

7-29-97

greenhouse experiment while the Russian cosmonauts prepare for their August 14 return. NASA is monitoring the situation closely and will make a determination on whether to send a replacement for Foale in September based on the degree of power restoration and on NASA's safety review. Jack will next update you as events warrant.

(E) **Congressional Correspondence.** (1) *Sen. Daschle* - thanks you for your efforts to secure adequate funding for disaster relief; (2) *Sen. Cleland* - "I'm proud to serve in the Senate during your Administration...congratulations on your poll numbers"; (3) *Sen. Helms* - thanks you for your "thoughtful and kind reference" to a friend of his at a recent small dinner at the WH. "I think this same friend was among those who were surprised last year...when I paid my respects to you...I have made similar comments many times." (4) *Sens. Conrad and Dorgan and Rep. Pomeroy* - sent a signed photograph of Grand Forks, ND, thanking you for your efforts.

(F) **NYT Article "Merchants with Stubborn Hopes...Changes in Welfare Don't Dash the Optimism of Store Owners in One Poor Neighborhood."** Maria forwards a nice piece on National Supermarket President and Brooklyn, NY supermarket owner William Rodriguez's investment of nearly \$1 million in a store in a depressed section of Brooklyn, where residents fear the impact of welfare benefit reductions.

Advice letter
to him on this

JIM DORSKIND:

Please coordinate
the reply.

Chron.

THE PRESIDENT HAS SEEN
7-29-97

*copied
Echaveste
COS*

THE WHITE HOUSE
WASHINGTON

7-29-97

July 19, 1997

To: The President

From: Maria Echaveste

Subject: Supermarket

*Do min m7 to
him on 7/29*

Thought you would be interested in the attached article on a new supermarket in Brooklyn owned by William Rodriguez, President of the National Supermarket Association (he visited with you last week). The article indicates that Rodriguez has invested almost one million dollars (with other investors) in a store in a particularly hard pressed part of Brooklyn. The impact on the local economy of a reduction in benefits, including food stamps, is unknown and greatly feared.

attachment

Merchants Gambling On Cuts in Welfare

By opening a supermarket in the Southside section of Williamsburg, William Rodriguez has made a \$1 million bet that welfare reform will ultimately benefit the Brooklyn neighborhood. His new venture comes as many shopkeepers are already feeling the welfare cuts in a neighborhood where as much as 80 percent of a store's business can be conducted with food stamps.

Proponents of the welfare reforms, however, are convinced that Mr. Rodriguez, the store and the neighborhood's commercial life will prosper. As people move off welfare and into private jobs, they say, their incomes will improve and so will the fragile economy of Southside.

But skeptics abound, both in Brooklyn and across the country, where other poor neighborhoods face the same uncertain future — and where the early evidence is not encouraging.

Article, page 11.

By JOE SEXTON

William Rodriguez and his financial backers understood the risks when they decided to reopen a supermarket on Havemeyer Street in the Southside section of Williamsburg. Welfare, which for years had accounted for the bulk of the supermarket's revenues, was being overhauled. The number of people on public assistance was shrinking, and benefits, including food stamps, were being denied to tens of thousands of legal immigrants, hundreds of whom live in the Brooklyn neighborhood. A supermarket association was reporting that business was off by 10 percent in the city as a result of the changes.

Mr. Rodriguez, who had come to Southside from the Dominican Republic at age 9 and whose first job was in his father's bodega on Grand Avenue, listened to people call him irresponsible for even thinking about taking a chance in such circumstances.

But Mr. Rodriguez, with bank loans and credit from wholesalers, made the deal this spring. And in so doing, he made a large private bet on the future of welfare reform — a \$1 million gamble that his C-Town Supermarket could make it, that even in a welfare-dependent neighborhood facing significant change there was still plenty of money to be made.

"People have said that I am crazy, that more changes are coming, that the location depends too much on public assistance," said Mr. Rodriguez, who owns three other supermarkets in the city. "Maybe the people will find work, and the neighborhood will improve. Maybe, though, I live in another world."

For Mr. Rodriguez and other local business people, who have never been on welfare and are not targets of the effort to end welfare dependency, the overhaul of the country's system of public assistance is an intensely personal matter. As much as 80 percent of his Southside supermarket's business has been in food stamps, so profound changes in his clientele's incomes could produce serious changes in his own.

For the moment, Mr. Rodriguez, 36, is convinced that he can make money. He opened the Southside store after its previous owner closed it and filed for bankruptcy when a loan bid failed. And he bluntly says that his concerns are more about profit margins than the social safety net. "People will have to eat," he said.

The stakes are high for Mr. Rodriguez, as well as for Santa Valdez, a 22-year-old cashier. Willie Palino, a 37-year-old stocker, and 18 other store employees. And the fortunes of other stores along Havemeyer Street, many of which benefit from the shopping traffic the supermarket generates, will be shaped, as well, by its fate.

Proponents of the revision of welfare are convinced that Mr. Rodriguez, the store and the neighborhood will prosper. As people move off welfare and into private jobs, they say, their incomes will improve and so will the fragile economy of Southside.

But skeptics abound, both here and across the country, where other poor neighborhoods face the same uncertain future — and where the early evidence is not encouraging.

Mr. Rodriguez, whose other supermarkets are in working-class neighborhoods in the Bronx, Queens and Manhattan, is president of the National Supermarkets Association, a trade group for independent supermarket owners. He said members of the association throughout the city have reported a 10 percent reduction in total sales over the last year, a falloff they attribute to fewer food stamps. Such shifts can have major ramifications for stores operating at the margins of profitability. More than three-quarters of the \$300,000 in business Mr. Rodriguez did in his first month came from food stamps.

Clearly, Southside's economic staples — welfare dollars and food stamps — are diminishing. More than 10 percent of the people in the neighborhood on welfare (those on welfare automatically qualify for food stamps) have been moved into private jobs or merely removed from the rolls over the last three years. And Southside's supply of food stamps will decrease further. Next month, 100,000 legal immigrants in the city who currently receive the coupons will be cut off as a result of last summer's vast Federal revision of welfare.

The reductions occur in an already bleak commercial landscape. The five blocks of Havemeyer Street that make up the heart of the commercial strip have 59 storefront operations. Seven are variety stores, six of them beauty or nail salons. A dozen are boarded up. Merchants, from Victor Franqui at the travel agency off South Second Street to Sonia Lowenbraun at Lowen's Variety on South First Street, say business is the worst it has been in a half-dozen years.

"So much of this debate has focused on clients," said Jennifer Wolch, a professor at the University of Southern California who produced the report on Glendale, "but not on the places in which these policies play out."

They have already played out starkly at the Latin Corner, a bodega on South Second Street owned by Angel Feliciano. Mr. Feliciano did \$3,200 in food stamp business in June, about two-thirds of the store's receipts for the month. Mr. Feliciano said that in a good month two years ago, he took in \$5,500 in food stamps. And competition is stiff: in addition to Mr. Rodriguez's supermarket three blocks away, there are 52 other bodegas in the surrounding 25-square-block vicinity.

And, as in the supermarket's case, more is at stake than Mr. Feliciano's own income, which he says is roughly \$24,000 a year. The Latin Corner extends credit to customers, as many bodegas do. Credit is a vital component in the minimalist machinery of a welfare-dependent neighborhood's economy, and if the bodega closes, there will be less available credit, less in the way of survival tools. The Latin Corner also provides occasional odd jobs to the older men who play cards every day in the back.

"I don't know how most of these people live now," Mr. Feliciano said. "Without me, without credit, it won't be easier. Maybe I can hold on for another five years, go back to Puerto Rico. But business hasn't been this bad in years. I used to be able to do \$1,500 worth of food stamps in a day if it was near the first of the month. No more."

There is consensus, among experts in the grocery industry and academics who study the economic impact of changes in welfare, that bodegas will be squeezed harder and earlier than supermarkets by the shifts in public assistance. Mr. Feliciano does not doubt it.

Mr. Feliciano, now 35, can still make \$100 in food stamps in an hour of making sandwiches. One recent morning, Alex Rodriguez, 9, came to buy three sandwiches, turning over a handful of coupons. Juan Cortes, a

recipient of Federal disability welfare benefits, spends his food stamps in the bodega because Mr. Feliciano will cash his Government check.

Lorraine Morgan, working after 15 years on welfare, still receives food stamps because her income is so modest. And she still spends them at the Latin Corner because Mr. Feliciano extended her credit when she needed it.

"Look, the taxpayers have been paying for the crooked side of welfare for years, and so if they go after those people who are cheating, that's great," Mr. Feliciano said. "Food stamps are my business. People say there will be more money in the streets with jobs. We'll see."

It is impossible to project how much income will be lost or gained in a neighborhood under welfare reform. But officials with Community Food Resources, a non-profit advocacy organization that has done extensive research on both welfare reform and the supermarket industry, did a computer analysis of Southside's welfare and food stamp caseloads. The organization estimated that in 2002, when recipients begin to approach the new Federal five-year limit on cash benefits, total welfare and food stamp payments could be \$17.3 million less a year than if the welfare system had not been changed. That figure would represent about one-tenth of the neighborhood's aggregate income. Southside, with a population of nearly 30,000, has an aggregate income of \$160 million.

Economists and social scientists say any number of things could happen as the welfare system changes. Some people now on welfare might move into what is known as the informal, or underground economy.

And so Mr. Rodriguez, the supermarket owner, frets and plans. He said he would have to take in \$100,000 a week to have a chance of survival. Aware that the neighborhood is undergoing increasing gentrification by young white artists from Manhattan, he has stocked Boar's Head meats and Ben and Jerry's ice cream. And because he often does two-thirds of his month's business in the first days of the month because of the timing of Government benefits payments, he staggers his workforce, often laying off cashiers at the end of the month.

"I worry," he said. "And I look for another way of doing business."

The New York Times

SATURDAY, JULY 19, 1997

VP
→ Blumenauer just needs the budget agreement
to M - P.C.

E. J. Dionne Jr.

Where Would You Like To Live?

What makes a community a place where people like to live?

There's the obvious: good schools, good job opportunities, low crime rates and friendly neighbors. Getting rid of ghastly traffic jams would no doubt calm the nerves and raise the spirits. Maybe the tax laws could make it as easy for your employer to give you free transit tickets as it is to give you a free parking space.

Planting trees along streets makes neighborhoods look better, raises property values and invites people outside, creating more neighborliness. Perhaps bike paths would appeal to you, and maybe you'd like more flowers along the public highways. Those flowers could save your community money because they provide natural erosion control.

Big shopping malls have their benefits, but it might be nice if zoning laws encouraged what the planners call "mixed use" neighborhoods. You could walk to the market or the toy store. And maybe citizens ought to have more opportunity to affect how gobs of federal transportation money are spent in their communities.

These are the kinds of questions that excite Rep. Earl Blumenauer, a freshman Democrat from Oregon. Blumenauer, an intense but friendly 43-year-old, was a city commissioner in Portland and has spent most of his adult life thinking locally. His driving concern: "We have stopped making communities in which people want to live and are making communities where people drive through."

He gushes with ideas about what government can do to foster neighborhoods that people might enjoy—sometimes by not doing things and not spending money. He's come to Washington to preach his gospel and affect federal legislation where he can. If he can have an impact, people might start paying attention to what happens here again.

Blumenauer is part of one of the most exciting (and least noticed) movements in the country. It's an emerging effort to look at our metropolitan areas whole and figure out how we might reorganize the way we spend money, make decisions and organize growth.

Maryland Gov. Parris Glendening is in the forefront of this new thinking. His "Smart Growth" initiative springs from a simple question: If urban sprawl is a problem, why should taxpayer money be spent to subsidize it? Doesn't it make sense to require developers instead of taxpayers to pick up some of the costs of sprawl, such as building sewers, roads and schools, and concentrate scarce government money on repairs in existing cities and suburbs?

Blumenauer represents the coming of age of the "small is beautiful" approaches of the 1970s. He's acutely aware of the need to make such ideas sound practical and not flaky. He doesn't want to be seen as trying to compel anybody to move out of their suburb or to junk their car. "Compulsion and sticks—that's not how the American people work," he says.

But many government policies have unintended effects. The parking issue is a classic. Right now, you can accept free parking from your employer worth up to \$170 a month tax-free. But the tax-free ceiling on transit passes or car pooling is only \$65. Blumenauer is co-sponsoring a bill introduced by Rep. John Lewis (D-Ga.) to equalize the benefit.

Another interesting issue: If you sell your house, make a profit and buy an equally or more expensive house, you pay no capital gains tax. But if you buy a cheaper house, you pay tax on the part of the profit you don't spend on the new house.

The effect of this, says Blumenauer, is to encourage people to buy more house than they need, and it discourages investment in cheaper inner-city or near-suburban areas. To reduce this incentive, he'd lift the capital gains tax exemption on home sales to \$500,000. Some change along these lines, already endorsed by President Clinton and many Republicans, will likely be part of the budget agreement.

A couple of other Blumenauerisms: "Low-cost, low-tech solutions really work." Sometimes planting pretty flowers is cheaper than building a big anti-erosion project. Or: "It's better to spend the money we have now more wisely than to spend a lot more money after the fact on the dysfunction we've created."

I've listened to too many Beach Boys songs to be against the car, and know too many people who are happy in new subdivisions to be against suburbs. But if we don't start answering the questions Blumenauer is asking, we may plan, build and subsidize our way into a world we don't much like and wonder why we didn't think about what we were doing.

Copied
VP
COS

The Washington Post

TUESDAY, JULY 29, 1997

BE-Fy1

The Dark Side of the Money Trail



Rory F. Lenzner
Chairman
Washington, DC

PRIVILEGED AND CONFIDENTIAL
WORK PRODUCT

An 'oppo' group offered to dig for dirt on Nickles—at an Indian tribe's expense

Copied
Lindsey
COS

with close ties to the White House. The Democratic National Committee is one of his top clients. This week, Lenzner may appear as an expert witness at the Senate campaign-finance hearings — where he'll sit across from his proposed quarry, committee member Nickles.

How did Lenzner come to target Nickles? The answer goes back to an effort by Oklahoma's Cheyenne-Arapaho Indians to win return of their homelands, snatched by the government a century ago. During the '96 campaign, Democratic Party officials offered to help them—in exchange for a \$107,000 campaign contribution. Embarrassed when the incident came to light, the DNC returned the money. Then last spring, a business associate of the tribe's urged them to meet with Cody Shearer, described to them as a Washington "insider" and longtime friend of President Clinton.

In May, Shearer advised the tribe the best way to advance their cause was to dig up dirt on Nickles. Like most Oklahoma legislators, Nickles opposes returning the land, which sits beneath a Department of Agriculture research station popular with local farmers and businessmen. Shearer said he knew just the man for the job: his old pal Lenzner, who asked for up to \$17,000. But when Indian leaders saw Lenzner's memo, they balked, suspecting Lenzner had other political motives. Lenzner said he was just giving the Indians what he thought they wanted. "We're not a bunch of dummies," said James Pedro, a member of the tribe. "We know when we're being used."

MICHAEL ISIKOFF

A Voice From Behind Bars

CONVICTED WHITEWATER felon James McDougal is working on his memoirs—and the results aren't likely to please his former business partners, Bill and Hillary Clinton. Before entering federal prison in Lexington, Ky., in June, to begin serving a three-year sentence for fraud and conspiracy, McDougal signed a six-figure deal with publisher Henry Holt & Co. for a "colorful" look at Southern politics. His collaborator: veteran Boston Globe political reporter Curtis Wilkie. He spent hours interviewing McDougal in Lexington earlier this month and talks with him regularly by



A 'colorful' memoir: McDougal

phone. The book, due next year, is not "a tell-all exposé," says Wilkie. "But there is news in it." The Clintons "aren't going to like it," he says. Among the highlights: McDougal's still secret grand-jury testimony about Whitewater.

WASHINGTON FAX

Could you imagine a world where the only way to get a job was to be a member of a secret society? In the world of the future, the only way to get a job is to be a member of a secret society. The only way to get a job is to be a member of a secret society.

CONVENTIONAL WISDOM WATCH

Trials of Summer Edition

"Air Force One" flies into the stratosphere portraying the president as a swash-buckling hero. Fighting terrorists is easier than achieving complete financial reform.

Players		Conventional Wisdom
H. Barbour	↓	Hale becomes poster boy for Dems' "who one does it" defense. Charges the system.
Cunanan	↓	Old CW: Crafty chameleon eludes dragnet. New: Fido was cowering on houseboat.
Greenspan	↑	Fed head gives Wall St. high five. Irrational exuberance ensues.
Autumn J.	↓	Convicted of extorting "Hardy" Cos. Her boo-bop: chose tabloids over lawyers.
H. Ford	↑	As prez in "A.F.D.," wipes out bad guys. Next summer: plays Greenspan in sequel.
C. O'Connor	↑	Carroll wins slander suit over son's drug connection. Finally a celeb trial ends well.

DEBORAH CLARKE GROSVENOR

L i t e r a r y A g e n t

date	5/28	# of pages	5
from			
to			
phone #			
fax #			

May 27, 1997

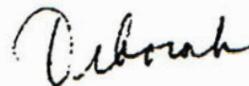
f

With this letter, I am faxing you a memo that gives some background on the James McDougal project. We are both looking forward to meeting with you and other St. Martin's staff on Monday, June 2, at 3:00 pm. Jim has reiterated his desire to divulge in his book information that is central to the Whitewater investigation and that has only been shared thus far with Special Prosecutor Kenneth Starr.

I am working on getting you a copy of the tape of McDougal's appearance on Larry King Live, but the taping companies are reluctant to make copies of a copyrighted program. If I can't make a copy myself, and worse comes to worst, I will bring the original for viewing on your premises, although perhaps at that point the personal meeting will be sufficient.

If you have any questions before then, please don't hesitate to ask. I am delighted that we will finally have the opportunity to meet!

Sincerely,



Deborah C. Grosvenor

TO: ef

FROM:

RE: Book by James McDougal

DATE: May 27, 1997

I first learned of McDougal's interest in doing a book from one of my clients, a reporter who had gone to Arkansas for *Time Magazine* to try to pull some information from him on what he had revealed to Kenneth Starr in the ongoing Whitewater investigation. Although she was unsuccessful in getting anything for *Time* (McDougal's saving that for his book), she did leave with a surprisingly positive impression of him and a copy of an interesting editorial from the *Arkansas Democrat Gazette*, written by staff reporter Kane Webb in response to McDougal's appearance on *Larry King Live*. Entitled "Analyzing an FFOB, or Former Friend of Bill"), it observed that

"If Jim McDougal writes as well as he talks, he's got a best-seller. Or maybe even a good read. Especially if it were a Jim-McDougal-as-told-to production. Everything he says comes out sounding like By Jim McDougal as told to Guy de Maupassant. Or maybe O. Henry. And this surprise ending so long in coming, hasn't been written yet. The best thing about Jim McDougal is that he's not from the I-was-misquoted school of newly public figures. You can write the worst about him, and he calls to say you've been "fair." Nothing others can say matches his own self-judgement. He doesn't take anything back or sand off the edges."

Although this is admittedly only one reporter's opinion, I was intrigued enough to fly down and meet with McDougal in Little Rock. What I knew of him going into the meeting was sketchy at best. Like many others, I had simply lumped him into the group of Little Rock pols, whose individuality was blurred by the general aura of small-town sleaze and corruption.

I met with McDougal at Little Rock's Cafe Prego, and returned to Washington a day later, all stereotypes shattered. The *Democrat Gazette's* Kane Webb is absolutely right: Jim McDougal has a charming, newsworthy, colorful, and maybe even important book in him. It will be one that should work at several levels, offering new information of real news value regarding the Clintons and other key players in the Whitewater scandal and illuminating readers' understanding--in a way no other reporter has yet done--of their characters and the unique and colorful circumstances of Arkansas over the last half century that have shaped them all.

Viewer response to McDougal's television appearances has been overwhelmingly positive. Although his first television invitation came with a complimentary hotel room the size of a "broom closet," the excellent ratings this first appearance earned quickly promoted him to a luxurious suite, a limousine and driver, and first-class airline tickets for additional appearances. Among others, he has appeared on *Dateline*, *Larry King Live*, *Good Morning America*, the *Today Show*, and Brinkley's Sunday morning show.

What is it about Jim McDougal that sets him apart from others in the story? As I sat across from him in the sunny Cafe Prego, I saw a man with an almost Dickensian cast. McDougal does not fit the image of slickness and greed of other Former Friends of Bill, such as Hale, Hubbard, and Morris. Clinton's elder by only six years, he appears older, and almost of a different time and place. Perhaps it is his courtly, polite manner. Or perhaps it is, as he says, that he was born at the start of WWII and not at the end of it like Clinton (a fact, he says, that Clinton bemoans). Or perhaps it is the fact that his parents, good Scotspeople, decried any ostentatious display of worldly goods, "anything excessive was not good," including "putting on airs." Or maybe it is that his ongoing experience in AA or the fact that he began with so little, gained so much, then lost it all has given him the perspective to look at his life as a grand adventure, replete with absurdity, outrageous characters, and plenty of mistakes, for which he takes fair blame.

Jim McDougal is a man not only willing to talk, but one who does so quite well. It's why he got into politics in the first place. He is a natural storyteller with a dry wit and an appreciation for the well-turned phrase. (He laments the fact that some of his most choice phrasing has been rendered lifeless by reporters.) Despite the extremely poor circumstances of his early life, McDougal was brought up to value the importance of speaking and writing well. The slightest ungrammatical utterance could earn physical punishment. McDougal's grandmother had taught elocution and his parents understood that mastery of the English language was a way to escape what one had been born into.

The economic and social forces that shaped McDougal's earliest years are so removed from our modern, urban experience as to appear to be of another century, a "medieval" century, says McDougal. Almost everyone was poor where McDougal grew up, in a town of 700 in north-central Arkansas. Bank credit was simply not available and barter was more the rule than cash for the exchange of goods. During the Depression, many fled the state for work in places such as Detroit and California.

McDougal was born in 1940 and has a photo of himself at a few months old in his father's general store. His family was one of the more prosperous of the town (it was merchants such as McDougal's father who were the source of credit for the farmers) but this is a picture straight from the *Grapes of Wrath*. Subsistence farming and a sense of oppression led to the prevailing attitude that any action that went against the Establish-

ment--the banks, insurance companies, railroads--was to be applauded. Moreover, one always had an obligation to try to help those less fortunate than oneself. "We were about as close to socialism as we could be," says McDougal.

McDougal recalls that debtors who'd left the state unable to repay their loans returned twenty years later to repay his father. Jim would grow up talking to these farmers, who constantly flowed in and out of the store, and the impressions and sympathies he formed during this time would develop into staunchly liberal political views. Here too were the seeds of his later populist banking efforts, conducted according to the rule he'd learned of helping out friends, which did not always jive with modern banking law.

McDougal had an astigmatism that was not diagnosed until he was an adult. As a result, he played no sports growing up and was initially a poor student. In 1952, he hitchhiked to Little Rock to listen to Adlai Stevenson and came back loaded with campaign material and excitement. He studied recordings of FDR's speeches and eventually memorized almost all of the 12 volumes of *The World's Great Orations*. Considered bright enough to skip a grade along the way, by graduation he was voted "Most Likely to Succeed."

McDougal and Bill Clinton's lives would begin to intertwine when McDougal was 27 and Clinton 21. At this point, McDougal was a rising political operative in his own right. He had been the youngest person to be elected to the Democratic State Committee, had run JFK's winning campaign in the state, and worked for Senator McClellan on the old Rackets Committee and then for the powerful Secretary of the Senate's Office in Washington, D.C. Along the way, he had encountered and in many cases formed friendships with the likes of Robert and Ted Kennedy, Peter Edelman, Wilbur Mills, Russell Long, Willis Roberts, Harry Byrd, Lyndon Johnson, and others.

In 1967, McDougal began working for Senator William F. Fulbright, running the home office and working on his reelection campaign. Fulbright and McDougal developed a close relationship, first as political colleagues, then as business partners. After Fulbright left office they formed a corporation called Rolling Manor, of which Fulbright was chairman of the board, and McDougal president. Over the years, they bought and sold 1900 acres of land, earning Fulbright a profit of almost \$1 million. "I doubled his net worth," says McDougal, "which is why Clinton was so eager for me to do the same for him."

McDougal's first impressions of Clinton were of a "highly likeable" but somewhat "bumbling" young man. In an age when political greatness was often defined by oratorical skill, "Clinton's type," says McDougal, "was not yet much in vogue." Nevertheless, McDougal was struck by Clinton's intellect and ambition and assigned him to be Fulbright's driver as the Senator stumped the state, a job from which Clinton was fired. Fulbright, frustrated by the young man's mechanical ineptitude and exhausted by his "incessant chatter," could take no more. Undaunted, McDougal took Bill under his wing,

and the two of them began their climb to their separate seats of power, their financial and legal affairs becoming fatefully entangled along the way.

Although much has been written about McDougal and Clinton's Whitewater investment dealings, this will be the first inside story of their unique, nearly 30-year relationship, one that began with McDougal in the role of mentor and flowered into a friendship based on a shared passion for politics, similar political goals and philosophies, and a "love of pretty girls." In a state where many of the most enterprising had left, McDougal and Clinton stood out for their energy, intellectual drive, and ambition. Like McDougal, Clinton had grown up knowing hard times, and had talked to a lot of adults. They shared a gift for gab and both had known the humiliation of wearing Husky jeans (those rolled-up cuffs, says McDougal, were like a neon sign for chubbiness.) There were differences, however, the key one being that Clinton's ambition extended to the White House; McDougal's did not.

In this book, we will learn much about Bill Clinton and about Whitewater. We will learn what McDougal knows about the affair, and what he has told Kenneth Starr. We will also learn about Hillary, McDougal's wife Susan, Hale, Hubbard, Jim Blair, Jim Guy Tucker, and a host of Whitewater characters. But McDougal's story began before Whitewater, so we will also meet Orval Faubus, with whom McDougal tangled early on, and Fulbright, McClellan, the Kennedy family, Lyndon Johnson, Wilbur Mills, Russell Long, and others.

And he will bring alive another world, that of Arkansas, the beginning of which, in this story, is told in one photo of a small child in a country store. Because finally, this will be the story of Jim McDougal, a fascinating man in his own right and one who has seen much and traveled far in his half century of life. Jim McDougal has done many of the right things for the right reasons and many of the wrong things for the wrong reasons, and he is the first to admit it. In so doing, perhaps, he can lay claim to a special form of integrity. This book will be different from all others of its type, and it is because of who Jim McDougal is.

THE PRESIDENT HAS SEEN
7-30-97

THE WHITE HOUSE
WASHINGTON

'97 JUL 29 AM 9:08

July 28, 1997

MEMORANDUM FOR THE PRESIDENT

FROM: SUSAN BROPHY *MB*
SUBJECT: CONGRESSIONAL CORRESPONDENCE

Attached are letters to Sen. Orrin Hatch (R-UT) and Sen. Dick Durbin (D-IL), thanking them for their recent testimony before the Senate Committee on Judiciary and their leadership in seeking effective affirmative action reforms. Sylvia Mathews encourages you to send hand-written letters similar to those attached. If you choose to send a standard letter, please sign the following.

*cc: both
letters to
Sylvia Mathews
Plm*

THE WHITE HOUSE
WASHINGTON

Dear Mr. ~~Chairman~~ ^{Orrin}:

I recently read your remarks from your Judiciary Committee hearing on affirmative action and agree wholeheartedly that America's lingering social divide will never be crossed without first building the bridge of racial reconciliation.

Our nation derives great strength from the diversity of its people. I share your commitment to guaranteeing that every American receives equal opportunity and look forward to working together to achieve our mutual goals.

Sincerely,

Bill

*Thanks very much
for this and for your remarkable effort on Clinton's
health - Congratulations*

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

THE WHITE HOUSE

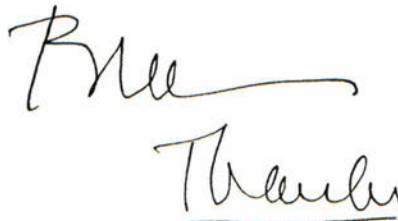
WASHINGTON

Dear Dick:

I recently read your remarks from the Judiciary Committee hearing on affirmative action and wanted to thank you for your insightful presentation. I agree that it is critical that these vital discussions not be tainted by rhetoric and partisan maneuvering.

Your handling of this subject matter has effectively set the tone for further discussion. I thank you for your leadership and look forward to joining in your challenge to seek effective affirmative action reforms through an examination of what is best about America.

Sincerely,

A handwritten signature in dark ink, appearing to read "R. Durbin", with a long horizontal flourish extending to the right.

The Honorable Richard J. Durbin
United States Senate
Washington, D.C. 20510

cc McCurry
Amulet
HRC

THE WHITE HOUSE
WASHINGTON

Copied
McCurry
Lewis
HRC

July 30, 1997

William Whitworth
The Atlantic Monthly
77 North Washington Street
Boston, Massachusetts 02114

Dear Bill:

Your letter was wonderful. I can't tell you how touched I was by the memories of your mother. What a truly remarkable woman she must have been.

I hope she and my mother find each other up in heaven -- the two of them would make quite a pair!

Sincerely,

Bill Clinton

Hillary and I did do some business at Clare's and must have met her. She must have been so proud of you. Thank again for sharing her story with me.

The Atlantic Monthly

Number

WILLIAM WHITWORTH
Editor

July 21, 1997

Mr. Don Baer
Assistant to the President
The White House

Dear Don:

I don't plan to try to become the President's pen pal, but here is a P.S. to my last missive. Can you pass it along? Many thanks.

Sincerely,

Bill Whitworth

Rebecca —

*I thought you might want
to see this. Would the President want
to respond personally?*

Rebecca

77 North Washington Street, Boston, Massachusetts 02114 (617)854-7700

77 North Washington Street, Boston, Massachusetts 02114 (617)854-7700

th,
I've
ost.

elping
silver
had
as, but
do an

te you,
pite her

uld win,
Bush and
years, but
Woe to the
ven more
mongering;
he
e young man

f the family
Clinton.
olitically.
'll just

both

The Atlantic Monthly

WILLIAM WHITWORTH
Editor

July 21, 1997

President Bill Clinton
The White House
Washington

Dear President Clinton:

I apologize for being back in your mailbox so soon. My mother, Lois Whitworth, died last week, and while I've been sitting here thinking about her life, I've been struck by the desire to tell you what a faithful constituent you've lost.

Mother worked for nearly forty years at Cave's Jewelers, in Little Rock, helping young women from all over Arkansas select gifts and choose their china and silver patterns. One of her fondest memories in her retirement years was that she had conducted some business with you and Mrs. Clinton. (I'm not sure what it was, but I think at least part of it may have been that she came to the Mansion to do an appraisal for you.)

She raised me as a single (divorced) mom. She was one of those who, to quote you, worked hard and played by the rules, and she never made a decent wage, despite her elegant appearance in the nice surroundings of Cave's.

During your first campaign for President I knew from the start that you would win, because Mother, watching the news, developed a strong dislike for poor Mr. Bush and expressed unqualified approval for you. Her mind faded during the past few years, but she always brightened when you or Mrs. Clinton appeared on her TV screen. Woe to the politician or journalist who seemed to be questioning your policies, and even more woe to anyone who seemed to be taking part in what Mother saw as scandal-mongering; at times I feared she would throw her glass of ginger ale at the TV when she determined that someone was showing disrespect for the President -- "a nice young man who's doing the best job he knows how," she always said.

In her last few months, the only people she could recognize -- in or out of the family -- were me, my children, my old pal Charlayne Hunter-Gault, and you and Mrs. Clinton. It was clear that she wished you continuing good fortune, personally and politically.

Since I'm not driving at anything, I don't know how to end this note, so I'll just stop, and add my good wishes to hers.

Sincerely yours,

Bill Whitworth

To ~~Breed~~ / ~~Schedule~~
Inclined to see
for

Copied
Read
Scheduling
LOS

THE PRESIDENT HAS SEEN
7-30-97

National Board for
Professional Teaching
Standards

Mr. President:
I will call Executive
about this but if you
would host an event
at the White House
so I conclude my 10 years as
Chairman of the National Board.
Thank you. JB

Memo

To: Governor Hunt

From: Jim Kelly

Date: July 24, 1997

Re: For Your Use at the NGA Meeting this coming Weekend

I asked Mary Dean, Sally and Chris Lytle to provide me with information you may wish to use in one-on-one conversations with the President, Governors, and others at the NGA meeting starting this coming weekend. That information is as follows:

President Clinton

- Thank the President for his strong support and leadership on our budget request.
- Tell him our tenth anniversary is this year and we are having a big celebration in Washington in October (October 23-25) and want him to celebrate with us.
 - The optimum event would be a reception at the White House. All of the nation's Board Certified teachers (600) will be invited, and we expect a lot of them will come. Our board members will be there, as well as friends of the National Board. And, our important private donors will be there. We expect a total of 450 or so people.
 - A small reception for our special donors followed by a large reception for the whole group would do a lot to energize and



CENTER FOR
MIDDLE EAST PEACE
& ECONOMIC COOPERATION

633 PENNSYLVANIA AVENUE, NW • FIFTH FLOOR • WASHINGTON, DC 20004 • (202)624-0850 • FAX (202)624-0855 • www.centerpeace.org

S. DANIEL ABRAHAM
CHAIRMAN

WAYNE OWENS
PRESIDENT

F A X C O V E R S H E E T

DATE: July 30, 1997
TO: Betty Curry
FAX: 456-6703
FROM: Sara Ehrman
RE: Letter to the President
Number of pages including cover sheet: 2
Message

To Darshind for reply?
Yes ☒ No ☐

Coordinate with NSC?
Yes ☒ No ☐

Carolyn -

Your call !

B



CENTER FOR
MIDDLE EAST PEACE
& ECONOMIC COOPERATION

633 PENNSYLVANIA AVENUE, NW • FIFTH FLOOR • WASHINGTON, DC 20004 • (202)624-0850 • FAX (202)624-0855 • www.centerpeace.org

S. DANIEL ABRAHAM
CHAIRMAN

WAYNE OWENS
PRESIDENT

July 30, 1997

President William Jefferson Clinton
The White House
Washington, DC 20500

Dear President Clinton:

Today's bombing in Jerusalem was a horrific attack against defenseless human beings. During this moment of pain and crisis, the world seeks true leadership to help guide us to a peaceful resolution of this conflict that has already claimed too many innocent lives. I applaud your continued close involvement and concern that the peace process go forward. The alternative to peace is war, which would bring catastrophe to the entire region and to the world.

Please be assured, Mr. President, we fully support you in your heroic efforts to resume the peace process. I am heartbroken at what happened in Jerusalem, but the only answer is the pursuit of a just peace which will end the circle of violence.

Sincerely,

S. Daniel Abraham

To,

The Honourable & Majestic "Mr. President of U.S.A"

White House Washington D.C. U.S.A.

Respected President,

I wrote you first letter on 28th April, 1997. But I received no reply. I hope that letter was got by you. Now, I am writing you second letter. I hope that you will reply as soon as possible. My name is AMER IRSHAD. I am 24 years old. My father's name is SHEIKH IRSHAD AHMAD. My father is an OFFICE ASSISTANT in PAKARAB FERTILIZERS (PVT.) LTD MULTAN, PAKISTAN. We are three brothers and three sisters. Our family is very large but my father's Salary is very scanty. Our residential house is not our own property. My father's Salary Slip is attached with this Application. My father's Basic Payment is RS. 3130 Pakistani Rupees, equal 77 US Dollars per Month. I am unemployed from 2 years. Majestic President, I want to adopt legal permanently residence in USA. This is my final wish moreover, I want to pass my remaining life in USA. Majestic President, I want to Live and to Attain any Job in USA. There is not even a ray of exaggeration in my statement. I want to tell you in cut and dried words that I am not a big Business man. I am not highly Educated. I have not Million Rupees in my self Bank Account but My father can afford Travel's Fare from Pakistan to USA. Majestic President, every Human's life is short and there is no release of death. I belong to lower class family. I want also to die in USA. USA is paradise of my dream. Majestic President, please, please, please don't break my hope, my heart and my bright dream. Majestic President, I want to adopt my professional career with the kind of your honour and hope that you will consider my Application sympathetically. Majestic President, I am strongly desirous and keen from innermost and outermost to Live in USA & to Attain any Job in USA. I again request your to kindly & generously treat my Application. I am submitting this Application with many hopes, many true and much perfect trust because, A great Orator has truly said "AMERICAN PEOPLE ARE TRUSTWORTHY, TRUSTEE, HONEST, FAITHFUL TO ONE'S WORD AND MERCIFUL."

Majestic President, from yours harsh refuse can break my heart as the blooming flowers which die on being mishandled. My things are going wrong day by day. I shall be highly grateful to you for this benevolence of yours Majesty. My yours Majesty and all the members of yours family live long and prosper for ever. Majestic President! I do hope that you would kindly issue me, the poverty-stricken fellow Amer Irshad the American Visa and call me in U.S.A very soon as you can.

From, _____
Amer Irshad Sheikh
House No. F- 2 Near Market P.F.L
Housing Colony Pakarab Fertilizers (Pvt.)Ltd,
Multan (Pakistan).

To,
The Honorable Personal Secretary of
Mr. President of U.S.A White House
Washington D.C. U.S.A.



20500/0003



with this Application. My father's Basic Payment is RS. 3130 Pakistani Rupees, equal 77 US Dollars per Month. I am unemployed from 2 years. Majestic President, I want to adopt legal permanently residence in USA. This is my final wish moreover, I want to pass my remaining life in USA. Majestic President, I want to Live and to Attain any Job in USA. There is not even a ray of exaggeration in my statement. I want to tell you in cut and dried words that I am not a big Business man. I am not highly Educated. I have not Million Rupees in my self Bank Account but My father can afford Travel's Fare from Pakistan to USA. Majestic President, every Human's life is short

Beverly Madison Currin, Th.D.,
Rector
Leonard Roberts Graves, M.Div.,
Associate
John Taliaferro Thomas, M.Div.,
Assistant



Kenneth Karadin, *Parish Musician*
Leon Harris, Jr., *Business Manager*
Dianne Davis, D. C. E.
Judy Watson, *Parish Administrator*
THE EPISCOPAL DAY SCHOOL
Bradley Proctor, *Principal*

Christ Church Parish ♦ Episcopal ♦ Founded 1827
Wright Street at Palafox ♦ P. O. Box 12683, Pensacola, Florida 32574 ♦ (904) 432-5115 ♦ FAX (24 hours) 434-8700

July 19, 1997

Dear Rebecca:

I have another letter for the President. If you think it is appropriate, would you mind giving it to him. If he thinks it is appropriate, he could make major points with the Navy and the military as well as being quite a hero here at the Naval Air Station and Pensacola. We need to keep the Republicans in this area under control!! And this would give a wonderful person back his Naval career. I know he really did suffer a major and grave injustice.

We are just back from a month's vacation, and it was good. But we returned to Hurricane Danny but so far we have had heavy rain and not too much wind. But it is not over yet. We do manage to learn how to live with these things. But when the lights go out it can get pretty hot.

I send you, as always, my best. I am so proud of the President. That NATO trip was great. Is it possible to get a text of his excellent speech before the NAACP. I heard it in full from C-Span while on vacation.

Faithfully,

Matt

To Darshind for reply?

Yes ☒

No ☐

Coord writes
M. Counsel

Beverly Madison Currin, Th.D.,
Rector
Leonard Roberts Graves, M.Div.,
Associate
John Taliaferro Thomas, M.Div.,
Assistant



Kenneth Karadin, *Parish Musician*
Leon Harris, Jr., *Business Manager*
Dianne Davis, D. C. E.
Judy Watson, *Parish Administrator*
THE EPISCOPAL DAY SCHOOL
Bradley Proctor, *Principal*

Christ Church Parish ❖ Episcopal ❖ Founded 1827
Wright Street at Palafox ❖ P. O. Box 12683, Pensacola, Florida 32574 ❖ (904) 432-5115 ❖ FAX (24 hours) 434-8700

July 19, 1997

Dear Mr. President:

Thank you for your warm and gracious letter of June 3. I am so glad you appreciated the cross, and I was delighted to see you without the cane. It worked! And congratulations on your trip and the historic work you have done with NATO, one of the many accomplishments you will be remembered for in the history books. Your address this week before the NAACP, which I heard in full on vacation, was tops. I remember writing to you about a guaranteed college education back in the early spring of 1996 and when you included that goal in your speech at Princeton. This is an absolute must, and I know you will push it during the remaining three and a half years of your second administration.

This time I am writing you about a member of my parish here in Pensacola, Commander Robert E. Stumpf, U.S. Navy (now Retired I am sorry to say). Bob has suffered what I believe to be a grave injustice at the hands of our government. I have known Bob since 1992 when he came to NAS here in Pensacola, and I have known his wife's family for many years before that. His father-in-law, a retired admiral, died this spring and I had his funeral at NAS.

Bob was the commander of the Blue Angels flight demonstration squadron in 1993 when he was unfairly embroiled in the Navy's Tailhook scandal. There is no question that the Tailhook investigation was politically charged and resulted in very few convictions of guilty parties, but quite a few ruined careers of innocent officers. I am sure you have heard of Bob Stumpf because his case became a **cause celebre** for those who believe we grievously injured the naval service through this tragic investigation and its aftermath. Bob's story of injustice continues to appear in the nation's newspapers.

Bob attended the '91 Symposium, but was thoroughly investigated and **formally cleared** of any misconduct. Only an administrative error by the Navy, which

angered some Senate staff members, eventually caused his promotion to Captain to be rescinded. In 1994, he was selected and approved by the Navy, nominated by you, and given the advice and consent of the Senate, before the Secretary of the Navy improperly, maybe illegally, cancelled the promotion.

This case is very well known in the Fleet. It has been identified as the symbol for what is perceived to be a lack of genuine support for the rank and file by the senior leadership in Washington. The late Admiral Boorda was Bob's ardent supporter. He stated many times in public, including Senate testimony, that he strongly favored Bob's promotion. He said he would be willing to give up his own stars to see Bob promoted.

I know Bob and know him well. He is honest, dedicated to the Navy and his country, a fine and noble example of Christian morality. He is a graduate of Annapolis and won the Distinguished Flying Cross for combat in the Persian Gulf War. The Fleet and our country would be well-served to have this mistake righted. It would be a tremendous boost to the military, to the young men and women who are dedicating their lives as Naval officers and who have been hurt and discouraged over what has happened to Bob. I know Bob's love for the Navy is undiminished and that he is ready to step back into uniform and assume command of the carrier air wing he was unfairly denied.

If you think it appropriate, you can right this wrong. You would not only give him back his distinguished career, you would prove to the nation and to the Navy in particular that mistakes can be corrected and that you, as Commander in Chief, stand by those who serve with distinction in the military of the United States. If you could issue an Executive Order and save his career you would most certainly be a hero here in this Navy town. And show the Republicans that you care for our military. That would make me happy.

Anything you can do or feel you want to do to help Bob, we would all be most grateful. Eleanor joins me, as always, in sending to you and the First Lady our love and appreciation. One further personal note. We have three grown sons, now through college, and we know how you both must feel with Chelsea going off to college. Eleanor would remind the boys over and over, "Just remember who you are". And to this day, they still remember that. I know it helped. You are all in our prayers, as always.

Faithfully and sincerely,


B. M. Currin,
Rector

July 17, 1997

President William Clinton
and Hillary Clinton
The White House
1600 Pennsylvania Ave.
Washington, D.C. 20500

Re: Health Insurance

Dear Mr. President (Twin Birthday Partner)
and Mrs. Clinton:

My Chicago family and friends are all strong democrats. We all voted for you and are glad that you doing a great job running our wonderful country. One of the main reasons we voted for you was that we liked your platform on health care insurance.

I am currently having a problem with my health insurance. I worked for the City of Chicago at City Hall for twenty-three years. All the time I was employed with the City I was loyal to Blue Cross/Blue Shield. When I left my job with the City, through no fault of mine, (my job was eliminated through change of government) I obtained insurance through American Family Insurance. I had this insurance for fifteen years without a claim (Thank God!).

I am a single person that is self-employed so I have to pay for my own insurance. I also help support a seventy-seven year old mother that I live with who is very sick. The premiums for American Family Insurance were too high for me so I started to look for a new insurance company. I finally decided to go back to Blue Cross/Blue Shield because I saw a commercial on television. I called and they sent me a application and I thought I was qualified, they approved me and I have been with them for the past two years, paying a premium of five hundred ninety-six dollars (\$596.00) every three months. I sent them a claim for a problem I was having with my knee. Since I have filed that claim, they have terminated my insurance with them.

7/30/97
Send to Donald?

Yes ☒

No ☐

Angie
Waisan C.

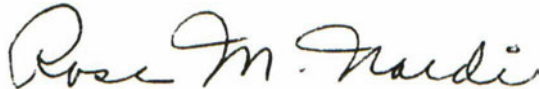
Page 2

Mr. President, where does a single person with a limited income, who is fifty years old, go for health insurance?

I am enclosing copies of the original application and the appeal letter that I wrote to Blue Cross/Blue Shield and the letter from them stating they are terminating my policy. They are leaving me with virtually **no health insurance!**

I would appreciate any assistance you or Hillary can offer to help solve my problem. I realize that I am not the only person in this country with this problem.

Sincerely,

A handwritten signature in cursive script that reads "Rose M. Nardi".

Rose M. Nardi
"Your Birthday Twin"
3128 S. Union
Chicago, IL 60616

P.S. OUR BIRTHDAYS ARE COMING UP! HAPPY BIRTHDAY!!