to work on. We could always say that I had my office within 10 miles of every home in the district. People could never say they couldn't come and see me. It was the greatest political asset in a nonpolitical way.

This picture excites me, and I interrupt him to exclaim how good it would be if he had a trailer like that now. I imagine the Presidential trailer in remote hamlets, on hot city streets. He is not interested in my enthusiasm, and at once I realize how silly it is—the mobs, security, a nation isn't a district.

And yet, how good it would be if in some way he could speak—not just with Kissinger and Simon and Morton and Schlesinger, with Rumsfeld and Hartmann and Marsh and Buchen, with importunate politicians and selected intellectuals—but also, good listener that he is, inner mimic that he is, one-to-one with ordinary men and women, his constituents, from whom he has somehow drifted so far away.

FORD (ignoring my interruption): On some occasions I'd be in the trailer until midnight. It was interesting in that district. It had many strong, devout, Calvinistic Dutch people. Holland, Mich. Zealand, Mich. In one area of the district, 90 per cent of the people were strong Protestants—not Dutch Reform, but Dutch Christian Re-

form, which is a group that broke off from Dutch Reform because it was too liberal. I would have the ministers from these areas in, and sit down with them before they'd talk about a problem, and they'd say, "Can we have a few moments of prayer?" And we'd pray in the trailer—sincerely, very devoutly.

Somehow, thinking about the trailer, I have lost the thread of all the hundreds of questions this week has raised in my mind. Thinking about more than the trailer, really. Thinking about what seemed for a moment possible but obviously is not; thinking about the insistent sound of caution in all that Mr. Ford has been saying this evening; thinking about the hopes that so many citizens have had for a whole new era, after the Nixon debacle, in our national way of looking at things—hopes for a time of change that is evidently not going to be fought for, or even dreamed of, by this man, because in his view, and in that of his advisers, "this is not an era for change."

The brown suitcase, full of papers, sits there like a reproach. I sense that the President is itching to get down to work. I thank him for dinner, and for his time, and for his openness. He considerably goes all the way downstairs in the elevator with me, to make sure I will find my way back to the West Wing, where I left my coat early this morning.

FORD: Good night, John. See you in the morning!



Off for an afternoon at Burning Tree: "His long game is very strong; his chips and putts, more often than not, too strong."

SATURDAY

The shot takes off for Atlanta, Georgia

This morning he indulges in what he calls "sleeping over"; this means that he doesn't show up at the Oval Office until 8:30. He has a light schedule today—a chance to clear his desk.

8:34 A.M. Scowcroft and Peterson in. 8:55 A.M.—Peterson out. 9:35 A.M.—Scowcroft out. 9:35 A.M.—Marsh in. 9:50 A.M.—Marsh out.

The day has dawned with an overcast sky, but the forecast, at last, is excellent. Now suddenly a dollop of sunlight falls like a promise through a rip in the clouds and dilutes with finer stuff the artificial brilliance of the Oval Office. No more is needed to make the President ring for Terry O'Donnell and tell him to line up some golfing companions for the afternoon.

9:50 A.M. Cheney and Green-span in. 10:15 A.M.—Green-span out. 10:25 A.M.—Cheney out. 11:00 A.M.—Cheney in again. 11:35 A.M.—Cheney out again. Paperwork. GRAND-FATHER SEYMOUR: Tock. . . . Tock. . . .

1:35 P.M. A motorcade of four cars leaves the South Grounds: the President in a blue sedan, reading the afternoon Star as he goes; a Secret Service car, which follows the sedan closely; a staff car; a car for the photographic pool, going along as far as the entrance gate to Burning Tree—just in case.

The President changes in the locker room, then goes to the first tee, wearing now an old visored cap, brown-on-brown saddled golf shoes, green pants, and a blue wind-breaker of the Pinehurst Country Club, which he picked up when he went there last year to visit the Golf Hall of Fame and played a round with the famed inductees. With him are his good friend William Whyte, a vice president and Washington lobbyist for United States Steel; Clark MacGregor, once a fellow Congressman with Ford, later John Mitchell's successor as chairman of the Committee to Re-elect the President and now a Washington-based vice president of United Aircraft Corp. and Webb Hayes, a Washing-

ton lawyer and great-grandson of President Rutherford B. Hayes.

Ford teams up with Walter "the foursome" settles on "two-dollar-Nassau"—a tating deal that can't hurt one much. The men do use golf carts; caddies do their clubs.

On the first few holes, President has a bit of Office in his swing. His game is very strong, his chips and putts, more often than not, are too strong; He plays with a wide stance suited for good hard clouds. The breeze with sharp teeth bite the flags on the green. So discreet is Burning Tree Country Club that these don't even have numbered them. One is conscious of eral men, carrying odd-shaped cases, ranging in the wind on either side of the fair and far ahead. Following foursome at a polite distance is Dick Keiser, Chief of Presidential Protective Division of the Secret Service who is often taken for President in crowds; L. Cmdr. Stephen Todd, President's naval aide, carrying a walke-talkie; to in touch with the White House communications center a times, and Dr. Lukash.

It is the seventh hole, four.

Gerald Ford's huge tee takes off for Atlanta, Georgia but the ball has a mind of its own and in midair veers toward Charleston, South Carolina; on the way there, ever, it hits a tall tree with distinctly Presidential luck, bounces out to a s-did lie in the left rough.

There, with a No wood, the President comes so hard that one is forced to wonder what that sphere stands for in his life. The ball rises and rises flies as straight and true Air Force I nonstop to green, to within 10 feet of the pin.

The President cups hands around his mouth exultantly shouts to his neighbor across the fairway: "Bill, is that where I'm posed to put it?" ■

4-2-97

Cost-

Sad to Jim ✓

for reply. Will send

it to POTUS once

reply prepared.

Pln
Caption



U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
OFFICE OF THE SECRETARY
WASHINGTON, D.C. 20410-0001

March 4, 1997

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

Dear Mr. President:

It is with appreciation and regret that I hereby submit my resignation from the position of Senior Advisor to the Secretary of the Department of Housing and Urban Development.

While serving this Administration has been a high point for me both personally and professionally, it is now time for me and my family to return home to San Francisco.

Working at HUD to promote civil rights, increase homeownership and provide affordable housing has been an incredibly rewarding experience. Not only was the work crucial to realizing the American dream, but the opportunity to work with former Secretary Henry Cisneros was an unforgettable experience. Through his boundless passion and commitment Secretary Cisneros exemplified what it is to be a public servant.

I would also like to congratulate you on your selection of Andrew Cuomo. Having worked alongside Secretary Cuomo for four years, I know he has the energy, dedication and vision to transform HUD into an agency for the twenty-first century and beyond.

Lastly, Mr. President, you have my deep appreciation for your constant support and your nomination of me to the position of Assistant Secretary of Fair Housing and Equal Opportunity. By giving me the opportunity to serve, you demonstrated that your promise of an Administration that "looked like America" was real. You sent a message that what America really stands for is the opportunity for everyone to contribute their strengths to the greater good. I hope I have served you well.

Working with this Administration has been one of the most significant accomplishments of my life. You have inspired this nation to be more compassionate, more inclusive, and more united. I thank you for all the ways in which you've moved this country forward.

Respectfully,


Roberta Achtenberg

cc: Secretary Cuomo

Altering Labels, Not Clothes, China Sidesteps Trade Limits

By RAYMOND BONNER

HONG KONG — Every day, shiploads of clothing cranked out by China's prodigious textile industry are unloaded on the docks of this commercial crossroads and taken by truck to back-alley factories. Nimble-fingered workers add a few finishing touches and, most important, a label that reads, "Made in Hong Kong."

Thus altered, the garments are sent to retailers in Europe and the United States as the exports of Hong Kong in what American officials say is a vast effort to circumvent European and American limits on imports of Chinese textiles.

This clandestine traffic in suits, shirts and gloves has long roiled trade relations between the United States and China. And American officials fear that it could expand further after July 1, when Hong Kong comes under Chinese control and movement of goods through the former colony may become even easier.

Billions of dollars are at stake. A painstaking study by the United States Customs Service found that in 1992, while China's textile exports totaled \$13 billion, the world's countries reported importing more than \$23 billion worth of textiles from China.

In a section titled "The China Syndrome: Clothing That Multiplies En Route," the study said that only some of the discrepancy could be explained by statistical confusion.

American officials say the illegal exports harm American workers and the dwindling domestic textile industry. Critics of China also say the long history of evading the rules calls into question Beijing's willingness to abide by terms under negotiation, the most important of which involve China's drive to join the World Trade Organization.

The issue's prominence is another sign of a major shift in Asia's economy. Textile manufacturing fueled the growth of Hong Kong, Taiwan and Korea after World War II. But today, clothing companies in the region have shifted their factories to China, where workers are paid \$50 a

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month, as against \$1,300 a month in Hong Kong. American officials say China's textile empire produces far more than it can legally export, though it, too, is facing pressure from even lower-wage countries like India. China, said one American official, "would clothe most of the world if we let it."

There is no intention to allow that. Nearly all of the world's developed nations set limits, or quotas, on the quantity of textiles that they import from any single country. Those rules reflect the production patterns of an earlier era, and places like Hong Kong and Macao are allowed far more exports than they now produce.

International trade laws will continue to treat Hong Kong and China as separate entities for the next seven years, with separate quotas, even though Hong Kong will become part of China this year. "We're waiting to see how it plays out," said one American official. "If we don't have the same level of cooperation, we'll have to look very hard at what our next step would be."

The quotas themselves are a vestige of a previous era, and will eventually be phased out.

In its annual report on foreign trade barriers, the Clinton Administration argues that China's illegal shipments are still a major problem, but expresses hope that they will be reduced under a four-year pact signed this year. That agreement lowers China's quota for 14 apparel and fabric categories and calls for stronger enforcement measures.

Hong Kong's underused quotas have long provided an opening that many Chinese factories and Hong Kong companies cannot resist.

In some instances the phony label — "Made in Fiji," "Made in Macao" — is sewn into the garment before it even leaves the factory in China. In other cases, once the garments reach Hong Kong, the "Made in China" label is taken out and replaced with one that reads, "Made in Hong Kong." Other times, the labels are sewn in Hong Kong and the garments repacked in their original boxes, with a piece of tape that says, "Made in Hong Kong" slapped over the "Made in China" markings on the outside.

Trade and employment statistics suggest the scope of illegal exports through Hong Kong. While Hong Kong's textile work force has declined by two-thirds in the last decade, its exports to the United States are mysteriously up by almost 50 percent, according to Hong Kong government data. At least 90 percent of the textiles and garments sold in the United States with a "Made in Hong Kong" label are in fact made in China, said two senior Hong Kong textile executives, who sell different types of textiles.

The three largest Hong Kong exporters of men's suits and jackets to the United States have a combined work force today of some 400, people in the industry say. Yet those companies exported nearly 200,000 suits and jackets to the United States in 1994.

Hong Kong companies shipped 60 million pairs of work gloves to the United States last year, even though the companies employ fewer than 100 workers, a senior executive in the industry said. Nearly all of the gloves were in fact made in China, he said.

In a complaint that runs to nearly 300 pages, the American Textile Manufacturers Association has accused The Limited Inc., which operates retail outlets like Abercrombie & Fitch, Victoria's Secret and Lane Bryant, with falsifying documents, smuggling and other violations of American laws to get Chinese-made goods into the United States via Hong Kong, say American officials and persons close to the association.

The Justice Department and Customs Service are investigating the allegations before deciding whether to file criminal charges against the company, the officials said. If the Government does not act, the association plans to file a civil action against The Limited, officials close to the institute said.

The Limited, a publicly held company based in Columbus, Ohio, would not comment directly on the allegations. A company official said that he had heard that the industry had filed a complaint, but that he had not seen

it. The company's general counsel, Samuel P. Fried, said The Limited was "committed to full compliance with the spirit and letter of all legal requirements of goods into the United States."

After years of prodding from the United States, trade officials in Hong Kong have begun to crack down on some of the local companies that export Chinese-made textiles as their own.

And for the first time, American customs agents have been allowed to inspect Hong Kong factories where false labels are said to be sewn on, though the agents are allowed into factories only if the company permits. They are not allowed to examine a company's books.

Illustrating the scale of the problem, and the difficulty of curbing it, American officials and Hong Kong textile executives point to Peninsula Knitters, which is headed by Henry Tang Ying-yen. He is one of Hong Kong's most powerful political leaders, and he has been implicated in export violations.

A few years ago, Mr. Tang was fined \$250,000 by the British authorities after being caught trying to smuggle Chinese-made cashmere sweaters into England, American officials said. The sweaters were destined for the United States, the officials said, where with a "Made in England" label they would have fetched a far higher price than with a "Made in China" one.

Mr. Tang is chairman of the Federation of Hong Kong Industries, a quasi-governmental business organization, and has been appointed to the executive council that will come into power when Hong Kong reverts to Chinese control on July 1.

The United States is investigating whether Mr. Tang illegally shipped four million Chinese-made sweaters to the United States last year, American officials said. Mr. Tang declined

China 'would clothe most of the world if we let it.'

to discuss any aspect of either case, other than to say that he had paid a fine in England. "We don't engage in transshipping," he said, using the term for the illegal exporting of goods originating elsewhere.

Mr. Tang, who said Peninsula Knitters sold "tens of millions of dollars" of sweaters to United States companies annually, dismissed the issue as a minor problem, the result of a few "unscrupulous operators." And he called American efforts to curb it "barbaric."

The Customs Service has primary responsibility to stanch the flow. But several senior agents said illegal textile exports were not a high priority for the agency, which also handles higher-profile cases involving drug trafficking and money laundering.

Justice Department lawyers find the cases difficult, time-consuming and expensive. And the State Department has been reluctant to be too vocal in its criticism of China or Hong Kong, critics of the Administration's record said.

One of the most contentious issues is whether an American importer knows that the garments have been made in China and not Hong Kong.

"They know where the stuff comes from," said an American law enforcement official. "Proving it in court is another matter." The companies generally insist that they do not, saying they buy from Hong Kong manufacturers or through Hong Kong agents.

THE PRESIDENT HAS SEEN
4/2/97

The New York Times

TUESDAY, APRIL 1, 1997

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As Term Limits Take Effect in Maine's Capitol, Government Seems to Be Doing Just Fine, Thanks

By DANA MILBANK

Staff Reporter of THE WALL STREET JOURNAL

AUGUSTA, Maine — How the mighty have fallen in the Maine Capitol.

Until this year, Roger Pouliot, a 16-year fixture of the state legislature, occupied seat No. 1 in the House chamber, a front-row aisle position that honored his seniority. Then came enforcement of Maine's term-limit law, the first in the U.S. to dump legislators from both chambers of a state legislature. Disinclined to leave, Mr. Pouliot begged a job from the House clerk, and now as the official House sound man, he sits beside the speaker flicking microphone switches while lawmakers debate.

"The toughest thing is when you've been a policy maker for 16 years, and now you're a listener," Mr. Pouliot says from his perch at the controls in the green-carpeted House chamber. "I only wish that I could be a player." The man who once made state commissioners tremble can't even make long-distance phone calls.

This is doubly tough on Mr. Pouliot because the government seems to be operating competently without him and about 30 other veterans forced out by the limits. That represents about a sixth of the 186 House and Senate seats.

An Infusion of Vitality

By some measures, this novice legislature is having a banner year — evidence that term-limit proponents may have been right about the value of new blood. Admits Mr. Pouliot, who sued unsuccessfully to keep his seat: "I would say things are running smoothly enough."

The legislature passed the state's \$3.8 billion budget in March, the earliest in modern times in the Pine Tree State. As part of increased turnover — 40% of legislators are freshmen — Maine now has its first female House speaker, and half of the legislature's leaders are women, the most ever. Lobbyists find they can no longer rely on old friends. Lawmakers work harder. More bills have been filed than ever before at this stage in the legislative session, as long-dead proposals receive fresh consideration.

Sally Bryant, who as president of the League of Women Voters in Maine led the lawsuit against term limits, concedes it has been a good session. "It just seems like they're ready to move on some things," she says. In addition to the budget, she expects health-care reform and a cigarette-tax increase. "A year ago we couldn't make a dent" in the opposition to the tax, she says.

Maine's experience is important because it is the first to take a broad term-limits plunge. According to the U.S. Term Limits campaign, of the 20 states that have adopted limits for state legislators since 1990 (all but two by voter initiative), Maine and California were the first to bar lawmakers from office, both with the 1996 election. But Maine's eight-years-and-out law is the only one so far to remove longstanding lawmakers from both chambers of its legislature. California's Senate is still unaffected.

Lobbyists Can't Find an Audience

Of course, the full effect of the term limits may not be felt for a few years, as more senior legislators reach their limits and the impact of new laws can be measured. In the meantime, the legislature is more bitterly partisan than before. Some worry that the inexperienced legislators will pass laws haphazardly and won't stand up to interest groups, a powerful governor, and a bureaucracy whose civil servants can serve as long as they like. "I want legislators to be the experts, not the staff and not lobbyists," says Elizabeth Mitchell, a term-limits opponent who became House Speaker when more-senior lawmakers exited, but will be forced out herself in 1998.

Though opponents feared that the loss of seasoned legislators would allow lobbyists to run the show, the opposite seems to be true so far. Lobbyist Linda Smith Dyer, who has represented trial lawyers in the past, says she tried to buttonhole a new legislator this session about an issue she declines to specify — but the lawmaker stopped her in her tracks. "At this point I'm not interested in taking information from lobbyists," the lawmaker said. Ms. Dyer notes: "They've come in with a little bit of a cynical bent to them."

Another lobbyist, Severin Beliveau, sees an opportunity to become the "institutional memory," but he, too, feels his job is more challenging. Lobbyists "have to persuade people, talk about the merits in a logical way, not rely on your friends and say, 'you killed this bill a few years ago, let's kill it again,'" he says.

Mark Lawrence, the Senate president and an opponent of limits, says the loss of veterans has made it "very difficult getting up to speed." But on the budget, "we were able to move along so quickly in part because of term limits, because people were inexperienced," he says. "We asked them to work harder than before and they didn't know what they were agreeing to."

To further improve efficiency, lawmakers were directed to file bills early — a record 1,700 have been written so far — so that committees have more time to decide what's important. Committees have been operating five days a week instead of the usual three. "These people are hungry and eager," says Joy O'Brien, secretary of the Senate, where 14 of 35 members are first-termers (though most came from the House).

Senate Republican Leader Jane Amero, one of a minority of officials who approved of term limits in the first place, says the place has more of an anything-goes style now. She introduced a bill requiring cars with windshield wipers running to have their headlights on — an idea that had been introduced each session for a decade, but died in committee each time. This year, the windshield-wipers measure will reach

the floor for the first time. "There's more openness to consider ideas that used to be dismissed out of hand," Sen. Amero says.

Similarly, a House committee voted to oppose a bill allowing the test-driving of unregistered snowmobiles. But when a first-termer who ran a small repair shop complained that the prohibition on test-driving was keeping him from getting Canadian business, the speech swayed the House to reverse the committee's recommendation. New lawmakers "are more willing to allow new things to happen," says House Minority Leader James Donnelly, who, at 29 years old and about to hit the limit, jokes that he is "all washed up."

Mr. Pouliot, 60, sitting in the capitol rotunda as legislators move in and out for votes, knows the feeling. Though he thinks the real damage of term limits is yet to come, he acknowledges that he has suffered more than the legislature so far. "When you're a representative you have that extra clout," says the former member of the all-powerful Appropriations Committee. Now, "you don't have the power you used to have to move things around."

Taking advantage of the law's allowance for a return after a hiatus, Mr. Pouliot will most likely run in 1998 for a seat in another district — maybe where somebody else has reached the limit. Though he still resents the limits, his humbling in the political wilderness hasn't been without merit. "It's been a great learning experience," he says. "If I run again, I'll know how to be better."

THE WALL STREET JOURNAL
WEDNESDAY, APRIL 2, 1997

Copied
Craig Smith
CS

Insuring Children

Copied
Sperling
B. Reed
COS

BY STUART AUERBACH

Jodie Gavin's serene middle-class life-style ended in the wreckage of a car crash that killed her husband, Larry, and his brother 3½ years ago on what she now ruefully describes as a "chance-of-a-lifetime family vacation" to see relatives in Ireland.

The vibrant young wife and mother of two young sons was transformed into a 28-year-old widow who was forced to cope without her husband's paycheck and benefits to pay for all the normal trappings of life: mortgage payments on a neat one-story home, health insurance, money for food, clothing and recreation.

"We came home and the kids were crying. They asked me, 'Will we have to move from our house, Mom?'" Gavin recalled.

Another big worry was health cover- age. Her youngest son, Philip, now 6, suffers from congenital heart disease that so far has required three opera-

tions. The family had been covered through the husband's job as a maintenance supervisor at the University of Pitts- burgh. Although Gavin could have continued her husband's policy, the \$650-a-month price tag was beyond her income of \$1,476 a month in Social Security benefits.

"It was either food on the table or health insurance or pay the mortgage or health insurance. Social Security meant I was too rich for medical assistance, and I couldn't afford to buy insurance myself," she said.

"Those were really hard times. I didn't know what to do. I was afraid we'd all end up on the street somewhere."

Her most immediate health concern was Philip's heart problem.

A relative told Gavin about the Western Pennsylvania Caring Program for Children, a private community initiative, administered by the local Blue Cross Blue Shield organiza- tions, to provide health insurance to children of parents who can't afford to buy it themselves but whose income is too high to qualify for federal-state Medicaid.

Gavin was able to enroll Philip and Larry, 9, without a waiting period. Once enrolled they had their own Blue Cross Blue Shield card; as far as any doctor or hospital knew, they were members of the health care plan. But the cost of the insurance was borne not by the Gavin family or a private employer, but by the Caring Program, which is funded through charitable donations and state funds.

While the Caring Program only covers children from 1 to 19, Blue Cross Blue Shield offers low cost coverage to parents of children in the Caring Program for \$730 a year. "I was devastated by my husband's death. But because of the Caring

The Pennsylvania program is gaining attention as a national model for covering the growing ranks of uninsured children.

Program, I knew that my children could stay in this house and that I could clothe them, that I could feed them and that I could love them," Gavin said.

The Pennsylvania program is gaining attention as a national model for covering the growing ranks of uninsured children, estimated as totaling 10 million across the nation.

A Full Range of Benefits

The 12-year-old program, now expanded to the entire state and financed largely through a two-cent-a-pack tax on cigarettes, provides health insurance for 60,000 Pennsylvania children, 26,000 in the 29 counties of western Pennsylvania. The program provides a full range of health care benefits including visits to doctor's offices, immunizations, diagnostic tests, emergency care, outpatient surgery, dental treatments, vision and hearing care, prescription drugs (with a \$5 co-payment), mental health care and hospitalizations.

While the coverage is free for eligible children, Charles P. LaVallee, vice president and executive director of the Caring Program, calculated the cost of the insurance at \$850 a year for each enrolled child.

"Covering kids is relatively cheap. Extending coverage to more children should not be a big financial burden," said E. Richard Brown, director of the University of California at Los Angeles Center for Health Policy Research, which studied uninsured children in California.

The Western Pennsylvania Caring Program has been replicated in 26 states by Blue Cross Blue Shield. In some states, including Massachusetts, the program is financed by increases in the cigarette tax.

Pennsylvania's children health insurance program is targeted largely to middle-class working families who don't get health insurance for their children as part of their employee benefits and don't earn enough money to buy insurance on their own. They also earn too much to be eligible for Medicaid. Under the Pennsylvania program, a family of four earning \$28,860—185 percent above the \$15,600 poverty line—qualifies for free health insurance for their children.

In western Pennsylvania, 92 percent of newly enrolled children have parents who work full or part time. This reflects the national profile of the uninsured. A UCLA study found that nine of 10 uninsured children in California come from a working family and 60 percent of the uninsured children come from families with at least one full-time working parent. The Children's Defense Fund found similar figures in a national sampling, as a growing number of parents are working for employers who no longer offer health insurance for children as a benefit.

A new study released last week by Families USA Founda- tion, based on federal census data, reported that an estimated 23 million American children were without health insurance coverage for at least one month during a two-year period.

"America's uninsured children live in families where the breadwinners work hard, pay taxes and play by the rules. But they don't get health coverage on the job, for themselves or their children. And they can't afford to pay for it out-of-pocket," said Ron Pollack, executive director of Families USA.

Avoiding Trips to the Doctor

A typical situation is that of Susan Din, executive director of the Ligonier Valley Chamber of Commerce.

See INSURING CHILDREN, Page 12

The Washington Post

TUESDAY, APRIL 1, 1997

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3

INSURING CHILDREN, From Page 10

"I almost called for help," said the mother of two teenage daughters.

"My husband has been out of work for two years, and I was taking care of a family of four on my chamber salary of about \$20,000 a year. We had no insurance for the kids or ourselves. There was no way we could have afforded insurance. It was just food on the table and mortgage payments," Din said.

"I just kept saying to the kids, 'Don't get sick.'"

Without insurance, Din also avoided going to the doctor. The family was lucky. There were no injuries or major illnesses. Her husband, Angie, now has a job with an axle manufacturing company in Michigan, where the family will move after the school year is over.

"I can't wait until we get insurance [from her husband's new job]," she said. "I haven't seen a doctor in three years."

She explained that she didn't sign her children up for the Caring Program because her family was not destitute. "We had a nice house and investments we could tap into. We are not like people who don't have anything. There's a lot we could have gone through before we got to the place where a lot of people already are," Din said.

"But I still was afraid to go to the doctor in case he found something wrong. That could wipe us out."

That is a common fear among parents with no health insurance for their children. A survey taken for the Caring Program by the University of Pittsburgh health economists Judith R. Lave and Edmund Ricci found that three out of four parents of uninsured children postpone going to the doctor, preferring to save that cost to pay for medical care for their children.

Because they can't afford it, many parents also put off getting needed treatment for their children.

As a result many of the children who come into the Caring Program have unmet medical needs. The Pittsburgh study found that one in four new enrollees needed to see a doctor for untreated ailments such as asthma, bronchitis, bruised kidneys, depression, diabetes and sprained ankles. The illnesses were caught before they caused permanent damage, and the researchers said treating them meant the children grew up to be healthier adults.

More than four of every 10 children enrolled in the Caring Program needed dental care and almost two in 10 needed glasses.

The lack of health coverage also affected the family's lifestyle. In the study, about 12 percent of the children were forced to restrict activities such as bike riding and ball playing because parents feared their children would get hurt.

"They wouldn't let their children engage in a sport that they feared would lead to an accident and a need for emergency medical care they couldn't afford. I was surprised. It had never occurred to me that lacking health insurance would keep children away from playgrounds and out of sports," Ricci said.

But this was no surprise to social workers in the community. "I can't tell you how many parents say, 'Now he can play baseball again,'" said Kimberly Rodd, an outreach coordinator for St. Michael's of the Valley Episcopal Church in Ligonier. The church both raises money and seeks out children for the program.

"Schools require physicals before a child can participate in organized sports. They can't

afford physicals if they don't have health insurance," added Amy Salay, a counselor for the Ligonier schools who steers children into the Caring Program.

Founded After Layoffs

The Western Pennsylvania Caring Program was born after massive layoffs hit the steel mills that had been the bedrock of the region's economy. Teams of ministers asking about the needs of thousands of formerly well-paid laid-off steelworkers were told:

"Don't worry about us. Do something for our kids," recalls LaVallee, who was studying for the ministry at the time.

The ministers settled on offering a basic package of primary care health coverage for children, financed by community donations matched by Blue Cross of Western Pennsylvania and Pennsylvania Blue Shield, now merged into a single organization, Highmark Blue Cross Blue Shield. The Blue Cross Blue

Shield organizations took an active interest in the program, donating the administrative services that keep it going.

In the beginning, the benefits were far from comprehensive—doctors' visits, immunizations, diagnostic tests, emergency care and outpatient surgery—but the cost was low, just \$13 a month for each child, which amounts to \$156 a year.

LaVallee and others raised the money from the community by holding bake sales and making the rounds of Kiwanis Clubs and church groups. They argued that every \$156 raised from the community would be matched by the Blues and thus would provide health insurance for two children.

Community fund drives remain a part of the Caring Program, accounting for \$500,000 to \$900,000 a year. But LaVallee said he quickly realized community support could go only so far. The explosive growth for the program came in 1993, after Democrat Harris Wofford won a U.S. Senate seat from Pennsylvania on a platform favoring national health insurance. He upset former governor and U.S. attorney general Dick Thornburgh, and helped put health insurance on the national agenda for the next three years.

In Pennsylvania, State Rep. Allen Kukovich had a bill to expand and enlarge the western Pennsylvania program, financing it with two cents from a 13-cent-a-pack cigarette tax, which added up to \$20 million for the program.

"I had the only serious health care bill around," recalled Kukovich, now a state senator. "It was languishing, but all of a sudden it moved to the front burner. It passed in five weeks and was signed in 1993."

"We had this Caring Program in western Pennsylvania providing primary care only for 6,000 children," recalled LaVallee. "All of a sudden we could provide comprehensive care for 25,000. We got more money in a month from the Commonwealth of Pennsylvania than we got in a year of fund-raising. For us that was a dream come true... and enabled us to take the next step."

The program has turned out to be a way station for families, 40 percent of whose children move off the program within a year—largely because their families got jobs. Thus the program becomes a bridge to mainstream coverage.

That is what happened with Maurine Ceidro, 41, who lives with her three children—Sarah, 11, Jason, 13, and Janean, 19—in nearby Greensburg. They were covered by the Caring Program for four years after her husband died in 1992. Although she has a college degree in theology, she was working low-paying, no-benefit jobs: part of a crew cleaning houses and offices after they had been damaged by fire and soot and as a caregiver at a home for disturbed children. Neither provided health insurance for herself or her children.

She saw a Caring Program brochure advertising free health care for children. "I thought this was too good to be true. This is not possible," she said.

"Once I knew we had health care coverage, I could think about steps I have to take, because obviously I was their sole support. If we kept on the way we were going, we would be putting out fires for the rest of our lives. It offered no future."

Ceidro went back to school for her master's degree in theology. "Having health coverage for the children gave me the opportunity to go back to school because I didn't

See INSURING CHILDREN, Page 15

INSURING CHILDREN, From Page 12

have to worry about any bad mishaps devastating the family," she said. Unlike Gavin, she didn't worry about health insurance for herself.

In January, after her children had been covered for four years, Ceidro started work as director of pastoral care at Jeannette District Memorial Hospital.

"That's how it works. It got us through that really awful period," she said. "But in January I called up and said, 'I don't need it any more. Make room for three new children.'"

The Gavins have been in the program for more than three years and it has proved its worth. After three operations at Pittsburgh Children's Hospital, covered by the Caring Program, Philip is behaving like any other rambunctious 6-year-old, chasing his older brother Larry, 9, a straight-A student who holds a second-degree red belt in karate.

"Without health insurance in no way could I treat Philip as normal. I have a hard time treating him normally now, but I let him go and I bite my nails. To me he is special, but to an insurance company he's just medical bills," Gavin said.

"When I am sure he is well, then I can figure out what I want to do when I grow up," said Gavin, who believes the best thing she can do now is be "a full-time mom."

"When that happens we won't need insurance from the Caring Program anymore and someone else can get it." ■

The Washington Post

TUESDAY, APRIL 1, 1997

2
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Gen/Bureau
Intelligence
BS

THE PRESIDENT HAS SEEN
4/2/97

DATE: April 2

TO:

Jim D.

FROM: Staff Secretary

Please coordinate
with Jason Goldberg
to get reply
prepared.

Tred

THE WHITE HOUSE
WASHINGTON

March 27, 1997 MAR 31 11:58

Erskine --

This is in response to your question about the letter from Cong. Chris Shays recommending David Rockefeller and Sol Linowitz for the Medal of Freedom.

My office coordinates the Medal of Freedom process. All recommendations go in the first instance to Dorskind, who logs them into a large running list and prepares responses to the recommenders.

During the course of the next month, I'll be pulling together a more serious list of around 20 names for the President, in consultation with a number of people in the White House and elsewhere. From this list, he'll pick between 10 and 12 names.

I'd be happy to have the Shays letter answered, unless you prefer to have an answer done for your signature. If you want to do it, you can just say that you've forwarded the names to me, according to our usual process, and that the names will be given serious consideration.

Todd
Todd

*Let note same to get a
answer*

1997 MAR 27 PM 5:52

197 MAR 20 7:04

THE WHITE HOUSE
WASHINGTON

FROM THE CHIEF OF STAFF
Erskine B. Bowles

Doc Number

340

Author / Source

Shays, Cong. Christ

Short Description

Rep. Shays request for Rose Garden Ceremony in June for awarding of Presidential Medal of Freedom to David Rockefeller and Sol

Description

[Empty description box]

Send to 1

Todd Stern

Send to 2

[Empty box]

Send to 3

[Empty box]

Send to 4

[Empty box]

Send to 5

[Empty box]

Send to Comments

Todd - I have received several letters recommending these two for this award. What is the appropriate follow up? Thank you. Erskine.

[Large shaded area for comments]



CHIEF OF STAFF TO THE PRESIDENT

TADD -

I have received several letters ~~from~~
reminding me to go for ~~the~~ the
Board - ~~The~~ what is the appropriate
follow up. — Only you
←



CONGRESS OF THE UNITED STATES

March 12, 1997

1997 MAR 17 AM 10:11

Erskine Bowles
Chief of Staff to the President
The White House
1600 Pennsylvania Avenue
Washington, D.C. 20500

Dear Erskine:

I am writing to request your help in holding a Rose Garden ceremony in June to award the Presidential Medal of Freedom to David Rockefeller and Sol Linowitz and honor their work with the International Executive Service Corps (IESC).

Thirty-three years ago, President Johnson held a similar Rose Garden ceremony to announce the Government's support of the important work undertaken by the IESC. In June of this year, an impressive one million executive days will have been volunteered. This would be an outstanding opportunity for President Clinton to honor the two men who founded the IESC.

The IESC assists enterprises in developing countries by providing technical and managerial expertise and intelligence through its network of over 13,000 retired volunteers. IESC is a private, not-for-profit, volunteer organization managed by experienced U.S. businessmen, that provides business development services to clients around the world. Since IESC was founded, more than 16,000 projects in 120 countries have been completed.

The IESC's work has helped advance two fundamental goals of American foreign policy: promoting free trade and encouraging capitalism; and strengthening freedom and democratic principles.

**Congressman
Christopher Shays
Fourth District Connecticut**

Offices

10 Middle Street, 11th Floor
Bridgeport, CT 06604-4223

Government Center
888 Washington Boulevard
Stamford, CT 06901-2927

1502 Longworth Building
Washington, DC 20515-0704

Telephones

Bridgeport 579-5870
Norwalk 866-6469
Stamford 357-8277

Washington, DC 202-225-5541

Both David Rockefeller and Sol Linowitz helped found the IESC and made significant contributions to this dynamic volunteer effort. Their work, and that of others, has brought untold benefits to poor people of the world, contributing significantly to economic growth in underdeveloped countries.

Hobe Gardiner, the President and CEO of IESC, is enthusiastic this bipartisan event can move forward with your help, and has been working with the offices of Mack McClarty and Strobe Talbott. Joel White of my staff will contact your office this week to see if President Clinton would be willing to advance this exciting proposal. In

Erskine Bowles -- Page 2

the meantime I have enclosed some information on the IESC and David Rockefeller and Sol Linowitz. Should you have any questions please contact me or Joel in my Washington office. Thank you in advance for your consideration.

Sincerely,

A handwritten signature in black ink, appearing to read "Chris Shays", written over the word "Sincerely,".

Christopher Shays
Member of Congress

CS:jw

cc: Mack McClarty; Strobe Talbott; Hobart Gardiner

Enclosures

4-2-97

Send to ~~Donland~~ -

Yes -

No

c,

Mrs Sidney Sheldon

10250 sunset Boulevard
Los Angeles, California 90077

27 March, 1997

Dear President and Mrs Clinton,

First of all, I would like to tell you how much Sidney and I have enjoyed meeting and talking with both of you.

Hillary, I remember when we were with you at the Annenberg's for lunch how interested you were in the local Native Americans.

This is why I am writing to you both ...

Through Indian Gaming, the tribes that have established gaming casinos on what is "supposedly" their own land, have been able to get off of welfare, help clothe, feed, better educate their children, suffer less abuse within the family unit ... because they finally have something that eases financial tensions within the household, and have in turn, contributed greatly to charities within their community, and outside, as expressed in the enclosed newspaper articles.

But, on May 1, the Federal Government agents have orders to go on to "Native American governed land", given to them in settlements with the United States Government, and remove electronic gaming machines.

While many do not agree with gambling, it is permitted in Las Vegas, Reno, Tahoe, Atlantic City, Virginia City, etc., to name a few areas.

If the Indian Casinos in California are closed, it will be a devastating financial-blow from which the Tribes may never recover.

If you both and your beautiful daughter could only go to some of the Native American villages in The United States, you would be shocked to see the poor living conditions that many of the first citizens of this land are now suffering.

Please let the Native Americans have their pride ... and their promised land.

Most Sincerely,

A handwritten signature in black ink, appearing to read "Alexander", written in a cursive style.

Our voice

Tribes get no respect from official

U.S. attorney gets strong thumbs down.

For sheer arrogance, few government officials can match the performance of U.S. attorney **Nora Manella**. As the moving force behind the ill-timed decision to crack down on Indian tribes offering video machines that she says are illegal, Manella has taken an unnecessarily hard-line approach. More disturbing, she has refused requests to meet with tribal representatives to explain her decision. Her stone-walling is counterproductive and violates the spirit of government-to-government negotiations that Indians were promised by President Clinton and Attorney General Janet Reno. Manella has shown a lack of regard for the tribes and for Indian efforts to provide self-sufficiency for their people.



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By THE EDITORIAL BOARD OF "THE DESERT SUN"
MARCH 30, 1997

The Desert Sun

TUESDAY, MARCH 18, 1997

SERVING THE COACHELLA VALLEY SINCE 1927

40¢ in

Indian gaming

U.S. sues over 'illegal' games

'Slot'-like machines: Valley tribes among those targeted after refusal to sign agreement to shut down electronic games May 1.

Casino operations won't be affected immediately unless tribal officials voluntarily unplug their machines or Manella successfully requests a preliminary injunction or temporary restraining order against the machines.

'VIOLATION': The lawsuit comes three days after the nine tribes rejected Manella's Feb. 24 request to agree to turn off machines by May 1.

"The intention is to prevent the violation of federal law. That's the bottom line," said Assistant U.S. Attorney Elliot F. Krieger, who is handling the case. "We want the tribes we've named to comply with federal law, and they haven't agreed to do that."

Battle lines drawn on video gaming

Federal officials say more than 30 Indian tribes around California are illegally operating an estimated 15,000 video gaming machines because none has negotiated federally required compacts, or gambling agreements, with the state.

Tribal representatives argue that Gov. Pete Wilson is illegally refusing to negotiate compacts and have been suing him in federal court since 1992.

Among other points, the lawsuit contends that the video gaming machines are illegal because more than 30 tribes are operating them without having federally required gambling agreements with Gov. Pete Wilson.

Local tribes named in the lawsuit: Agua Caliente Band of Cahuilla Indians, Cabazon Band of Mission Indians, Cahuilla Band of Mission Indians, Morongo Band of Mission Indians, Twenty-Nine Palms Band of Mission Indians, Spotlight 29 Casino near Coachella.

Tribal representatives said they are particularly angered that the lawsuit has been filed just five months into negotiations between Wilson and the Pala Band of Mission Indians in northern San Diego County.

to develop a model compact.

"It's absolutely incredible that this action could be taken at this most critical crossroad," said Mark Nichols, chief executive officer for the Cabazon Band of Mission Indians, which owns Fantasy Springs Casino near Indio.

Five tribes in and near the Coachella Valley operate about 4,500 video gaming machines and employ 2,500 to 3,000 people.

WAIT AND SEE: "This type of civil action should not precipitate a sudden crisis like the seeking of a preliminary injunction," said Gene Gambale, general counsel to the Twenty-Nine Palms Band of Mission Indians, owners of Spotlight 29 Casino.

near Coachella. "We're just going to have to see how all this plays out."

In another development Monday, the U.S. Supreme Court granted at least a partial review of the Rumsey case by asking the Department of Justice to comment on tribal arguments that federal law requires Wilson to negotiate with them.

"Ordinarily, a request like that indicates the Supreme Court is seriously considering the case," said Art Bunce, tribal attorney for the Agua Caliente Band of Cahuilla Indians.

Supreme Court: Justices want Clinton administration opinion on whether California should be forced to negotiate with tribes on gaming.

California cases come before justices

The Associated Press

SACRAMENTO — The U.S. Supreme Court decided a spate of California cases Monday, ruling against anti-abortion protesters and the publishers of erotic newspapers, while asking the Clinton administration to consider whether California should be forced to negotiate a gambling pact with Indian tribes.

The high court also rebuffed an attempt by the San Bernardino Community College District to discipline an instructor accused of sexually harassing female students by using profane language and vulgar materials in class.

The Indian gambling case comes at a critical moment in a long-running battle. Federal prosecutors last month told California tribes to shut down their roughly 12,000 slot machines by May 1 or face civil penalties. They also said the tribes, which operate nearly three dozen casinos in the state, must develop a plan by the end of March to stop what they characterized as illegal gambling.

The Supreme Court's query Monday puts those deadlines in limbo.

Federal law permits the tribes to allow gambling on reservations that is available elsewhere in the state. Federal and state prosecutors say that means the Indians' popular video slot machines are illegal, because the state bars the machines elsewhere. The tribes say the video machines are not true slots and should be permitted.

The 1988 law requires tribes to negotiate agreements, called compacts, with their states before starting casino-style gambling. The compacts determine what kinds of games and machines the states can have and how they will then be regulated.

Our voice

Community is a big loser in shutdown

Efforts to resolve Indian gaming crisis should include look at economic impact.

So far much of the concern about a feared shutdown of video gaming machines on desert-area Indian casinos has centered on the devastating economic and political impact on tribes.

But unless three U.S. attorneys in California withdraw orders calling for tribes across the state to turn off their machines by May 1, the ripple effect will be felt throughout the desert economy.

A Desert Sun study of the economic impact of Indian gaming estimated that the four area casinos spend about \$20 million a year with valley businesses. Tribal officials estimated they would have to cut expenses and employment by about two-thirds if the plug is pulled on video machines.

The tribes spend money on a wide variety of goods and services, ranging from printers, food and beverage suppliers and computer companies to construction firms. They also contribute to an estimated \$815,000 a year to local charities, a figure that also would be reduced drastically.

An estimated 1,750 casino jobs — about 2.3 percent of the valley work force — would disappear.

No wonder thousands of people will show up today for an Indian gaming rally on the steps of the federal courthouse in Los Angeles. Many taking part will be employees, business owners and workers whose jobs in part depend on the casinos.

The tragedy is that all this is unnecessary. Before the recent edict by the U.S. attorney, negotiations between Gov. Pete Wilson and a San Diego tribe for a model compact that would end the lengthy legal battle between the state and Indians were moving forward on a positive note.

Several tribes had indicated they were willing to change video machines to comply with court rulings.

To get past this crisis and to restore stability in Indian gaming industry, several things must happen:

- Negotiations for a model compact must be allowed to continue without the threat of a federally imposed deadline.

- The state Legislature must approve and Wilson must sign a measure granting the governor authority to sign gaming compacts with tribes.

- Once a model compact is completed, tribes must be given a reasonable amount of transition time to make necessary changes in video machines without disrupting their operations.

Federal officials can put the process back on track by withdrawing the May 1 deadline immediately.

Across the valley

Battle over gambling intensifies

In the span of just a few short years, the gambling halls of the Coachella Valley's Indian tribes have established themselves as some of the most important pistons powering the engine of the desert economy.

The benefits are clear: 1,330 employees in the valley's three casinos and another 1,000 working in surrounding casinos in Cabazon and Anza; \$16.2 million in local goods and services bought by the three valley casinos; more than \$500,000 in charitable contributions.

But some experts and casino employees fear the casinos would be forced to close if they lose a standoff with federal prosecutors who have given them until May 1 to turn off their video gaming machines, by far the most lucrative of their games.

If that happens, the economic ripple effect could be profound throughout the valley.

Indian gaming/B45

Focus: Indian Gaming

Cover story

A piece of Coachella Valley's

ECONOMY ON THE LINE

Ripple effect: Like it or not, many valley residents and businesses now depend on gambling dollars.

By JEFF DILLON and STEVE DIMEGLIO
The Desert Sun

Scenario: Federal prosecutors obtain a court order to shut down video gaming machines in Southern California Indian casinos. The result in the Coachella Valley: The Spa Casino in Palm Springs and Spotlight 29 casinos lose two-thirds of an estimated \$1 billion to \$1.2 billion in annual revenue, lay off many of their 1,330 employees and curtail their purchasing of goods and services.

There will definitely be an economic impact," said Jesus Arguelles, senior partner of Arguelles and Co., an economic development and business consulting firm based in Los Angeles. "You will in essence slow down economic development, growth and creation."

Another 1,129 jobs and \$11.1 million in spending at Casino Morongo in Cabazon and Cahuilla Creek in Anza also would be curtailed. Attorney Nora Manella is representing seven Riverside County tribes

and two others within her Southern California district in federal court to shut down their video gaming machines, arguing that they violate federal Indian gaming laws.

At least 18 other tribes around the state are either unaffected by the legal battle or have agreed to shut down their machines by May 1. Valley tribes are among those resisting.

Representatives of the nine Southern California tribes plan to rally in support of Indian gaming at the U.S. District Courthouse in Los Angeles on Monday, when they will formally accept the legal summons and lawsuit. Tribes have until April 17 to respond in court.

But at any time, Manella could ask a federal judge to issue an injunction ordering the tribes to immediately disconnect the machines.

"We don't know what's going to happen, but it will have a major negative impact," said Richard Milanovich, tribal council chairman for the Agua Caliente Band of Cahuilla Indians, which owns the Spa Casino in Palm Springs.

All area tribes said their casinos would remain open if they could offer only poker, bingo and off-track betting on horse racing, but



Cha-ching: Mike Silver of La Quinta plays a video gaming machine at Spotlight 29 Casino in Indio. *Andy Gompertz/The Desert Sun*

Arguelles said slimmer profit margins could force many to close.

Center for gaming

With seven tribal casinos and nearly half the state's 15,000 video gaming machines within its borders, Riverside County has the most Indian gaming within California.

Three casinos — Spa Casino, Fantasy Springs and Spotlight 29 — lie within the Coachella Valley, catering to and employing valley residents. Two more gambling halls — Casino Morongo near Cabazon and Cahuilla Creek near Anza — have less direct impacts on the valley.

The most important figure in assessing the impact of the casinos is how much money they bring into the region that otherwise wouldn't be spent here, says Highland-based forecaster John Husing, who does economic projections and analyses for Riverside County.

"Whether it's a resort hotel, Eagle Mountain Landfill or Indian bingo, the question you have to ask is how much money is being brought in from outside," Husing said. "To the extent that a local dollar spent at a local golf course is instead being spent with the Indians, the job being gained is a job being lost at

the golf course."

That approach suggests the casinos contribute only the estimated \$15 million to \$24 million gambled in the valley by tourists and other visitors each year.

Money brought into the valley probably circulates twice through what's called a "multiplier effect" before it leaves, Husing said. That would raise the casino's economic impact to \$30 million to \$48 million.

But Arguelles and his executive senior consultant, Rob Newman, say the impact is far greater. They say it's more important to look at how casinos spend the money they get.

And they suggest that conservatively estimated casino revenues of \$75 million flow through the valley seven times before leaving.

"Whether you get it from Canada or Mexico or back east, the spigot is still the \$525 million, regardless of where the water comes from," Newman said.

Though the \$75 million estimate is only a small fraction of the estimated \$1.3 billion taken in by valley retail stores in 1995, Arguelles said, casinos have a much larger impact than retail because casinos spend more money locally to purchase goods.

Without a detailed and objective

study of Indian gaming in Coachella Valley, many of the tribe's impacts can only be gauged through anecdotal reports.

Vendors

Casinos aren't all chips and cards. The region's casinos buy a broad range of goods and services from computer supplies to paper for buffet tables and from electric work to advertising. Most tribes in the United States have established local-preference buying programs to make their casinos part of the community.

The region's five Indian casinos spend \$39.8 million a year on goods and services — about \$19.2 million at businesses in and near Coachella Valley.

"It would have a big impact because we do a lot of printing," said owner Wanda Ma of the Printing Place in Palm Springs. "We do a lot of rack brochures for casinos, a lot of marketing like table-top tents, fliers, programs. I think it will be devastating for the entire valley if casinos lose the machines."

"When my parents come to visit, they always go out there. Valley contractors antic

expanding the existing casinos, projects that have been placed on hold and could be canceled. The delay will have an impact on JP Reprographics of Palm Desert, which makes copies of blueprints for the casinos and does color copies for casino brochures.

"If the casinos lose the machines, it would have a fairly dramatic impact on us," owner Dave Watson said. "They wouldn't do as much in the way of advertising or in expansion. Our casino business is not a large percentage of our business. It won't jeopardize my business, but it will have an impact."

The Agua Calientes said they had planned to spend \$32 million on a permanent casino adjacent to their existing temporary building in downtown Palm Springs. Both the Cabazons and Morongos had announced similar expansions.

"There's quite a few people working with them on the planned expansions," said Dennis Chappell, owner of Aztec Electric in Palm Desert and president of the Desert Contractors Association. "It's going to be a loss of quite a few jobs. Most of the casinos are adamant about keeping their work local."

Entertainment

Wayne Newton, Willie Nelson, Milton Berle.

This trio represents but a few of the many entertainers who have performed at either Fantasy Springs Casino or Spotlight 29 Casino. Add in the numerous boxing events (even Don King has staged professional boxing at Fantasy Springs), comedy-room acts such as Paul Rodriguez and Las Vegas-style extravaganzas, and the two casinos have offered up a bevy of entertainment.

"The acts come with a price. The entertainment itself is not a big money-making proposition," Spotlight 29's Gambale said. "Without the other casino revenues subsidizing this type of entertainment, it might not be economically feasible to continue it."

"So if the video machines must go, these types of acts go with them."

"The entertainment in large measure is designed to bring people to the site so they can play the machines and become aware of the product here," said Mark Nichols, chief executive officer for the Cabazon Band of Mission Indians, owner of Fantasy Springs. "The only opportunity we have to make it profitable for us is in the way of the machines."

"Without having the video termi-

Who's in charge

Those familiar with the dispute say only the following executive branch officials can determine how far the federal government cracks down on Indian gaming:



President Clinton
1600 Pennsylvania Ave., NW
Washington, D.C. 20500

U.S. Attorney General Janet Reno
Department of Justice
10th Street and Constitution Avenue
NW; Washington, D.C. 20530

Bruce Babbitt, Secretary
Department of Interior
1849 C St., NW
Washington, D.C. 20240

U.S. Attorney Nora Manella
Central District of California
312 N. Spring St.
Los Angeles, CA 90012

nals, I would say the vast majority of the big shows would be curtailed."

Tourism

Hotels, shops and other businesses that depend on the tourist trade have long hoped Indian gaming would help bring more customers to the Coachella Valley.

But valley tourism officials say they haven't been able to identify any casino-related increase in the number of conventions or individual tourists coming to the area.

Valley tourism officials say it's difficult, and perhaps impossible, to distinguish between a tourist who does a little gambling while he or she is here and a gambler who shops, dines, plays golf and otherwise behaves like a tourist.

A definite impact would be at the Spa Hotel in Palm Springs — the tribe-owned hotel adjacent to the Spa Casino — and at nearby downtown hotels, said Mike Fife, president of the Palm Springs Desert Resorts Convention and Visitors Bureau.

"How wide it spreads, that's what's difficult to determine," Fife said. "How widely those people go out into the retail and restaurant sectors, nobody knows."

Both he and Palm Springs Tourism Director Murrell Foster agreed the loss of video gaming at the casinos would probably hurt tourism to a small but unidentifiable degree.

"Any time we lose an attraction, it's not good for us," Foster said.

The casinos aggressively market themselves outside the Coachella Valley.

Casino officials acknowledged in late 1995 that they had tapped out the valley market and began aiming their advertising and marketing efforts toward Riverside, San Bernardino and the Los Angeles metropolitan area.

Charitable giving

The casinos now give at least \$790,000 a year to local charities, ranging from the American Cancer Society to youth groups to police memorials.

Some casinos also sponsor charity nights in which a portion of their gaming revenues goes to selected charities or let community groups use meeting facilities for free.

Tribal leaders said they would have to dramatically reduce or eliminate their charitable giving without video gaming revenues.

"We're really just getting to the point of making fairly significant contributions to charity," said Gene Gambale, general council for the Twenty-Nine Palms Band of Mission Indians, owners of Spotlight 29 Casino. "All these other things that should have progressed much further that are really for the good of the community, are taking longer to do because of this present fight."

Public assistance

Area Indian tribes frequently point to their use of casino revenues and casino-related jobs to get tribal members off welfare, with the indirect effect of employing hundreds of non-Indians.

The Morongo Band of Mission Indians announced in 1995 that Casino Morongo had helped it eliminate welfare on its reservation.

The same can be said by the other tribes, including the Twenty-Nine Palms Band of Mission Indians.

"Before this project started, the tribe wasn't involved in any other project," said tribal Chairman Dean Mike. "Many members lived off the reservation and lived off welfare. This project gave them a job here and gave them hope. We've gone from virtually nothing to now where we can get stuff — housing, medical needs, cars, education."

"Before this, there was nothing here. Since 1995, we've enjoyed what comes with it. We can earn a living without the government's help. We've come a long way. And now we're concerned that it all may be cut off and we're wondering what we are going to do again. Go back to where we were before?"

4-2-97

Per Phil Caplan -

Donskind should do
(to Burgess)
response and return,
with photo, to be forwarded
to POTUS for signature -

A Cleveland.

MICHAEL S. BERMAN

This photograph was taken by
Bob Burgess of the Inaugural
fireworks - Burgess was one of
Vice President Mondale's photographers.
His address is
1713 Forest Lane
McLean Virginia
22101 (over)

He thought the President might
like it —

Miller




To VP

THE PRESIDENT WAS SEEN
4-2-97

per our discussion
you would also like
our staff members
what would you

BC

PRIVATIZATION:

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American Federation of Labor and Congress of Industrial Organizations



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A.L. "Mike" Monroe
Robert E. Wages

March 20, 1997

Mr. Bruce Reed
Advisor to the President for
Domestic Policy
The White House
1600 Pennsylvania Avenue, N.W.
Washington, D.C. 20500

Dear Mr. Reed:

Thank you for arranging the opportunity for us to present our views on the privatization of the Medicaid and Food Stamp programs. It should be clear from our discussion that we think the federal government would be ill-advised to permit the deputation of private companies to administer these public welfare programs for at least the following reasons:

The Food Stamp Act and Medicaid Place Broad Restrictions on Delegation of Administrative Functions to Non-Public Employees, and a Waiver of These Protections Would be Vulnerable in a Legal Challenge.

Discretionary decisionmaking in these two programs is to be performed by public officials and employees. For example, the statutory language governing certification of eligibility for food stamps is clear that eligibility determinations must be made by public employees. Specifically, the Food Stamp Act states that "the State agency personnel utilized in undertaking . . . certification shall be employed in accordance with the current standards for a Merit System of Personnel Administration . . ." 7 U.S.C. § 2020(e)(6). The Department of Agriculture's regulations reinforce the fundamental principle that public employees must conduct certification interviews and certify households for food stamps:

State agency employees [employed in accordance with a merit system of personnel administration] shall perform the [eligibility] interviews required in § 473.2. **Volunteers and other non-State agency employees shall not conduct certification interviews or certify food stamp applicants.**

7 C.F.R. § 272.4(a)(2) (emphasis added).

Similarly, Medicaid requires that States establish or designate a single State agency for administering their Medicaid plans, and provides that "the determination of eligibility for medical assistance under the plan shall be made by the State or local agency administering the State plan" -- that is, by public employees. 42 U.S.C. § 1396a(a)(5). The accompanying regulations echo this point, directing that the State agency "must not delegate, to other than its own officials, authority to (i) [e]xercise administrative discretion in the administration or supervision of the plan, or (ii) [i]ssue policies, rules, and regulations on program matters." 42 C.F.R. § 431.10(e).¹

The foregoing statutory and regulatory provisions plainly demonstrate Congress' and the Executive Branch's clear expectation that administrative functions in the Food Stamps and Medicaid programs are to be handled by public employees -- an expectation which we believe is firmly grounded in compelling policy arguments, set forth below, in favor of public administration of public benefits programs. The Administration should not act in a manner contrary to legislative intent in evaluating proposals implicating these provisions.

Waiver authority under these programs is limited, and privatization of discretionary administrative functions will in most instances exceed that authority. Both the Food Stamps and Medicaid programs authorize waiver of certain requirements under certain limited circumstances.² The scope of administrative waiver authority is

¹ It is worth noting, as we discuss in greater detail below, that one area where HHS has permitted privatization -- *i.e.*, outstationing of intake functions at hospitals -- remains overwhelmingly public.

² It is our understanding that no waiver request has been submitted in connection with the proposed privatization of numerous programs by the State of Texas. Given the clear statutory language mandating eligibility determinations by public employees in the Food Stamps and

constrained by important elements of these programs. Only limited changes in the provision of services are permitted, subject to individual assessment and approval of a particular state's waiver request.

The Secretary of USDA may waive requirements of the food stamp program only for pilot projects of a limited duration and only "to the extent necessary for the project to be conducted." 7 U.S.C. § 2026(b)(1)(A), as amended by P. L. 104-193, § 850. "[I]mprov[ing] program administration" and "allow[ing] greater conformity with the rules of other programs" are among the permissible purposes of a waiver arguably relevant to the issue at hand, *id.*, but any such initiative "must be consistent with the food stamp program goal of providing food assistance to raise levels of nutrition among low-income individuals." House Rep. 104-725, accompanying H.R. 3734, at 479. Thus, in order to justify a waiver of the public eligibility determination requirement, the Secretary would need to demonstrate (1) that the waiver was necessary for the project in question; (2) that the project furthered a permissible purpose, e.g., that is, that the project would actually improve program administration; (3) that the project furthers the goal of providing food assistance to low-income individuals; and (4) that the project is of a limited duration. For the reasons set forth below, we believe a studied review of an actual request to privatize eligibility determinations will reveal that contrary to improving program administration, privatization will in reality have a detrimental effect on program administration as well as on benefit recipients. Consequently, we believe approval of a waiver request seeking to privatize eligibility determinations will be vulnerable in any subsequent judicial review.

Similarly, while the Secretary of HHS is permitted to waive requirements of the Medicaid statute for an "experimental, pilot, or demonstration project" which is "likely to assist in promoting [statutory objectives]", 42 U.S.C. § 1315(a), that authority is not without its limits. Rather, "§ 1315(a) plainly obligates the Secretary to evaluate the merits of a proposed state project, including its scope and its potential impact on [benefit] recipients." Beno v. Shalala, 30 F.3d 1057, 1068 (9th Cir. 1994). In other words, "[o]n its face, the statute allows waivers only (1) for experimental, demonstration or pilot

Medicaid programs, it is manifest that no privatization is permissible in those programs unless the federal government approves a State waiver request following notice, comment, and agency evaluation of any such request. In any case, we do not believe a waiver permitting privatization of eligibility determinations would be permissible under the standards set forth in the statutes, as described in more detail above.

projects, which (2) in the judgment of the Secretary are likely to assist in promoting the objectives of the Social Security Act and only (3) for the extent and period she finds necessary." *Id.* at 1069 (emphasis added). As with waivers under the Food Stamp program, we believe careful scrutiny of a proposal to privatize eligibility determinations in the Medicaid program will reveal that such an approach contravenes the purposes and objectives of the Social Security Act, compromises a strong policy in favor of public administration, and negatively impacts Medicaid recipients. Consequently, we believe such a waiver would be vulnerable under judicial review.

TANF did not alter these fundamental principles. When the Congress passed, and the President signed, the most sweeping repeal of an entitlement program since the Social Security Act was passed, Congress stopped short of expanding private administration and eligibility determinations in the Food Stamp and Medicaid programs even as they were allowing private actors to play a greater role in former AFDC functions. For all the changes in administrative procedures which the new law allowed, it made precious few changes in Food Stamp and Medicaid administration. In fact, while one version of the 1995 welfare bills struck the merit-based requirement for food stamps, it was restored in the conference committee. Given this legislative history, it would be particularly distressing if the Administration now chose to move in a policy direction which Congress rejected in favor of public provision of services.

Publicly-Funded Benefit Programs Deserve Public Accountability

Federal benefit programs funded by taxpayer dollars, and especially programs of the magnitude of Food Stamps and Medicaid, deserve full public accountability, which we believe is best provided through public administration by public employees. Private contractual arrangements cannot sufficiently assure the requisite level of public accountability. Moreover, privatization of public benefit eligibility determinations raises numerous other problems, described in greater detail below. For these reasons, as State waiver requests are received, we believe the Administration would be well advised to disapprove requests for private administration and eligibility determinations.

Privatization of Public Benefit Programs Faces an Array of Problems

Discretionary control over access to public programs. As we illustrated in our discussion, the intake processes around Medicaid and Food Stamps are replete with instances where personnel are making judgements about the validity of information and

the weight of various factors. Under private determinations, this discretion is exercised under the direct influence of financial incentives which may work counter to public goals.

During our discussion, the issue of private control over distribution of public benefits in the Pell Grant and Guaranteed Student Loan programs was raised. However, these programs, and the types of private activities conducted under them, are in no way comparable to Food Stamps and Medicaid. First, it is important to point out that Congress expressly contemplated significant activity by private actors in these programs, contrary to the Food Stamp and Medicaid programs. Furthermore, the Pell Grant and Guaranteed Student Loan programs are extremely small compared to the billions of dollars spent under Food Stamps and Medicaid. Unlike student loans, food and medicine are fundamentally more important to survival than are other categories of benefits. The types of clients and the nature of the decision being made are more complex. What is more, the incentives under Pell Grants and Guaranteed Student Loans would encourage oversupply of loans, not restrictions on benefits as would be the case for food stamp or Medicaid eligibility under private determinations. It is worth noting that just two days ago Pell Grants were the subject of a Wall Street Journal article highlighting fraud problems involving overpayment by colleges.

Unlike student aid, the private entities which would be asked to determine Food Stamp and Medicaid eligibility have no particular expertise in these programs and are being asked to enter a policy area undergoing dramatic change. Finally, the food stamp program includes specific, detailed provisions governing the behavior of eligibility workers (e.g., face-to-face interviews, etc.) and even the facilities in which interviews can occur (in order to preserve privacy). This detail suggests that the framers of the legislation understood that the benefits and information they were dealing with are uniquely sensitive and must be protected through merit-based personnel. Taken together, the combination of discretion, financial incentives, lack of expertise, and vitally important benefits argues strongly against private eligibility determination in these programs.

Eligibility determination related to appeals process. It is important to remember that the lead staff person on eligibility is also responsible for informing clients of their appeal rights. We believe that allowing private contractors to stand between clients and the right to appeal will raise serious issues around due process. We fear that private contractors are both more likely to deny clients due to financial incentives and less likely to be forthcoming about appeal rights than are public servants.

Private internal accounting process can disadvantage clients. Particularly in social service areas, measurement issues influence outcomes. For example, President Nixon used administrative authority instead of legislation to reduce welfare payments by changing "quality control" measures to look only at overpayments. Even if states make no legislative changes, private firms have every reason to monitor themselves only in ways that reduce payments. Sometimes this will match public goals and sometimes it will not. These issues are extremely difficult to specify in advance through contract arrangements, given the control over internal accounting which private firms will always enjoy.

Contractual boundaries are not as protective as direct public accountability. Privatization advocates will argue, in the abstract, that private contracts can capture all contingencies. We don't believe this. It is simply untenable that a written agreement with private firms can adequately safeguard against all contingencies. The essence of public, merit-based service provision is the emphasis on public accountability, procedural guidelines, and extensive written records. Complete protection of public trust through contract language is unrealistic. Public provision of services acknowledges that all contingencies cannot be predicted, replacing the rigidity of contracts with direct democratic accountability. Privatization places supervisors and auditors outside the process of determinations, forcing them to evaluate reports without being able to assess the capabilities of the individuals who compiled the information or the validity of the documents upon which they are based. Line supervisors, on the other hand, are in direct contact with the individuals responsible for eligibility determination. The accountability is direct, personal, and informed by practice. In private settings, ultimate accountability is to shareholders, not elected leaders. Taxpayers don't elect the CEO of Lockheed. It is the combination of discretion over vital benefits and financial incentives to limit their distribution that troubles us.

Accurate accounting requires vast monitoring expense. We do not believe it is possible to effectively monitor contracts in a manner that is less costly than public provision. Cost estimates for private contracts never fully account for the cost of public monitoring. Moreover, private contracts run the risk of generating both public and private layers of management, auditing, and processing functions. If the federal action allows states to hand off contracts, the federal government will end up spending more on administrative oversight or risk political and financial problems.

The potential for fraud and cost over-runs appears high. Current practice proves that contract monitoring must be taken very seriously. As mentioned in our meeting, Canadian experience with the same contractors that are pursuing contracts in Texas raises serious questions about cost over-runs and performance. The Department of Public Works and Government Services canceled their \$44.5 million contract with Andersen when the company failed to meet its obligations and demanded a doubling of the contract cost.

Experience in the U.S. also encourages caution. Lockheed and Martin Marietta, for example, have paid millions of dollars in fines related to bribery lawsuits. In December, Lockheed Martin paid over \$5 million to settle a lawsuit involving overcharging. In Texas, former state officials have left public service specifically to pursue more lucrative private contracts. Andersen Consulting's contract for the Child Support Enforcement Tracking System is currently four years behind schedule and the contract cost has grown 600 percent. The Texas auditor's report noted that Andersen underestimated the complexity of the tasks and made insubstantial provisions for a changing environment.

From the individual level all the way to corporate policy, public monitoring of private contractors would have to be extremely vigilant -- and even then there will be problems which involve misuse of federal dollars. Moreover, the cost-sharing relationships which exist in these programs open the federal government to greater financial and legal exposure when contracts go awry.

Confidentiality issues. We are concerned that the full extent of confidentiality problems have not been addressed. Eligibility determiners enter social security data, unemployment insurance databases, and other public program benefit files. Allowing private individuals connected to private firms to access these databases raises a wide range of confidentiality issues, some of which will be unforeseeable.

Private encroachments into Medicaid already go too far. We acknowledge that private firms are entering new areas related to Medicaid right now. But these incursions only illustrate the negative consequences. We believe the Administration has gone too far in allowing private actors to encroach upon the Medicaid program. For example, new positions called Health Benefits Manager should be public, not private. The honest broker role may not be "honest" if private, self-interested parties are involved. Mathematica's evaluation of Medicaid managed care in California (May 1996) illustrates

this problem. They describe the privatized enrollment process as "chaotic and problematic". The solution proved even worse:

Recognizing the confusion, DHS allowed providers to assist individuals to enroll but this actually led to even greater problems. Doctors (and clinics) worked with patients to complete enrollment forms designating themselves as primary care provider (in whatever plan they belonged to). Unfortunately, however, since many clients visit more than one provider, many clients enrolled in several plans, selected several doctors as their primary care physicians, or both.

Ultimately, DHS had to step in to untangle the problems and the study notes that "DHS admits it had too few staff to fully monitor the conversion." With crucial health and nutrition benefits on the line, we believe it is inappropriate to risk similar problems on a national scale.

The Outstationing Experience. HCFA has acknowledged the constraints placed by the Medicaid statute on eligibility determinations. It did so in the context of promulgating regulations to enforce the requirements of OBRA 1990 that states provide for the receipt and initial processing of applications of certain persons at locations other than welfare offices. Such "outstation" locations include certain hospitals and health clinics. In interpreting what "initial processing" means for purposes of this requirement, HCFA explained that "[i]f we were to define initial processing to include making a determination of eligibility, the definition would conflict with the requirement of [42 U.S.C. § 1396a(a)(5)]. Under [that] section, the plan must be administered by a single State agency and determination of eligibility is restricted by this section to the Medicaid agency, the title IV-A agency, or SSA when administering the SSI program." Medicaid and Medicare Guide, para. 42,662 at 41,820.

We question whether HCFA exceeded its authority by bifurcating initial processing and eligibility determinations in this way, and by permitting initial processing to be performed by private actors. These eligibility functions are closely related, and do not lend themselves to such an artificial division of labor, as indicated by the apparent reluctance of states to utilize private actors at outstations. In any case, outstationing remains overwhelmingly public. Only a handful of states have health care provider staff trained to be outstationed eligibility workers. (Medicaid Source Book, CRS, 1993). Two of the largest programs, Los Angeles County and New York City, use public workers for

Mr. Bruce Reed
March 20, 1997
Page 9

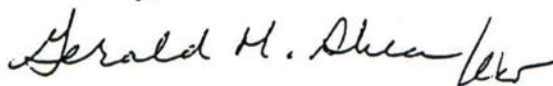
these functions. The State of Ohio outstationed these functions to county public health providers who were public employees. Similarly, in New Mexico, even though private workers are involved in application intake, a public welfare worker is on-site and involved in the process. In other words, even when given the opportunity to privatize, states are quite reticent, for good reasons, to permit private providers to engage in eligibility functions.

As the foregoing discussion demonstrates, we believe any decision to expand private functions within the Medicaid and Food Stamps programs will put federal dollars, federal agencies, important federal programs, and recipients of federal benefits at risk.

While our discussion last Friday did not focus on the severe impacts on the almost 500,000 public employees whose jobs potentially are in danger, I would like to close this letter by noting that these are enormous issues in their own right. The public employees who currently administer the Food Stamps and Medicaid programs are committed public servants who have devoted their energies and talents to important social programs. They deserve our appreciation and respect. Privatization of the administration of these programs could well result in dedicated employees losing their jobs and job-related benefits, to the advantage of private corporations with an incentive to maximize profits by keeping wages and benefits as low as possible. However, because we believe proposals to privatize the administration of Food Stamps and Medicaid fail for the reasons detailed in this letter, we have not focused here on the extensive worker protections, standards, and programs that would be required in any privatization initiative. —

I would appreciate your prompt consideration of these points.

Sincerely,



Gerald M. Shea
Assistant to the President

cc: Gene Sperling
Ken Apfel

To **NSC** for response after you
have seen?

Yes

No

Groupe
AGOUZZAL

43
أغوزال

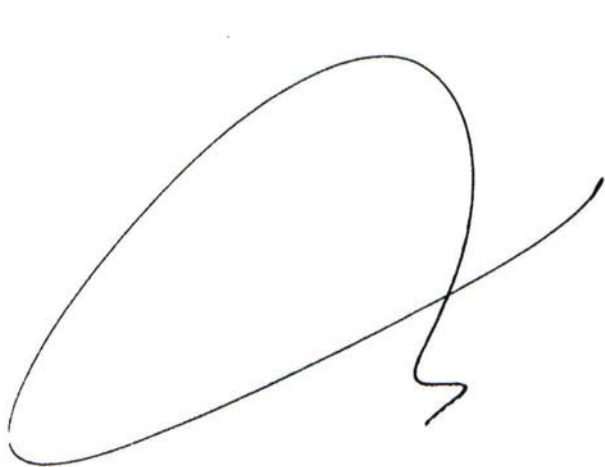
**A LETTER TO HIS EXCELLENCY
THE PRESIDENT OF THE UNITED STATES OF AMERICA
MR BILL CLINTON**

YOUR EXCELLENCY,

**HAVING BEEN INFORMED THROUGH THE MEDIA OF YOUR
RECENT HEALTH PROBLEM, WE HASTEN TO EXTEND TO YOUR
EXCELLENCY OUR HEARTFELT HOPES FOR A FULL RECOVERY.**

**WE WOULD LIKE ALSO TO AVAIL THIS OPPORTUNITY TO WISH
TO YOUR SISTER COUNTRY OUR SINCEREST HOPES OF
PROGRESS AND PROSPERITY.**

LONG LIVE THE MOROCCAN - AMERICAN FRIENDSHIP



*Mr. Moulay Messaoud Ben
Brahim Agouzzal*

To ~~be~~ **✓** ~~be~~ kind after you have seen?

Yes

No

Coord with Counsel
as to how to respond

TELEPHONE
501/624-4493
FAX 501/623-8182

MAURIA J. ASPELL, A.C.S.W.
LICENSED PSYCHIATRIC SOCIAL WORKER

cc Bill
Wright
Stobbe
304 ST. LOUIS
HOT SPRINGS, ARKANSAS 71913

3/27/97

Dear Bill,

Bob Hargrave asked me to send this to you. I am happy to do so since it negatively affects the lives of many Arkansans. Bob has appealed

through many channels already with no results. What stops the STB from acting upon the Eighth Circuit Court's decision? I must assume political pressure is being brought to bear.

(Sometimes, I am certain we have created a monster who rules without reason or compassion - oftentimes - The political machine in Washington.)

How's your knee? When are you coming back to Arkansas? I will certainly follow up on your invitation and let you know if Bob and I are ever coming up. Take care, old friend (my damned AARP card arrived!)

Love,
Maury

March 26, 1997

President Bill Clinton
The White House
Washington, DC

Dear Mr. President:

After a gut wrenching argument with myself, I decided to make a personal plea to you in hopes of avoiding yet another hardship being imposed on the people and economy of Pike and Montgomery Counties in Arkansas. Given the problems of the world, I recognize my request might not deserve the attention of the President of the United States, but the livelihood of common folks and the economic well-being of a small spot on the map are being strangled by corporate greed and bad government policy.

Since it was constructed in the early part of the century, the Norman Branch rail line, as it is commonly known, has been operated as a single railroad over the entire 53 miles it extends from Gurdon to Norman. It is the only rail service available to Amity, Glenwood and Norman.

In the early 1990's Union Pacific sold the line to Arkansas Midland Railroad (AMR), a wholly owned subsidiary of the Massachusetts based Pinsley Railroad Company. In December 1993, Pinsley imposed an embargo on all rail shipments by five of the six shippers located along the line. It continued to provide service only to International Paper (IP) on the southern 4 miles of the line near the interchange with Missouri Pacific. The shippers, the State of Arkansas, the Governor and Union Pacific Railroad all offered financial assistance which totaled the amount Pinsley claimed was necessary to rehabilitate the line. The State conditioned its offer on Pinsley's promise to operate the entire line for five years. Pinsley refused to make that commitment. It then arbitrarily attempted to segment the line into a southern section of 4 miles to serve only IP and a northern section of 49 miles which it intended to abandon altogether. Pinsley simply cherry picked the most profitable segment and ignored its common carrier responsibilities to the remaining shippers and communities.

In March 1994, the shippers were forced to establish their own rail company, the Caddo, Antoine, Little Missouri Railroad (CALM), which obtained an emergency order from the ICC to enter upon and operate over the Norman Branch to provide interim service to the communities abandoned by Pinsley. CALM was able to make the necessary repairs to the line in less than two weeks for a minimum amount of money.

The shippers then filed an application with the ICC to acquire the entire Norman Branch line from Pinsley. The line is viable only if it is operated as a single entity. The profits from the IP shipments must be used to offset the cost of servicing the other communities. Pinsley resisted the application because it wanted to selfishly keep the profitable 4 miles servicing IP. Despite the clear intention of Congress expressed in the

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Staggers Rail Act to preserve rail service on secondary railroad lines, the ICC permitted Pinsley to do as it pleased; to keep the profitable 4 miles of line and abandon service over the remaining 49 miles. The shippers were authorized to purchase only the unprofitable section of the line which Pinsley abandoned. When the shippers refused to accept this decision, the ICC immediately withdrew the shippers' authority to provide temporary service to the abandoned communities. The Eighth Circuit Court of Appeals stayed the ICC's decision and ultimately reversed it in a rather strongly worded opinion. The facts I am giving you are taken from the findings by the Eighth Circuit. In September 1996, the matter was remanded to the Surface Transportation Board (STB), as the successor to the ICC. Despite our best efforts and support from numerous Senators and Congressmen, the STB has yet to render its decision on the shippers' application to acquire the entire line.

While all of this was going on, the shippers complained against Pinsley for the losses they suffered as a result of the embargo. The damage case was filed with the ICC on March 21, 1994 and the STB finally issued its decision on March 5, 1997, in favor of Pinsley. The Board concluded that "viewed through AMR's eyes" the decision to embargo the line was reasonable and therefore Pinsley and its subsidiary were not liable for damages.

This recent decision by the STB, coupled with the earlier decision allowing Pinsley to segment the line, clearly signals a policy preference for the needs of a rail carrier to the total exclusion of the needs of the shippers and communities. The ICC/STB has permitted Pinsley to cherry pick the line for its own economic benefit despite the consequences it will have on the shippers and communities which have no other way to economically ship their goods to market.

The effect of that policy will result in two of the major shippers, GS Roofing Products, Inc. and Gifford-Hill & Company, closing their plants and relocating elsewhere. Bean Lumber Company will suffer a competitive disadvantage because of the increased cost to truck its goods to market. A lot of common folks will lose their jobs, tax revenues will be depleted, the communities cannot progress, the schools will fall further behind, and Lord knows what other ripple effects might occur. Pinsley will operate at a profit blessed by the Government and, when it chooses, simply move on to other profitable ventures elsewhere. Your Chairman, Linda Morgan, and her staff believe this to be good policy. Congress does not think so, nor does the Eighth Circuit. I find no justification for it. It is wrong!

Thank you, my friend, for listening. If you can help, I would appreciate it.

Sincerely,



Bob Hargraves

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