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THE WHITE HOUSE
WASHINGTON

May 26, 1997

THE PRESIDENT HAS
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to Bill Gates
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Dear Bill,

Al Gore had a fine time recounting in detail his experience at your CEO Summit discussing his viewing your collection of handwritten letters from all the Presidents over on. I am happy to fill the gap, especially since hardly anyone wants to receive my all but illegible handwritten communications.

I hope you'll keep your software firmly anchored to the typewriter - Then an millions of poor scribbles like me who could wreck cyberspace with our handwriting!

Please drop by and see me if you're back this way - I was interested in the proceedings of the Summit and remain committed to bringing America on the cutting edge of technologies & cannot fully utilize myself!

Sincerely

Bill Clinton

Chyon

5/7/97

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copy sent to Dorskind

original sent to Clerk



OFFICE OF
THE CHAIRMAN

FEDERAL COMMUNICATIONS COMMISSION

WASHINGTON

May 27, 1997

'97 MAY 27 PM 12:21

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

Dear Mr. President:

I recall with pride and gratitude the time nearly four years ago when you announced your intent to nominate me as chairman of the Federal Communications Commission. The opportunity to serve the country, your Administration, and Congress has been the most exhilarating and gratifying experience of my career.

The next several years of the communications revolution will bring new and important tasks to the Commission. I believe it is time for a new group of commissioners to join Commissioner Ness in carrying out the Commission's future mission; and I know it is time for me to devote much more attention to my family. Adam, Nathaniel, and Sara are growing up, and I cannot miss any more of their childhood. As the Commission turns to its new challenges, I respectfully request that you commence the process of selecting my successor. I would intend to continue to serve at the Commission until you replace me as chairman.

I am immensely proud of the contribution made by everyone at the FCC to public service during the three and one-half years I have been privileged to serve at the Commission. We have met or beaten each of dozens of deadlines for new pro-competition and pro-public interest rules required by the historic Telecommunications Act of 1996. These include in particular our decision last week to fund communications networks to every classroom and library in the country -- as you called for in the 1994 State of the Union address. We have helped strike the enormously successful World Trade Organization telecommunications agreement, raised billions of dollars for the Treasury through spectrum auctions, and re-invigorated the interests of the American family in the use of the public's airwaves.

In all these and many other ways we have enjoyed the open, public, and effective leadership of you, Mr. President, and Vice President Gore. Our accomplishments in service to the country and to Congress have been dependent on the personal efforts of you and the Vice President. On behalf of the agency I thank you both most sincerely and heartily. I am sad to face the prospect of leaving my wonderful post, but I am profoundly grateful to you for giving me the opportunity to serve.

Very truly yours,

A handwritten signature in dark ink, appearing to read "Reed", followed by a long, horizontal, slightly wavy line that extends to the right.

May 23, 1997

The Honorable Bill Clinton
President of the United States
The White House
Washington, DC 20500

Dear Mr. President:

I appreciated the chance to talk at dinner Monday night, however briefly, about the promise of biomedical research in this country. Your speech at Morgan State was terrific, and I am writing to follow up with a few specific thoughts and ideas in writing.

We are in the midst of a remarkable flowering of scientific progress in this area, a continuing series of rapid-fire discoveries about the mysterious world inside our bodies. Just as the last 50 years were a triumph of physics – leading us into space and unlocking the secrets of the atom – the next 50 years will be a triumph of biology, exploring and explaining what makes us healthy and what makes us sick. The timing is appropriate – for what objective could be more suited for the new millenium than conquering diseases that have afflicted humanity for thousands of years?

This is an area, like education, that transcends partisan boundaries and has the potential to excite people everywhere – for everyone experiences disease, either directly or through people they love. As it happens, a groundswell of activism is currently building in the community of cancer survivors, who want a faster pace on research.

You have recognized the importance and promise of this area through your actions to support research and to streamline the regulatory process at the FDA. There are nonetheless three areas that need your direct attention:

- **A strong FDA** – In deciding who will replace David Kessler, you have an opportunity to continue and extend the reforms you have begun of this vital yet troubled agency, which sits at the regulatory center of the biomedical research enterprise. An able manager and committed scientist, like the NCI's Rick Klausner, is needed to modernize and simplify a regulatory process which takes too long and costs too much.
- **An effective R&D tax credit** – This signal accomplishment of your first term may be derailed by Senator Roth – despite its inclusion in your budget and its critical importance to the pace of innovation in the biotechnology industry, among others. Without this credit, the pace of drug development will slow. We need your strong voice of support to ensure that it is extended without a gap.

5-27-97
Jim
Need coordinate
reply with
NBC & DSTP
~~(The President)~~
BC sig.
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- **A balancing of policy interests** – As you noted at Morgan State, the outer edge of scientific inquiry is a challenging environment. The same genetic discoveries that promise to transform the medical treatment of disease are also the stuff of science fiction and nightmare scenarios, no matter how far-fetched. But we cannot let imagined harms obstruct the very real progress that could save the lives and improve the quality of life for literally millions of people.

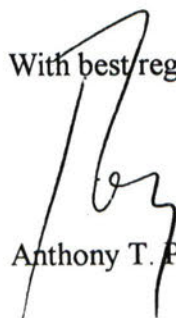
The danger is far greater that we will react too quickly and too strongly on the issues of genetic privacy and human cloning than it is that we will do too little.

- The privacy of genetic and medical records is a matter of great importance, as you have noted. The biotech industry, which makes a lot of genetic testing products, can be an ally and a voice of reason; its interests are not the same as those of the managed care industry. The Slaughter bill in the House is a useful starting point for this discussion, but more work needs to be done to protect public health-related research.
- With regard to human cloning, your leadership in calling for a moratorium has allowed passions to cool and the scientific possibilities to emerge. The National Bioethics Advisory Committee is appropriately basing its recommendations on considerations of safety and science.

Extreme caution is warranted before any legislative restriction is proposed, because of its potential impacts on medical research. Concerns about in vitro fertilization, for example, could be addressed by requiring fertilization clinics to comply with existing rules limiting experimentation on human subjects, rather than by imposing a wider ban on research. The danger is that such proposals (which may be raised by France or Germany at the G-7 meeting) may start out narrowly drawn and end up much broader. (It is more likely that legislation will get out of control than these experiments!)

U.S. economic growth is intimately tied to the pace of innovation. The area of biomedical research is in the vanguard of discovery, innovation, and economic growth worldwide. Steps that you can take to nurture and protect it will pay dividends not just for the industry itself, but for our own prosperity, and most importantly, for humanity's never-ending war against disease.

With best regards,



Anthony T. Podesta

THE PRESIDENT HAS SEEN
5-27-97

SIDLEY & AUSTIN

CC: POTUS ✓
B. REED
MELANNE

LAW OFFICES

SUITE 4800
ONE FIRST NATIONAL PLAZA
CHICAGO, ILLINOIS 60603
853-7555

From NEWTON N. MINOW

To Hillary Rodham Clinton
c/o Melanne Verveer

The Economic Club of Chicago has invited me to speak at its Annual Dinner next week. I will be proposing a controversial--and I believe important--idea about television and political campaigns. Here is an advance text which the Economic Club will release April 16; it is embargoed until then.

I welcome your comments. Melanne, as we discussed. Please pass this on to Hillary.

All best,

Newt Minow

Attachment

April 9, 1997

THE PRESIDENT HAS SEEN
5-27-97

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stuff here
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ECONOMIC CLUB SPEECH

April 16, 1997

Campaign spending is as old as the republic. When George Washington ran for the Virginia House of Burgesses in 1757, his total campaign expenditures, in the form of "good cheer," came to "28 gallons of rum, 50 gallons of rum punch, 34 gallons of wine, 36 gallons of beer, and 2 gallons of cider royal."

Today, the era of good cheer is gone. For four decades now, campaign expenditures have been driven relentlessly upward by one thing: television. In 1960, in what would be the first presidential campaign to make wide use of television, Democrats and Republicans together spent \$14.2 million on radio and television commercials. In 1996, candidates for federal office spent more than 128 times that amount on television and radio commercials, an estimated \$1.8 billion.

After the presidential campaign scandals of 1972, Congress tried in 1974 to end the suitcases of cash which sloshed around campaigns in return for favors. But as we now know -- and continue to learn -- the 1974 campaign reform law has failed to solve the problem.

In the 1996 federal elections, the campaign finance laws were bent beyond recognition. We learned about the availability of the Lincoln bedroom to major contributors; the President's meeting with a convicted stock swindler, a Chinese arms merchant, and others of dubious background and intention; the Vice President's raising campaign cash at a Buddhist temple; and the Republicans soliciting "season ticket holders," donors of \$250,000 who hoped for special treatment for their special interests, including access to important government officials. Add don't forget Congressional censure of Newt Gingrich for mixing campaign cash with his television program. The only bi-partisan agreement in Washington these days is on one proposition: "Show me the money!"

Strict limits on campaign contributions imposed by the 1974 Act were washed away this year in a flood of "soft money," donations not limited by law because of the foolish fiction that such money was not used to support or oppose particular candidates. Together, the two parties collected \$88 million in soft money in 1992; last year they multiplied this by three -- to \$263.5 million.

Interest groups ranging from the AFL-CIO to the U.S. Chamber of Commerce bathed in another form of soft money, which they used to broadcast so-called "issue" commercials. Theoretically, at least, issue commercials are not supposed to

advance or oppose anyone's candidacy, and so are exempt from the 1974 law's requirement of full disclosure of who contributes money and how that money gets spent.

How did this happen? Dick Morris claims the credit for himself. After the 1994 Republican Congressional victory, Morris developed the Democrats' 1995 and 1996 campaign strategy: take control of the airwaves early, before the Republicans could pick their candidate -- and never let up. To pursue this strategy, the Democratic National Committee and the Clinton-Gore campaign spent an estimated \$1 million to \$2 million per week.

On October 13, 1995, President Clinton signed the Federal Elections Commission vow that in return for public financing, he would spend no more than \$37 million in privately raised funds during the upcoming primary season. That same morning, a White House coffee for large donors to the Democratic National Committee began what would soon become a habit. The money raised from that event and others like it eventually allowed the DNC to spend an additional \$44 million for television ads. Because so many of those commercials were issue ads, federal contribution caps did not apply. Donors to the cause, including corporations and labor unions, both of which are barred by law from giving money directly to a candidate, spent freely, without accountability.

The Republicans did even more. By election day, the Republican National Committee had raised more money than the DNC. The Party solicited record contributions from telecommunications, tobacco and pharmaceutical companies, enough to pay for \$18 million in television advertising between May 1996 and the GOP convention in August. They, too, pursued the "issue advertisement" strategy. One of the RNC's more controversial issue advertisements was a 60-second spot with 56 seconds of biographical material about Senator Dole and 4 seconds of issues. The RNC insisted this was not a plug for Dole and so was within the federal election guidelines.

Not only did Democrats and Republicans take advantage of the law, so did countless organizations with a cause and the ability to finance it. Millions of dollars in cash swept through House and Senate elections in the states, turning campaigns into ideological contests with little or no relevance to local voters. Some candidates for Congress discovered ads for the first time on radio and television -- as many as 300 a day in their districts, either attacking or favoring them -- but had no idea where the ads had come from, or who had paid for them.

Former Israeli Prime Minister Shimon Peres once said that "television has a good side and a bad side. The good side," Peres said, "is that television makes dictatorship impossible. The bad side is that it makes democracy unbearable."

Tonight, I suggest we amend Mr. Peres' observation, in two respects. First, television does not necessarily make democracy unbearable. At its best, television makes democracy stronger by opening the workings of government to the public. In our own country, whether television's cameras are on the floor of Congress, in a courtroom in Los Angeles, or at a Presidential Debate, they provide unique opportunities for the public to see and to understand how their government works -- and, just as importantly, where it fails.

At its worst, however, television can become a tool of dictatorship. In any country that suffers a coup, the nation's television and radio broadcast facilities are the very first institutions to come under siege. Rulers and rebels alike know that whoever controls the airwaves controls the country.

In our country, we have allowed television, the greatest instrument of communication in history, to create for us a different kind of dictatorship -- a dictatorship of the dollar. In the 1996 elections, total expenditures on all federal races came to approximately \$2.1 billion, of which \$1.8 billion was spent to buy broadcast TV time! Thus, almost \$9 out of \$10 went to buy time on radio and television. Fund-raising, not governing, became the principal business of our elected officials. Our best public officials are leaving public service, sick and tired of the current system. Al Hunt in *The Wall Street Journal* quotes a model of integrity, Democratic Congressman Lee Hamilton (Chairman of the House Foreign Affairs Committee) when he announced this year that he would not run for re-election. "My colleagues talk about money constantly. The conversation today among members of Congress is so frequently on the topic of money: money, money, money, and the money chase. Gosh, I don't think I ever heard it when I first came here."

The rest of the world looks with horror at our national campaigns. They are too long, they are too negative, they constantly make personal attacks on the opposition, they are exercises in deception, they turn the voters off and away from the voting booth. In 1996, fewer than half the nation's registered voters even bothered to go to the polls, the second lowest turnout since 1824.

By allowing unlimited political advertising on television and radio, the United States stands almost alone in the world. Only three countries do not require some form of free broadcast time for candidates in national election campaigns. They are Malaysia, Taiwan and the United States. Thomas Jefferson, James Madison, and Benjamin Franklin would be horrified to learn how we have abused the democratic process they bequeathed to us. Television authorities in Great Britain, France, the Netherlands and Japan ban political advertising from the airwaves entirely. In England, the law prohibits

X/ advertisements by any person or organization that is "wholly or mainly of a ...political nature" or "directed towards any political end." Instead, British law provides free television time to political parties to air their own programs on important public issues.

X/ Most of the world's democratic nations which do allow candidates to buy advertising time -- such as Australia, Canada, Germany and Sweden -- also provide free time to candidates and their parties. Unlike our own country, these democracies do not believe the only way to provide political broadcast time is to sell it.

As you know, there are many proposals in Congress and elsewhere to "reform" campaign finance. Most proposals focus on the supply side of the problem: on who gives the money, how much they can give, and for what purpose. There are proposals to limit contributions, to prohibit "soft money," to prohibit contributions from labor unions and corporations, to raise the limit on individual contributions, to curb spending on behalf of candidates by independent organizations, to prohibit PACs, to encourage candidates voluntarily to limit spending, to speed up disclosure of contributors and their contributions, to use public money to pay for campaigns, and to amend the Constitution of the United States. Former Senator Howard Baker suggests that if you can't vote for a candidate, you can't contribute to the candidate.

There are a lot of good ideas -- and some bad ideas -- being discussed and debated. I do not favor limiting individual contributions, but I do favor immediate public disclosure of contributions, even before checks are cashed. I favor ending "soft money", PACs, contributions from unions and corporations, and ending phony outside expenditures unless they are truly independent and not developed in concert with candidates and their campaigns. But dealing only with the supply side of the equation will not work so long as demand exists. I agree with a young journalist from Chicago, *Newsweek's* Jonathan Alter, who writes, "money in politics is like water running downhill; it will always find its way...."

So, this evening, my focus is exclusively on the demand side of the equation -- which has received little attention in the current debates. And I will focus -- ruthlessly focus -- on one specific public policy decision that our country will soon make on the relationship of television and political campaigns.

Let us focus on four words: "public interest" and "digital television." You've been hearing a lot about digital television lately--but not much about the public interest.

Last year, Congress passed and the President signed the 1996 Telecommunications Act. Under the new law, broadcasters are eligible to receive new digital television channels. Congress directed that, unlike other telecommunications service providers, broadcasters do not have to pay for their new channels. They get them free. Digital transmission will allow broadcasters to offer multiple channels instead of one, and if they wish, to use those extra channels for services such as data transmission, paging services or pay-per-view movies. Estimates of the value of these new digital channels ranges from \$30 billion to \$70 billion.

Why should broadcasters receive this spectrum, these digital channels, free? This was the question former Senator Majority Leader Bob Dole put to his colleagues on the Senate floor last year before the law was passed. Senator Dole said:

"Spectrum is just as much a national resource as our nation's forests. That means it belongs to every American equally. No more, no less. If someone wants to use our resources, then we should be fairly compensated."

Last month, former Senator Dole wrote in the New York Times: "We don't give away trees to newspaper publishers. Why should we give away more airwaves to broadcasters?" Senator Dole wants broadcasters to pay for spectrum, just like everybody else. Why should we give away a national resource that could be worth as much as \$70 billion?

Senator John McCain, Republican Chairman of the Senate Commerce Committee, said the spectrum is "the most valuable asset that I know of in America today. Perhaps in the world today." Congress, however, rejected that advice, and decided to give the spectrum away for free. The Federal Communications Commission began to award digital spectrum assignments to broadcasters on April 3rd. However, under the law, including recent emphasis in the 1996 Telecommunications Act, the FCC made it plain that those receiving digital channels are obligated to serve the public interest. So the question before us is this: What should be the public interest obligations of digital broadcasters?

On March 11, President Clinton announced that he will soon appoint a Presidential Commission to advise him, the Congress, and the Federal Communications Commission on this question. Should broadcasters have specific public-service obligations in return for their use of a big slice of the publicly owned spectrum -- property now known to be worth many billions of dollars?

I have been deeply involved in these issues for many years. In 1969, I served as chairman of a bi-partisan Commission for the Twentieth Century Fund on Campaign Costs in the

Electronic Era. Over the decades, I have testified in Congress many times on these issues, and written extensively on them.

Based on that experience, I suggest the time has come to do some thinking outside the box, outside conventional approaches, and outside the Beltway.

We can begin by examining the British system of using broadcasting in political campaigns in the public interest. The British system is simple and direct. Political parties are granted, by law, free time on radio and television in the three or four week period before the election. The parties have complete freedom to make their cases; smaller parties receive time on an equitable basis. This year, for the first time, there will also be debates between the leaders of the political parties. There is no sale or purchase of broadcast time -- no money is involved. The campaign is mercifully short, and the voters are well informed. Indeed, because the campaign programs are simulcast on all channels, there is ample political discussion for the voters.

We should connect the dots: digital television and public interest. We should condition the awarding of digital broadcast licenses on a broadcaster's commitment to provide free time and not sell time.

People who understand television well -- and make their living from it -- like this idea. Don Hewitt (producer of *60 Minutes* on CBS) and Reuven Frank (former President of NBC News) advocate an end to buying and selling political commercials. Barry Diller (formerly of ABC and Fox Television) favors specified free time for candidates during campaigns as part of campaign reform.

There are, of course, many other important policy questions about free time. I have addressed Presidential elections only, not Congressional elections, not primaries, not state and local elections. This is to focus our analysis on the basic principle: No citizen has a constitutional right to buy or sell our natural resources--land, minerals, water, trees or broadcast spectrum--without Congressional approval. Just as Congress has the authority to clean up our natural environment, it has the authority under our Constitution to clean up the current political broadcasting mess we have inflicted on our republic. Once that principle is established, we can analyze and debate many other vital questions about how to apply that fundamental concept fairly to our political process.

What about the First Amendment? The First Amendment is the highest value and treasure in our life. As Judge Learned Hand said so well, "We have staked upon it our all."

First, there is the issue of whether Congress can constitutionally require broadcasters to give free time contemplated by this approach. In resolving that issue, let us listen again to Senator McCain -- a courageous man who suffered four years of torture as a war prisoner in Vietnam -- four years to reflect on democracy and freedom. Here's Senator McCain:

"Let me go back to the First Amendment thing. What the broadcasters fail to see, in my view, is that they agree to act in the public interest when they use an asset that is owned by the American public. That's what makes them different from a newspaper or a magazine. I have never been one who believes in government intervention, but I also believe that when you agree to act in the public interest -- and no one forced them to do that -- you are then obligated to carry out some of those obligations.... If I want to start a newspaper, I buy a printing press and [get] a bunch of people and we start selling newspapers on the street. If I want to start a television station, I've got to get a broadcasting license. And that broadcasting license entails my use of something that's owned by the American public. So I reject the thesis that the broadcasters have no obligation. And if they believe that there is no obligation, then they shouldn't sign the statement that says they agree to act in the public interest. Don't sign it, OK?"

Senator McCain has accurately described the public trustee concept for broadcasting, found to be constitutional by the Supreme Court repeatedly, in 1943, 1969, 1993, and again on March 31 this year. Indeed, the issue here is not free time, but the voters' time. Professor Cass Sunstein, the distinguished and respected First Amendment scholar at the University of Chicago Law School, writes: "Requiring free air time for candidates, given constitutional history and aspirations, is fully consistent with the basic goals of the First Amendment. The free speech principle is, above all, about democratic self-government."

Then there is the second issue. Could Congress at the same time lawfully say to the candidates, "You have been given a generous, free opportunity to reach the electorate over the most powerful medium, broadcasting, to say, without interference, whatever you want. As a condition of accepting that offer, you will not buy further time on this medium. For experience has shown that with such purchases comes the drive to raise great sums of money, with all its abuses and detriments to sound governance."

I believe Congress could do these things, and that they would be constitutional because, in the current language of the Supreme Court, such a law would be "content neutral." As Justice Stevens emphasized, as long as the law does not regulate the content of speech rather than the structure of the market, the law is consistent with the First Amendment. I believe Congress

could go even further and constitutionally prohibit broadcasters from selling time for political purposes. Congress has already passed the Equal Time law and a law guaranteeing candidates the right to buy time at the broadcasters' lowest rate. Both have been held constitutional by the courts. Banning cigarette commercials on television has been held constitutional in light of the danger to health and broadcasters' public interest obligations. Congress should debate whether our current system of buying and selling broadcast time is a grave danger to our national health. I would happily see these reforms tested at the Supreme Court.

Three years from now, we will have entered a new millennium and a new presidential campaign season. By then, we will also be into the era of new digital television. Almost fifty years ago, E.B. White saw a flickering, experimental television demonstration and wrote, "We shall stand or fall by television -- of that I am sure... I believe television is going to be the test of the modern world, and that in this new opportunity to see beyond the range of our vision, we shall discover either a new and unbearable disturbance to the general peace, or a saving radiance in the sky."

Instead of a saving radiance in the sky, we now have a colossal irony. Politicians sell access to something we own: the government. Broadcasters sell access something we own: the public airwaves. Both do so, they tell us, in our name. By creating this system of selling and buying access, we have a campaign system that makes good people do bad things and bad people do worse things, a system that we do not want, that corrupts and trivializes public discourse, and that we have the power and the duty--a last chance--to change.

Will we change? I leave you with a story President Kennedy told a week before he was killed. The story was about French Marshal Louis Lyautey, who walked one morning through his garden with his gardener. He stopped at a certain point and asked the gardener to plant a tree there the next morning. The gardener said, "But the tree will not bloom for one hundred years!" The Marshal looked at the gardener and replied, "In that case, you had better plant it this afternoon."

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5/26/97
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The Dream of peace

I Dream of The peace

That will Be  here Someday,
That will float Through
The air,
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in The air

And even Though It is not
here yet,
But The dream of peace is still
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It will not only guide you but will
guide others Too,
So as I say Keep The dream alive

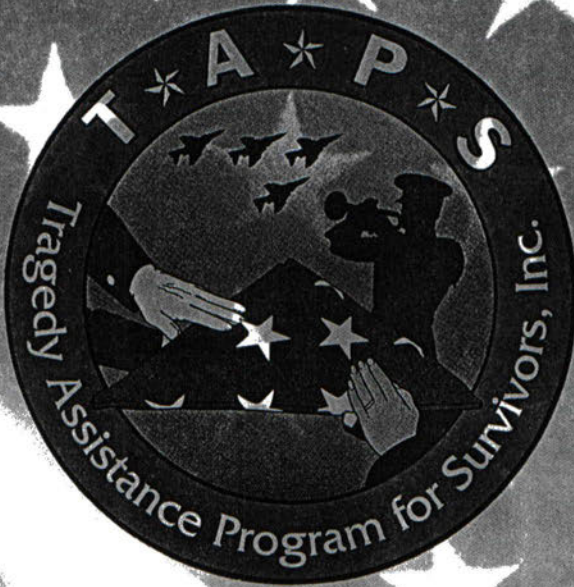
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~~By Jordan Hewson~~

by Jordan Hewson

\$8.95



I Still
Believe
In You,

DAD!

by
Garrett
Schmidt

Age 9

Plus Jim
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young man a
nice letter—
met at
Memorial Day—

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THE PRESIDENT HAS SEEN

5-26-97

Todd—
Will send to
maureen hewes
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reply, once you
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5/26/97

Chapter One

I love you, Dad!

Garrett

To Mr. Clinton,
Best wishes to
you, and good luck
in Europe.

- Garrett
Schmidt

The Beginning

It was a normal Thursday, November 12, 1992. I was at school and doing my work when the lunch bell rang.

I was having a good time until the bell rang for us to go home. I usually walked home but today my Grandpa was parked by the school to pick me up. I thought "Oh boy, maybe we're gonna have fun today! My Grandpa was in total silence (and that's not normal for him.) I wasn't prepared for what happened next..

When I got home I overheard the words "how are you gonna tell him?" Then, I heard the words up close and personal from my Mom, "Garrett, come here I need to tell you some bad news."

From: Janet Yellin

\$5 million in 1936
translates into about
\$ ~~4~~^{5.7} million today

\$1 in 1936 = \$11.4 today

5-27-97

From the Oral -

Send to RM?

yes ☒

no ☐

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