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THE PRESIDENT HAS SEEN
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INSIDE TODAY'S JOURNAL

MUTUAL FUNDS

SECOND-QUARTER RESULTS

- Returns for 5,777 mutual funds
- Stock-fund winners and sinners
- Giant funds shop for bargains
- Tiptoeing into bond funds
- Results for variable annuities
- Lipper's leaders in 23 sectors

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Bicyclists, Riding Congress for Paths, Are Pedaling Uphill

They Vie With Huge Lobbies
For Piece of Road Budget;
Tipper's Flat-Tire Service

By ASRA Q. NOMANI

Staff Reporter of THE WALL STREET JOURNAL
WASHINGTON — They yearn for free valet parking for bicycles at subway stations. They are bent on bikers having their own freeways, and some even crave bike vending machines at bus stations, hotels and major landmarks.

Ultimately, these bicycle boosters long to change the way Americans commute, and they want the federal government to help pay for it — starting with more bike paths.

That is why Ashley Korenblat, a 35-year-old mountain-bike tour operator from Moab, Utah, finds herself in Sen. Orrin Hatch's office. Decked out in clogs, a billowing skirt and a bear-sculpture necklace, this Little Rock, Ark., native and avid supporter of President Clinton puts aside her political differences to make her pitch to the Utah Republican.

Sen. Hatch isn't available, but two aides listen patiently to the Dartmouth University business-school graduate who left Wall Street in 1987 as a bond trader at First Boston Corp. to run a bicycle-making company in Cambridge, Mass. She landed that job after writing a business plan for the founder in exchange for a \$3,000 titanium 21-speed.

Business

A Special Back On Trends And F

IT'S FEAST OF the Fourth of July. Gladstone's, a Pacific Palisades, Calif., busy tomorrow it does menus or promos. owner of Le Dome, a stop for film folks, sa for us," and Bart Wolfgang Puck's tre Hills, says it "mean Swerman, manager Malibu spot, takes and promotes speci business to be had on the nonday.

A view of fireworks can be key. The River Cafe, in New York's Brooklyn borough, tells callers it has no view of fireworks and points them to the Water Club in Manhattan (both have the same ow tab is as high as site is so close to can drip on your The Fourth is the the Sail Loft resta in Cambridge, M. vations are for s with a riverside v

The holiday
National Restan
top dining-out days. But takeout is big.

A BETTER DE-GREASER by summer's end is the aim of joint research.

Channellock Inc., a Meadville, Pa., pliers maker, is funding research that was the senior project of Jennifer Ann Zewatsky, an environmental-studies graduate from nearby Allegheny College. Ms. Zewatsky is working with nontoxic, water-based detergents to replace methylene chloride, a cleaning solvent the firm uses on its tools that releases a volatile organic compound.

The idea is to curb emissions, but the new process could also end up saving money, says Bob Holder, project engineer at Channellock. Since the solvent can be diluted and recycled, it may also be cheaper. One of the problems still being studied is rust that can be caused by water-based cleaners; that may require investing in a rust-inhibiting solution and driers.

THE WRONG CODES can play havoc with workers' compensation costs.

There are hundreds of codes that specify workers-comp insurance rates for different jobs, and they can be very confusing, says Paul Brown, general counsel of the Risk & Insurance Management Society in New

Todd,

I will send to Jim once
you have seen.

cc: COS

JIM DORSKIND:

Please coordinate
the reply.

Lost Trust

7/4/97

c.

they and their families vacationed together on Long Island's Montauk Point. As young summer interns in New York, they often lunched together and occasionally hit a music club. Eventually they both working for the same company, Barney Inc. Mr. Dimon became a; Ms. Bibliowicz ran its mutual-

their ties became a bit frayed.
r a year ago, while she was

Wall Street Journal staff re-
Leslie Scism, Anita Raghavan
chael Siconolfi.

attending an industry conference in Washington, Ms. Bibliowicz learned from an acquaintance at another company that she had missed out on the job of heading Smith Barney's asset-management operation, a decision Mr. Dimon had made.

This past road, Ms. Bi disquieting ne added to Sm mittee, includ Bibliowicz, chief of a unit. An associate announcing l

Things li happen to N 37-year-old tive is the dr of Sanford I the legendary, man of Smith Barney's parent, Travelers Group Inc. But the situation was complex at Smith Barney. Mr. Dimon, 41, is himself extraordinarily close



Should
to her
cc: See State
Can we put some
for them? BC

Road Gang

"Everybody wants to bike in Utah," says Ms. Korenblat, who now operates Western Spirit Cycling Inc., guiding people through canyons, deserts and mountains. "My phone is ringing off the wall." One aide suggests photographing Sen. Hatch on a bicycle at Dead Horse Point, a Utah park. Ms. Korenblat loves the idea.

With Congress about to dole out nearly \$30 billion in annual highway funds, the nation's trucking, oil, auto and construction lobbies—known around Capitol Hill as the Road Gang—are jostling at the pork barrel. So are lobbyists for gas stations, truck stops and roadside motels, who all want roads, roads and more roads.

Seeking only a fraction of the highway budget are a lot of little lobbies, whose members, like Ms. Korenblat, try to offset with determination what they lack in money and muscle.

'I Like Bike'

"Gearheads" of the bicycle lobby belong to Bikes Belong!, a 10-month-old coalition of bicycle makers, dealers and enthusiasts who have doled out \$211,000 for the cause. About a dozen of its members are on their first-ever lobbying tour of Washington. They are pushing representatives for more bike paths and projects such as valet bicycle parking at a Long Beach, Calif., commuter station, in addition to funding for such proposals as the world's first elevated bike freeway in Los Angeles, crossing the city's busiest streets.

Advocates of "Bike Power" are peddling their message through the corridors of Congress, setting off metal detectors with their "I Like Bike" buttons. Their unofficial slogan: "Save the snails. Save the whales. Save the trails."

But the bike lovers realize they are peddling uphill, vying for attention from lawmakers who took \$14.4 million in campaign contributions from highway and other big transportation interests in 1995 and 1996. Only \$7,700 of it came from a

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NOTICE TO READERS

The Wall Street Journal won't be published tomorrow, in observance of Independence Day.

MANAGEMENT: Older directors are target of dissident investors, B1.

INTERNATIONAL: Diamonds exit Antwerp amid fraud probe, A8.

REVIEW & OUTLOOK: A governor wins big for school choice, A10.

OPINION: What purpose does the estate tax serve? A10.

LEISURE & ARTS: Joe Morgenstern reviews 'Men in Black,' A9.



small firms, says TMC Premium Analysis Inc., a cost-containment outfit in Babylon, N.Y., that ferrets out errors for a percentage of the recovery.

Addiction Research & Treatment Corp., a substance-abuse treatment-center in Brooklyn, got a \$250,000 refund and lower rates after staffers were recoded by the insurer as clinic workers from hospital employees, says Sam Duvoor, controller. Dave Holcombe, risk manager at International Speedway Corp. in Daytona Beach, Fla., says a major error at big firms is delegating the task of auditing codes with insurers to the payroll staff, since being able to explain all jobs is crucial.

The Speedway petitioned for and got a separate code for an ancillary operation and cut the unit's premium 20%.

SKIMPIER DIVIDENDS? Companies are becoming more stingy with dividend increases, says Standard & Poor's, a division of McGraw-Hill Cos. The number of dividend boosts reported to S&P for the second quarter fell 12% to 496 from a year earlier.

WALDEN, REVISITED: In the fall, 15 students from Salisbury State University in Maryland, in conjunction with the Thoreau Institute, will study and live in Walden Woods, the Massachusetts site where Henry David Thoreau wrote. Unlike Thoreau, they will live in a Tudor-style house.

SHOW BIZ enlivens a report on the communications, media and entertainment industries by consultant Arthur Andersen. It plays on movie titles: The 1996-year-in-review is called "Shine," and a section on mergers and acquisitions is titled "Co-Dependence Day." Comments on the future are called "Waiting to Exhale."

GOING GLOBAL at the top can be good for international businesses.

Companies that see themselves the most successful and "most global" have foreign citizens in 20% to 25% of their top 100 management posts, compared with an average of 10% at all companies studied by the Conference Board, a New York business research group. It studied 117 outfits with varied international operations. Leaders at the top-ranked firms say they spend 40% of their time on global issues, compared with an average of 25% for the group.

But there can be global headaches with the territory. For instance, some chief executives view alliances in new markets as a necessary evil. Alliances "are not our first choice," says C.R. Shoemate, CEO of CPC International Inc., Englewood Cliffs, N.J. He adds, "It just takes so much energy to keep the cultures operating together. We do them where we don't have local knowledge."

About a third of the companies monitor nontraditional financial data such as brand identity in global markets.

BRIEFS: Aragon Consulting Group, St. Louis, says 27% of working Americans like to use some vacation days to just stay at home and relax. ... To judge the quality of fireworks displays, watch the blues, says the American Pyrotechnics Association, Chestertown, Md., noting blue is the most difficult color to produce.

—PAMELA SEBASTIAN

ne has served as a deputy and confidant since the early 1980s. *Jessica Bibliowicz*

Last month, Ms. Bibliowicz surprised Wall Street by announcing she was leaving Smith Barney to become president and chief operating officer of John A. Levin & Co., a prestigious but much smaller New York firm. She said she was moving to pursue an entrepreneurial opportunity.

But people who know her say she never would have gone if not for strains that had developed between her and Mr. Dimon. In effect, she felt she had lost his trust.

Wall Street executives say that after an internal debate last year over introducing no-load mutual funds, Mr. Dimon began to wonder aloud whether Ms. Bibliowicz was enlisting her powerful father on her side of the issue—a suspicion that Smith Barney insiders say was almost certainly unfounded. Gary Goldstein, president of a Wall Street executive-recruiting firm called Whitney Group, believes that Mr. Dimon felt Ms. Bibliowicz was "going around him to Daddy" and that this led him to "really lay down the law and put her in her place."

Mr. Dimon brushes aside suggestions that strains with Ms. Bibliowicz were significant. "There was no clash or conflict out of the ordinary," he says. "The only thing we had is healthy debate about what is right for the company." He says she has long been a friend and still is.

A Travelers spokeswoman, Mary McDermott, says "it is absolutely not true" that Mr. Dimon believed Ms. Bibliowicz had gone behind his back by taking a Smith Barney policy issue to her father. "Jamie never thought that's what happened," the spokeswoman says, adding that it is "insulting to suggest that Jamie would be intimidated by competition, real or perceived," or "would thwart the development and productivity of a fellow professional."

Ms. Bibliowicz, for her part, says: "One of the things that's trickiest of being someone's daughter is the trust factor. And something that will make you uptight is if someone doesn't trust you."

As for Mr. Dimon, he doesn't believe there was any tension between the young executives "beyond what was normal" in the course of ordinary decision making. However, he adds that "Jessica spoke to me less than what somebody else might have in that position if they weren't related to me. In a lot of ways, I knew a lot less of what was in her mind. She bent over backward not to involve me, which bothered me a little bit."

Several associates of Mr. Weill and his daughter say the two went to great lengths to avoid letting familial ties influence work; the associates suggest that the daughter's reluctance to take her problems to Mr. Weill largely left him in the dark

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Jamie Dimon

Bicyclists Wheel and Deal for Paths

Continued From First Page

bicycle company, Huffy Corp. of Miamisburg, Ohio, says the National Library on Money and Politics of Washington.

"It's David vs. Goliath," says Thomas Henry, an owner of Landry's Bicycles in Framingham, Mass., as he leaves a Senate hearing room packed with Road Gang lobbyists. "But we are going to ride this one out."

Before fanning out on Capitol Hill, Bikes Belong! members sip apple juice, and hear a session on "How to Make Politicians Jump," led by Charles Gandy, a Texas bicycle lobbyist. This grass-roots lobbying effort was spawned after five days at his Charlie's Fly Fishing, Hitchhiking and Bike Advocacy Summer Camp last year in Dubois, Wyo.

Mr. Gandy explains the ins and outs of the highway bill, the Intermodal Surface Transportation Efficiency Act, which expires Sept. 30 and will determine what portion of dollars go to bicycle causes. He urges bicyclists to exploit the fact that many congressional staffers are likely to be bikers themselves.

"This is Salesmanship 101," Mr. Gandy says. "Relationships matter." While he advises against directly telling lawmakers, "I want to support you in your next election," he does suggest "letting them know what's in it for them."

Wheeling and Dealing

They break into groups and one troops to its first target: Rep. John Olver. The Massachusetts Democrat welcomes them, glances at the clock and, rather than take them into his office, leads them into a cramped space amid staff cubicles. He seems sympathetic to their appeals until Michael Zane, the bushy-bearded owner of Kryptonite Enterprises, a bike-lock maker in Canton, Mass., steps up.

With his shirt untucked, Oakley sunglasses perched on his shaggy hair and a video camera dangling from one shoulder, Mr. Zane waves a half-empty Starbucks coffee cup at the legislator, while making a rambling point about bike paths and filling potholes. Rep. Olver smiles politely and says, "I don't know if I understand you completely."

Outside, a few moments later, Mr. Henry, the Massachusetts bicycle dealer, says, "we could have been more focused." Mr. Zane sighs.

They then head to the office of Rep. Steve Horn. The California Republican

isn't available, but aide Eric Swedlund listens to Linda DuPriest, youth-program coordinator at Specialized Bicycle Components of Morgan Hill, Calif.

"This is about kids, about giving them safe places to ride," she says. "It's not a tree-hugger issue." Mr. Swedlund, himself a bicyclist, says he likes that idea.

Outside, one of the coalition's full-time lobbyists, Noel Weyrich, beams. "You get the gold star," he tells Ms. DuPriest.

That evening, the group hosts a reception for what is unofficially dubbed the "Congressional Bike Caucus." 25 senators and representatives whom leader Democratic Oregon Rep. Earl Blumenauer calls "bicycle partisan." These lawmakers—who have been pushing for more showers on Capitol Hill so they can wash up after lunch-time spins—also want more funding for bicycle trails and facilities.

Minnesota Democratic Rep. Jim Oberstar reminds the 50 attendees that the federal government first shelled out \$10,000 to build experimental roads in 1893 because bicyclists complained about ruts. "Next time that driver wants to run you off the road, tell 'em, 'We're the reason you have this road,'" he shouts to cheers.

Though Congress isn't likely to pass highway legislation until early this fall, 116 House members have signed a letter supporting a bill to increase spending on trails and related amenities. President Clinton proposed a boost in transportation enhancements over the next six years to \$3.6 billion from \$2.7 billion appropriated in 1991. Bicycle trails, paths and facilities accounted for about half of that spending since 1991.

Bike Outings

But the bikers are determined to keep the pressure on. They are threatening to take aim at high-profile Washington folks, including Vice President Al Gore's wife Tipper, Interior Secretary Bruce Babbitt and Supreme Court Justice Stephen Breyer. "We're going to 'out' a bunch of bicyclists," Mr. Gandy says.

Mr. Breyer, for example, was in a hospital room recovering from an accident on his one-speed bike when he interviewed with White House aides for the Supreme Court job, later hobbling out to meet Mr. Clinton. And Mrs. Gore was spotted on a bike with a flat tire that a Secret Service agent unsuccessfully tried to change.

"We've got to get all these big bicyclists out of the closet," Mr. Gandy says.

Both Mr. Fastenberg and Mr. Breedlove have denied any wrongdoing, and their lawyers said federal investigators made clear that they weren't the focus of the inquiry. Mr. Fastenberg has sued Prudential, alleging wrongful termination.

David R. Gross, Mr. Fastenberg's lawyer, and Harry Manion, the lawyer for Mr. Breedlove, said investigators asked about

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Fireworks Display

The market's hot as a firecracker, sending multiples — and some investors — skyrocketing to the stars.

In our July 7 issue, Barron's reviews the pyrotechnics of the second quarter — which

- Officially struck by Royal Mint
- Mintage limited to worldwide
- Larger than a U.S. 1
- Sealed in an airtight
- Certificate of Authenticity
- Available exclusively at Premier Collectibles

THE WHITE HOUSE
WASHINGTON

*Sylvia
Sylvia's great - leading
PR Librarian
Dennis*

July 3, 1997

cc: w/incoming:
Sylvia Mathews

Please Enclose San Diego Speech

Billie Carr
5207 Beechnut
Houston, Texas 77096-1213

Dear Billie:

Thanks for your letter. I'm so glad you are moving forward with your plans to hold a dialogue on race relations in Houston, and I've made Sylvia Mathews, who is leading the Administration's efforts on this initiative, aware of your upcoming conference. By working together, surely we can turn the tide and begin to lift the heavy burden of race from our children's future.

Your birthday party sounds wonderful -- I'm sure Hillary and I would have loved it!

Sincerely,

B. Clinton

Copied
Mathews

Anna -
Need to have copies
made -
1. Sylvia/Chron/Mo COS
2-4. copy for Betty
& copy for me
These can be sent to
JD + Am.

ONE AMERICA

In The 21st Century:
The President's Initiative on Race



JUNE 14, 1997

Ms. Billie Carr
5207 Beechnut
Houston, TX. 77096-1213

*Naureen
de Silva*

President Bill Clinton
The White House
1600 Pennsylvania Ave.
Washington DC 20500

Dear Mr. President,

Thank you and Hillary for my birthday letter. We read it at my party and it got a standing ovation. I was not going to have a party this year since I thought that next year would be more significant when I turn seventy. However some of my friends called and said they thought 69 was very significant and laughed liked teenage children. They printed invitations the next day. The party was wonderful and I had a good time and a great cake that I will show you a picture of next time I see you. I expected fifty people and over two hundred came.

After the O.J. Simpson trial I thought it was time to have a workshop and discuss what is going on between the races. I ask Dr. Chandler Davidson head of the department of Sociology at Rice University to help me and we are planning to hold a couple of workshops after labor day. I have had several meetings with people in Houston's, African Americans, Hispanics, Asians and Caucasian communities. Then you made your speech on race in California and I am now going to call it a Dialogue On Race in Texas-maybe Houston or America. I will give you credit and say we are having this dialogue as suggested by President Clinton.

I talked to Ann Lewis about this last time the DNC Executive Committee met. If you or anyone you think could help us or have suggestions for us please have them call me and I will be glad to follow their lead. My phone number is 713-667-6194. My address is on this letterhead. I am going to have adults at one panel and young people at the second one. We are still getting this set up and the local party is going to co-sponsor this with the Harris County Democrats, our club. I am in charge of this program since it was my idea and I am open to any suggestions. Great minds think alike-can you believe I really wrote that to you!

Peace & Love
Your friend,

Billie

Billie Carr

Love you!

Ms. Billie Carr
5307 Beechnut
Houston, TX. 77096-1213

Ms. Nancy Hernreich
The White House
1600 Pennsylvania Ave.
Washington DC 20500

Dear Ms. Hernreich,

It is me again. I hope you will see to it that President Clinton gets this letter from me.
I am one of the many FOB's and you have forwarded my letters before and the President answers them.
So please do it again and thank you very much.

Best Regards,

A handwritten signature in cursive script that reads "Billie".

Billie Carr
DNC
Texas