THE PRESIDENT HAS SEEN

2-25-98

Rahm

Bruce

can we / should we do more w/ this as part of our ongoing w/ congress?

TK

copied Emanuel Reed COS

THE WHITE HOUSE
WASHINGTON

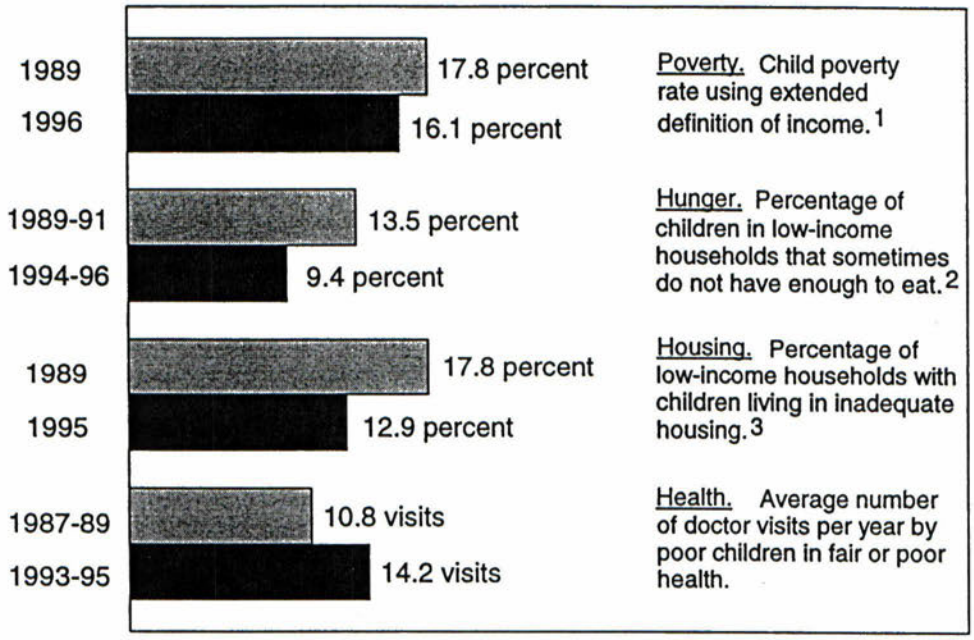
Chron

2-23-98

EYES ONLY

family incomes, expand health insurance coverage, and improve the quality of elementary and secondary education.

Improvements in Child Well-Being



1 Extended income includes taxes, and housing and food transfers.
2 Low-income households are those whose income is below 130 percent of poverty.
3 Low-income households are those who rent housing and whose income is below half median income in their area.

Chart 1 **Poverty Rates of Children**

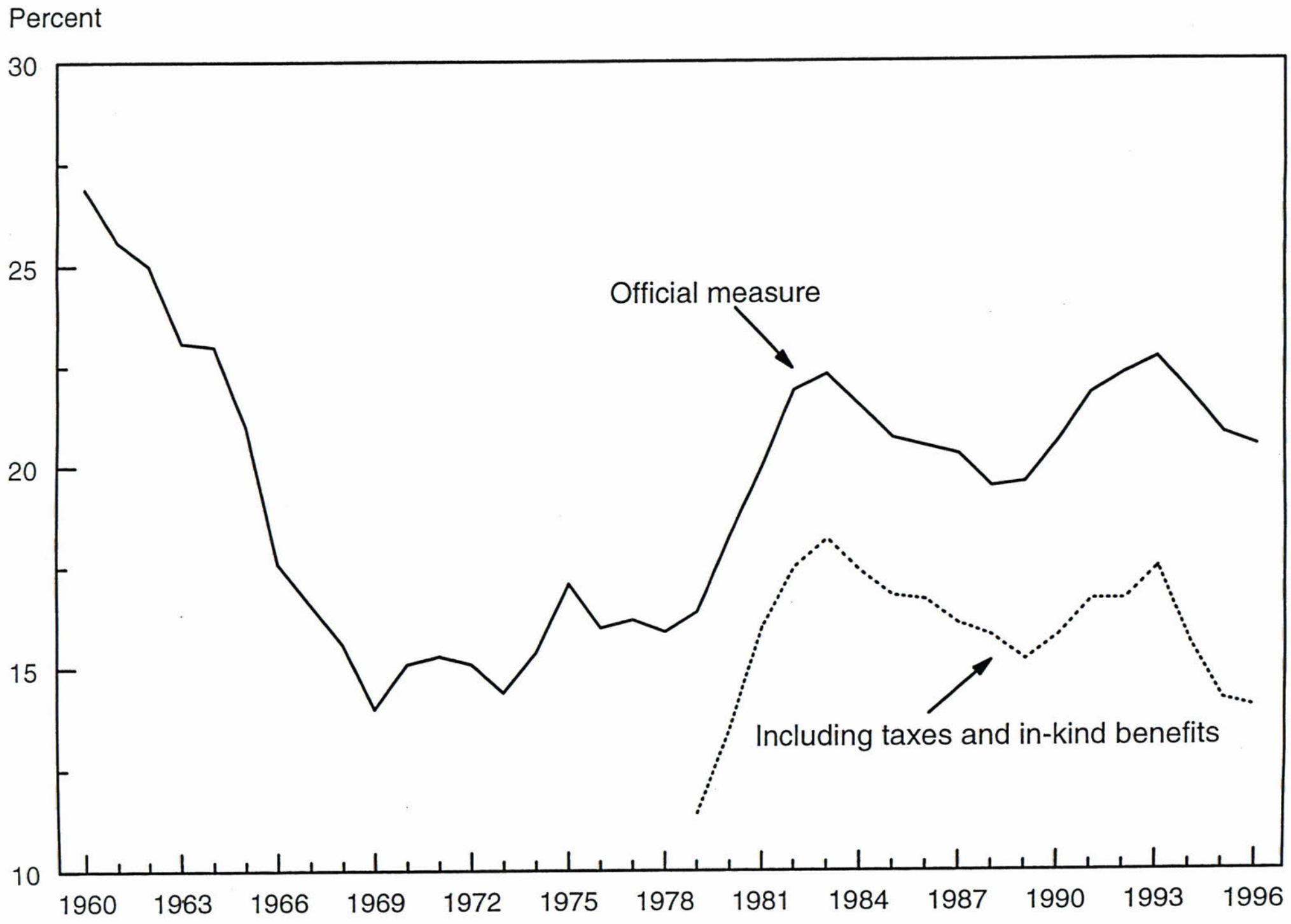


TABLE 1

Accounting for Changes in Child Poverty

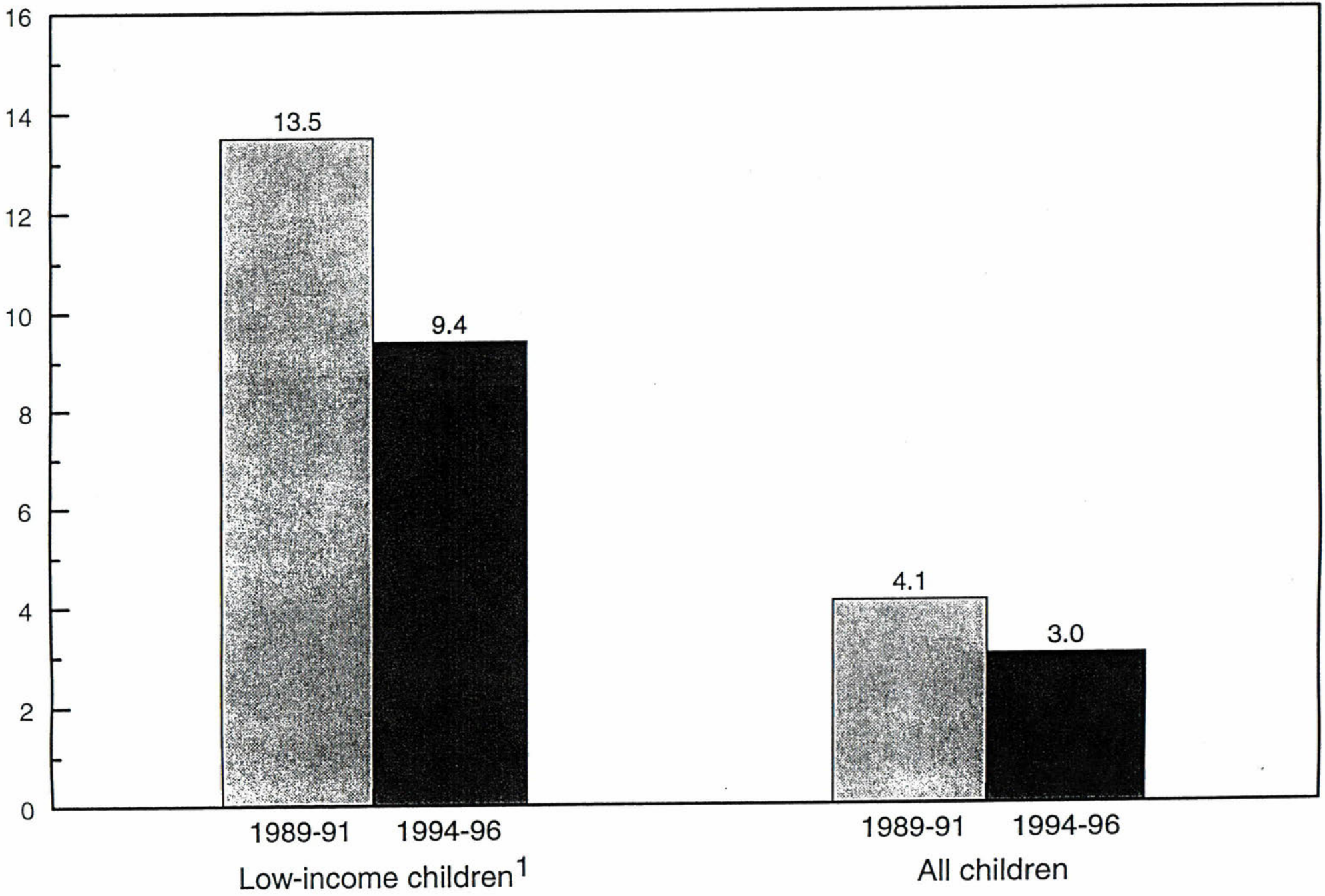
[Percentage points]

Factor	1979-89	1989-93	1993-96	1979-96
Change in official poverty measure attributable to changes in:				
Family structure	1.2	0.8	0.3	2.3
Earnings and other before-tax-and-transfer income	1.1	3.5	-3.0	1.6
Social insurance and welfare payments	1.0	-1.1	.5	.4
Total change in official poverty measure	3.2	3.1	-2.2	4.1
Change in extended poverty measure attributable to changes in:				
Means-tested food and housing transfers	.4	-.3	.0	.1
Taxes	.3	.0	-2.5	-2.2
Total change in extended poverty measure	4.0	2.9	-4.7	2.2

Note.—A positive number indicates an increase, and a negative number a decrease, in the child poverty rate resulting from that factor. Detail may not add to totals because of rounding.

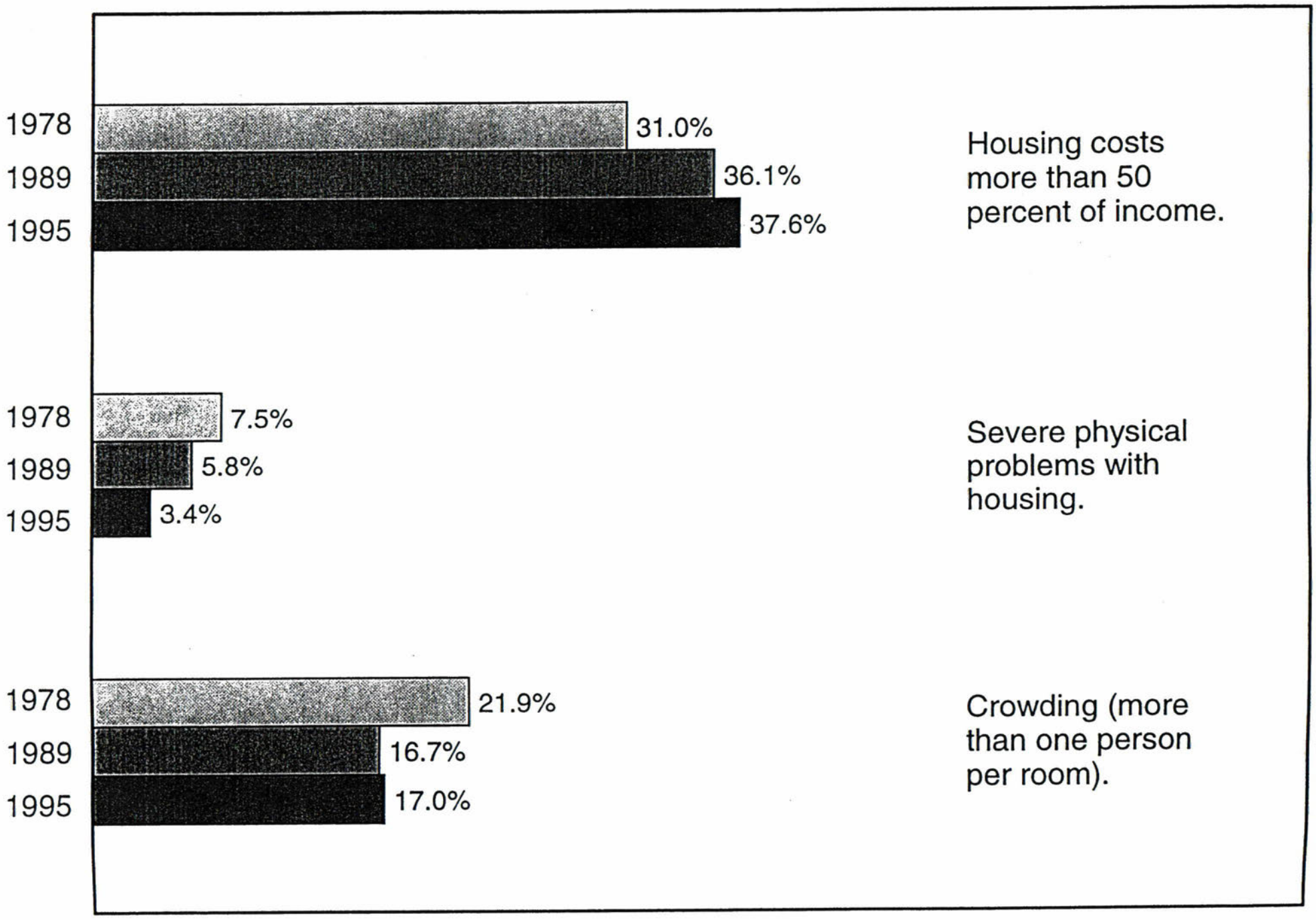
Sources: Department of Commerce (Bureau of the Census) and Office of Management and Budget.

Chart 2 **Children in Households Reporting There Was Sometimes or Often Not Enough to Eat During the Last 3 Months**



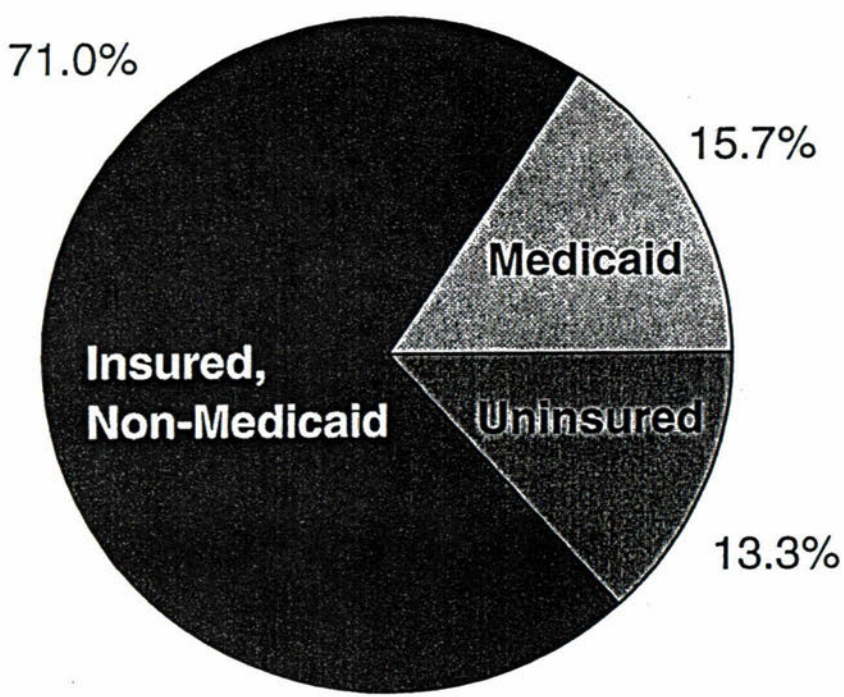
1 Low income is below 130 percent poverty line.

Chart 3 **Housing Conditions of Very Low-Income[1] Renters with Children**

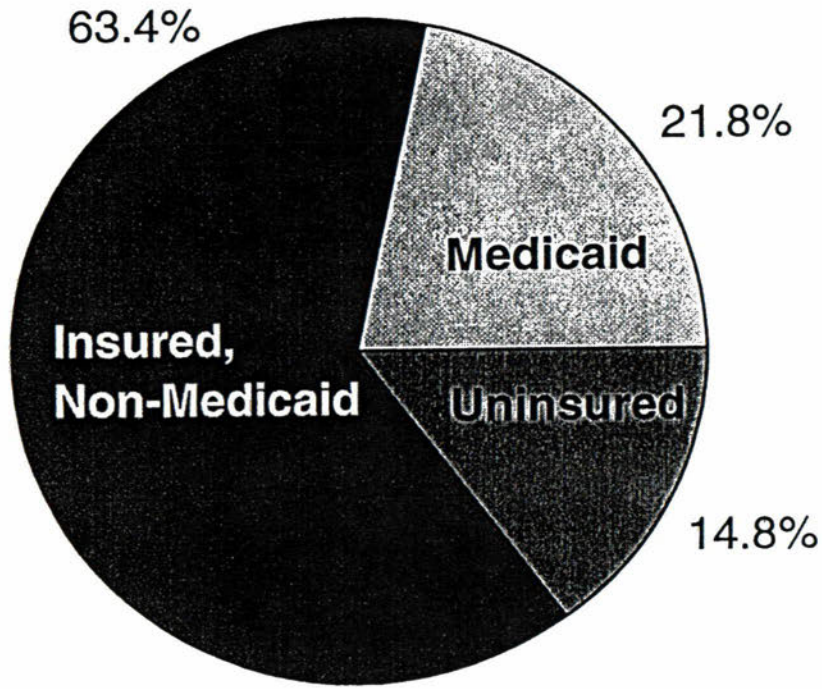


1 Very low income is below half area median.

Chart 4 **Health Insurance Coverage of Children**



1989



1996

Source: Current Population Survey.

Chart 5 **Uninsured Children by Family Income, 1996**

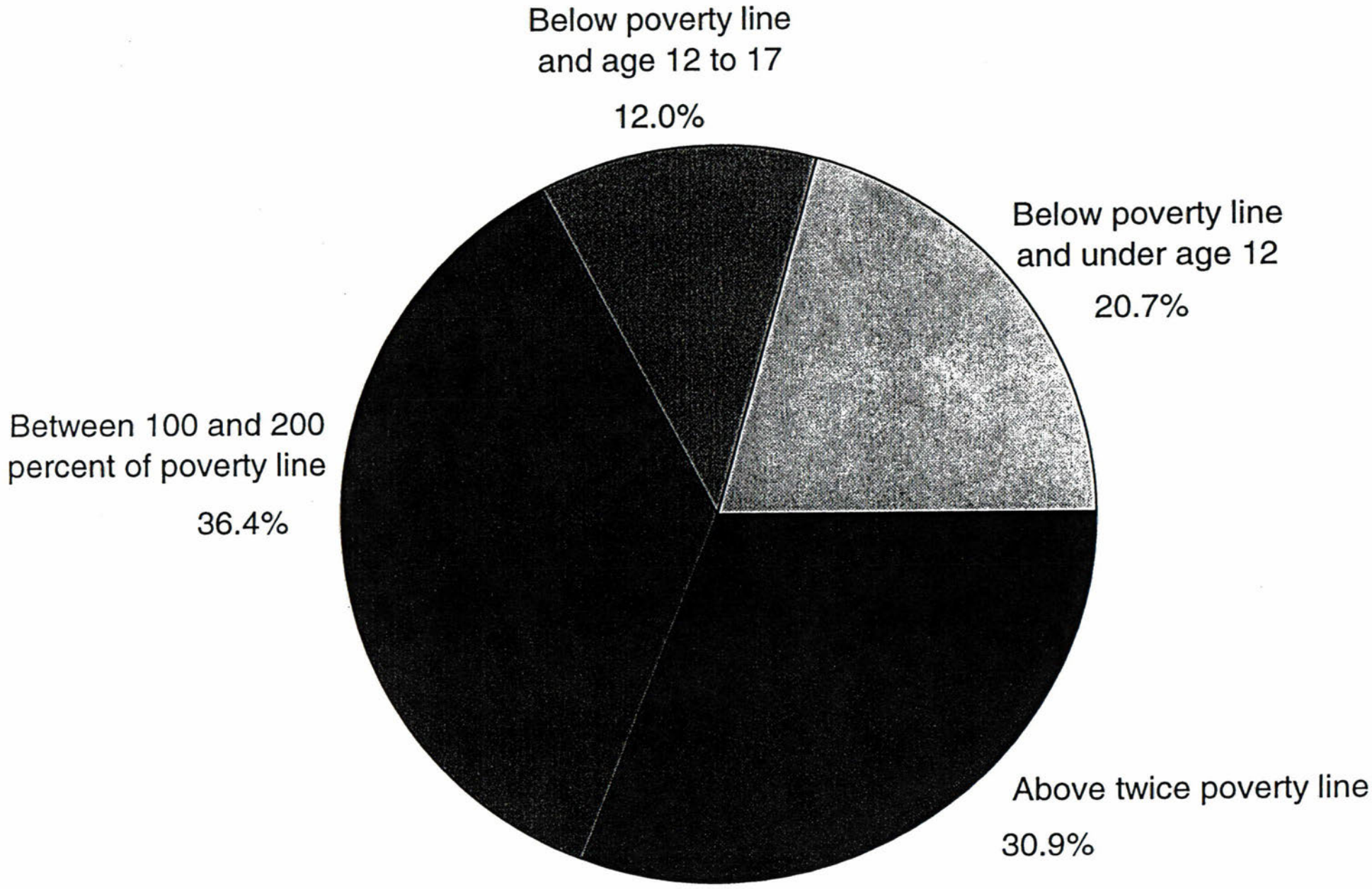


TABLE 2

Average Number of Physician Contacts in Last Year for Children Under 15, by Family Income

[Number of contacts]

Family income	Good or excellent health		Fair or poor health	
	1987-89	1993-95	1987-89	1993-95
Below poverty line	3.6	4.0	10.8	14.2
Poverty line to twice poverty line	3.8	3.9	15.2	16.2
Above twice poverty line	5.0	4.9	22.6	20.7

Note.—Income is before-tax cash income.

Source: Department of Health and Human Services (National Center for Health Statistics).

Chart 6 **Infant Mortality Rates and Incidence of Low Birthweight**

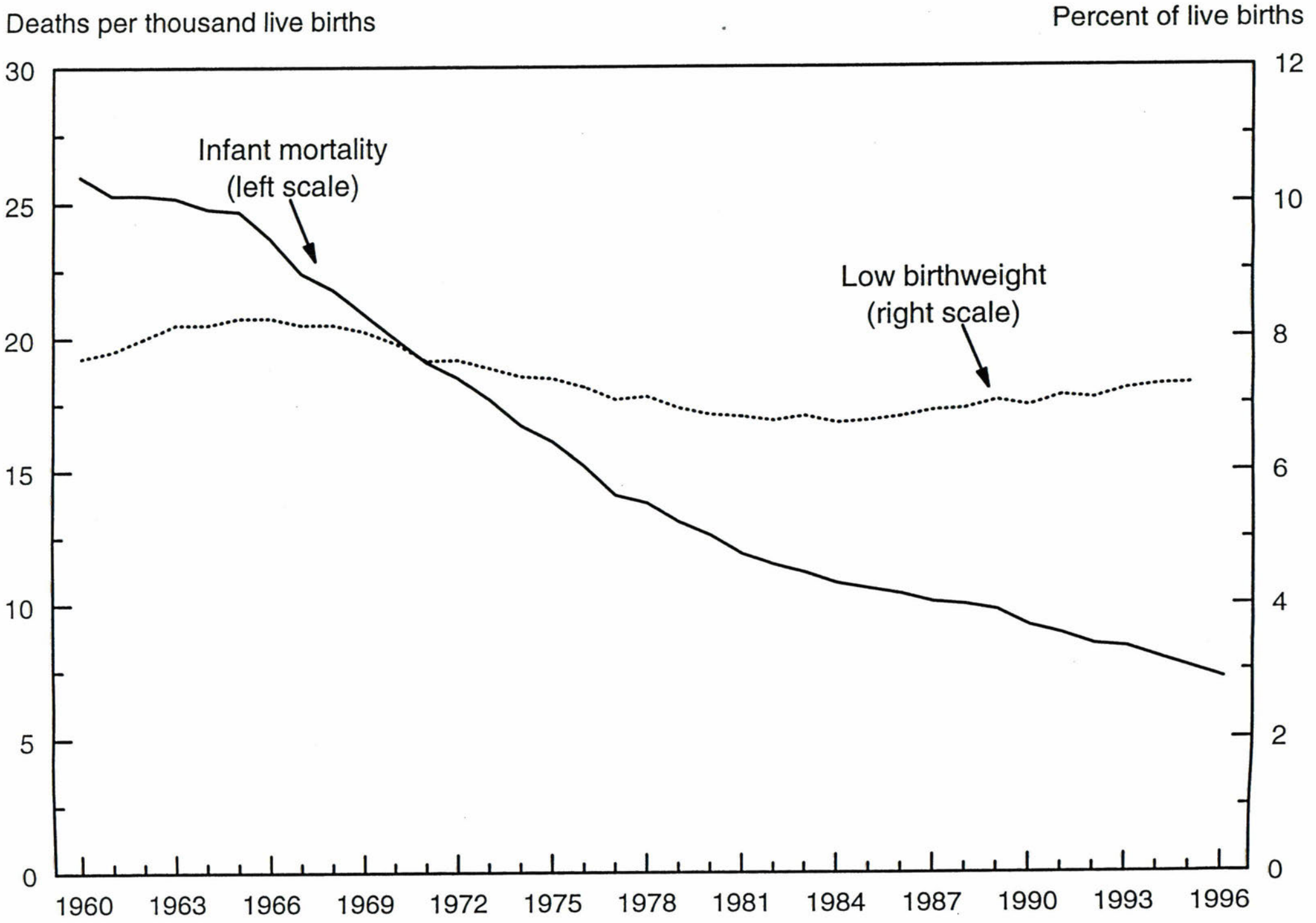
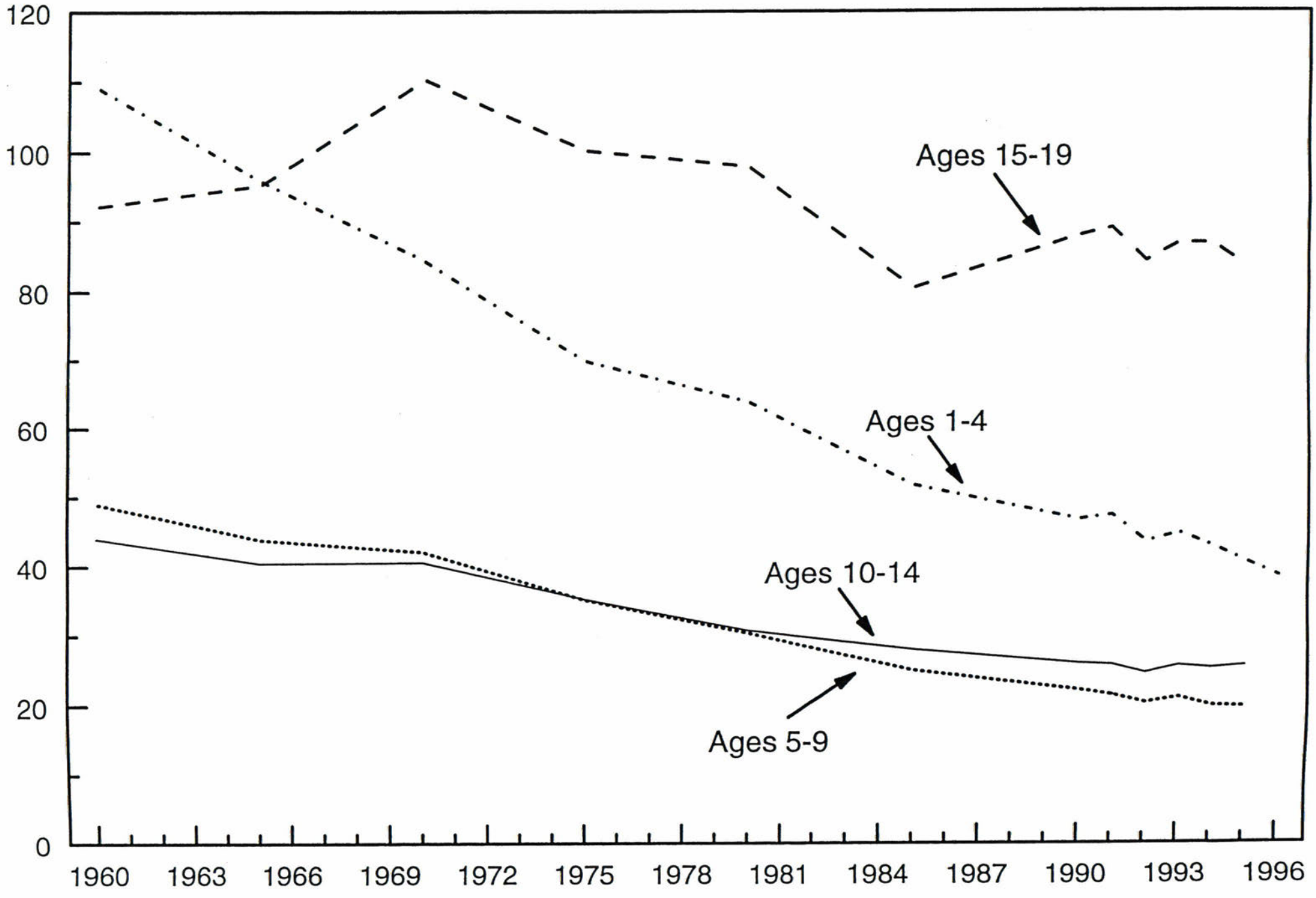


Chart 7 **Child and Youth Mortality Rates**



The John F. Kennedy Center
for the Performing Arts
WASHINGTON, D.C. 20566-0001

Stephanie / cc: Melanne

THE PRESIDENT HAS SEEN
2-23-98

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The President
and Mrs. Clinton
The White House
Washington, D.C. 20500

Hand Deliver

The John F. Kennedy Center for the Performing Arts

THE PRESIDENT HAS SEEN
2-23-98

WASHINGTON, D.C. 20566-0001
202 416-8000

February 19, 1998

The President
and Mrs. Clinton
The White House
Washington, D.C. 20500

Dear President and Mrs. Clinton:

As always, Huda and I greatly enjoyed seeing you last night at Beth and Ron Dozoretz's house, though we missed Mrs. Clinton. Everyone left the evening energized and inspired.

I'm writing this letter to let you know that I will be Co-Chairing the Kennedy Center's Spring Gala on Sunday, April 19. I know how much you both enjoy the Honors Gala in December, but this promises to be as much fun. The evening will feature the American debut of one of the hottest names on both pop and classical charts around the world, Andrea Bocelli, who has been called "the fourth tenor". Leonard Slatkin will lead the National Symphony Orchestra in this special concert, unless you prefer to conduct it yourself!

I'd like to request that you and Mrs. Clinton host a White House reception prior to the gala for our distinguished business, media and arts patrons who will attend our gala. A White House reception would add so much to this event and make it a memorable day for our patrons, whose continued support makes it possible for all people to enjoy the arts. In this day and age, where technology is taking over, we all need the arts to humanize our lives.

We are grateful for your commitment to the performing arts and your special support of the Kennedy Center. We hope that you will be able to host the pre-gala reception at the White House and to grace our event by attending this special evening.

Thank you for your consideration. I look forward to hearing from your office.

Warm regards,

Samia Farouki

Mrs. A. Huda Farouki
Co-Chair
The Sixth Annual Spring Gala

✓ Tab A: Berger ✓/COS ✓ (w/ page 1 of cover) +1

✓ Tab B: Bowles/Podesta/Robyn (w/page 1 of cover)

~~Tab E~~ Berger/Streett/Bowles/
Mathews (w/page 2 of cover)

✓ Tab G - ~~not returned~~
Lewis/Emanuel/Kanter/COS (w/
page 2 of cover)

2-23-98

THE WHITE HOUSE

WASHINGTON

February 21, 1998

MEMORANDUM FOR THE PRESIDENT

FROM: PHIL CAPLAN
SEAN MALONEY

SUBJECT: Recent Information Items

We are forwarding the following recent information items:

(A) **Sec. Cohen Memo on Selected Reservists for Bosnia forwarded by Berger** -- Sec. Cohen informs you of his intention to extend until further notice the current call-up authority for 6,700 Selected Reservists to support operations in Bosnia; the extension of the U.S. mission beyond June 1998 makes this action necessary; there are currently 3,802 Selected Reservists supporting Bosnia operations.

(B) **Hamre Update on Base Closures forwarded by Bowles/Podesta/Robyn** -- Hamre says closed military facilities are generating jobs and economic activity throughout the country; your advisers have worked closely with DOD to fix remaining problems with the base closure process, particularly in the area of property disposal; the Services have made substantial progress; twelve communities have created more jobs at their former bases that they lost due to closure; 74 of 97 communities targeted for base closures are receiving DOD assistance, the others had very few jobs or affected property; 57 of these 74 assisted properties are now closed; as of last November, there were over 1,000 public and private employers operating at closed bases, employing 45,000 civilian workers; DOD has now sped up the property transfer process to facilitate job growth; the private sector is finding former defense buildings easily adapted to their needs; Hamre provides detailed examples in PA, CA, MI, and OH.

(C) **Berger/Gibbons/Marshall/Verveer Memo on Gulf War Illness Report** -- transmits to you the final report of the Presidential Advisory Committee on Gulf War Illness (PAC) and the response of the Persian Gulf Veterans Coordinating Board (Secretaries of Defense, HHS and the VA); the PAC's report focuses on implementation of its previous recommendations and on ongoing investigations; overall, it concludes that your Administration's efforts have improve services, knowledge, and outreach efforts, but it criticizes DOD's investigations of CBW incidents; it makes 12 recommendations, 10 of which are being implemented; on the other 2: DOD is studying, but hesitant to change, its doctrine on low-level chemical exposure without medical proof of chronic effects; and believes its notification of nearly 100,000 individuals following the destruction of the Iraqi ammunition facility at Khamisiyah need not be expanded to all individuals within a 300 mile radius of the event; the PAC's recommendations led to your announcement in

THE PRESIDENT HAS SEEN
2-23-98

November of several initiatives: a permanent health care and compensation program similar to the Agent Orange program; a comprehensive Force Health Protection Program; a Special Oversight Board to review DOD investigations (which you approved this week); and the allocation of additional research funding; *copies of the PAC's report and the PGVCB's response are on file in our office.*

(D) **Sec. Shalala Memo on Tuskegee Syphilis Study Apology Follow-Up** -- following last year's formal apology, Sec. Shalala formed a CDC-led steering committee to carry out follow-up activities; it has produced a report on improving community participation, especially by minorities, in HHS research programs; HHS has awarded a CDC planning grant to Tuskegee University to establish a Center for Bioethics in Research and Health Care; bioethics training fellowships were announced in the NIH Guide; and a guidebook on bioethical education resources is being planned; *a copy of the steering committee's report is on file in our office.*

(E) **Shalala Memo on Advances in Mother-to-Infant HIV Transmission** -- as you know, this week CDC announced important new information on the ability of developing countries to decrease HIV transmission from mothers to infants; completed trials indicate that an affordable, short-course of 4 weeks' oral AZT may effectively diminish mother-to-child transmission rates; this therapy has profound implications in LDC's where over 1,000 HIV-infected babies are born every day; we now have an opportunity to prevent hundreds of thousands of newborn infections worldwide.

(F) **Gearan Memo on Peace Corps Volunteer's Death** -- on February 5, Kevin Leveille, a Peace Corps volunteer from Ventura, California, was killed in his home in Cote d'Ivoire by intruders; Mark attended his funeral on February 14 and delivered a condolence letter on your behalf; local African authorities are conducting an investigation with the assistance of the U.S. Regional Security Officer and officials of the Peace Corps' Inspector General's office; the appropriate Congressional offices have also been notified.

(G) ***NY Times* Articles from Ann Lewis** -- you asked about a *NY Times Magazine* article published on Sunday, August 30, 1992; Ann attaches three articles from that issue that fit your description: "Test Marketing the President," by Elizabeth Kolbert; "The Democrats as the Devil's Disciples," by Tom Wicker; and "The 1992 Campaign: A Contest of Two Generations" by Michael Kelly.

Tab B

THE WHITE HOUSE

WASHINGTON

98 FEB 18 AM 10:26

February 17, 1998

2-23-98

INFORMATION

MEMORANDUM FOR THE PRESIDENT

FROM: ERSKINE BOWLES
JOHN PODESTA
DOROTHY ROBYN

SUBJECT: BRAC Update

The attached memo from Deputy Secretary of Defense John Hamre documents how closed military facilities are generating jobs and economic activity throughout the country. Following your 1993 announcement of a Five Part Plan for Revitalizing Base Closure Communities, the military Services improved their closure process in many ways, but serious problems remained, particularly in the area of property disposal. Last year we worked closely with DoD to fix the remaining problems. As you can see, the Services have made substantial progress.

We should consider creating a program to target certain places for more effort — could do as a Progress Zone —

copied
Bowles
Podesta
Robyn

DEPUTY SECRETARY OF DEFENSE

1010 DEFENSE PENTAGON
WASHINGTON, DC 20301-1010

FEB 7 1998

MEMORANDUM FOR WHITE HOUSE CHIEF OF STAFF
WHITE HOUSE DEPUTY CHIEF OF STAFF

SUBJECT: Update on Base Realignment and Closure (BRAC) Progress

I am pleased to provide this report on the progress of BRAC communities in creating jobs and generating economic activity at closed military installations. In the last nine months, the Department of Defense has continued to enable many communities to put their facilities into productive reuse.

Due to the Administration's commitment to help communities affected by base closures, closing military bases are becoming engines of local economic redevelopment through reuse of the former military assets. Each new tenant on a closed installation brings important jobs and economic activity to an area. Already, twelve communities have created more jobs at their former bases than the DoD civilian jobs that were lost due to the closure, and that number is increasing.

Some key figures tracking our progress with base closure and community reuse:

- 74 communities from the 97 major installations targeted for closure by BRAC 88, 91, 93 and 95 are receiving assistance from DoD. The remaining bases had very few jobs or very little property affected by the BRAC action
- 57 of the 74 DoD-assisted BRAC properties are now closed.
- As of November 1997 there were more than 1,000 public and private sector employers at closed bases.
- As of November 1997, there were nearly 45,000 civilian workers at closed bases.
- Over 55% of civilian jobs lost have been replaced at those bases closed over a year. That number grows monthly.

The Department of Defense has several tools to further the Administration's commitment to make community redevelopment our top priority at closing military bases. In a recent improvement, the Department now has sped its process for transferring property to communities in a way that facilitates job growth. We have completed twenty-nine of these special property transfers (called Economic Development Conveyances) over all – eleven in the last nine months. Fourteen more of these transfers are pending.

In this growing economy, new and expanding businesses are looking to start operations as quickly and economically as possible. Closed military bases often have suitable space for

reasonable rent. The private sector is finding that these former defense buildings are easily adapted to their needs. Here are a few recent developments in more detail:

Former Naval Shipyard Philadelphia, Pennsylvania. As part of a unique private, federal, bi-state, and local economic development partnership, one of the largest shipbuilders in the world, Kaverner, has agreed to locate its North American operations on 115 acres of the former Philadelphia Naval Shipyard. Total cost of the Kaverner redevelopment is estimated to be $644 million. The short and long term economic benefits are expected to extend well beyond the impact of providing 953 direct jobs. It will also create linkages to immediate supplier networks and the advanced transportation industry cluster, promoting job growth and business development throughout the region well into the next century.

Former Norton Air Force Base, California. Working together, the Inland Valley Development Agency (IVDA) and the San Bernardino International Airport Authority, have attracted 80 tenants with more than 2,471 employees; 1,488 since December 1996. All available property, over 1.25 million square feet, is leased. The IVDA has begun $2 million in demolition and site preparation for the construction of 1 million square feet of new warehouse facilities. An additional 1.5 million square feet of new office and exhibition space, known as the Worldpointe International Center, is under construction. When complete, the complex is expected to employ 5,000.

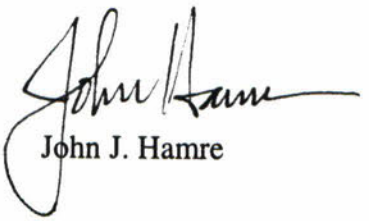
Former Castle Air Force Base, California. Pacific Bell chose Castle Air Force Base in rural Merced County, California, as the location of its "Customer Care Center." The company has invested $11.5 million in the facility where sales and customer services are handled for a variety of products. There are 500 full-time employees, with another 400 soon to be added. Job creation at Castle was slow until this past year when 1,316 jobs were added to the 107 jobs generated previously for a total of 1,423, slightly more than the 1,149 civilian employees it had when it was announced for closure.

Former Wurtsmith Air Force Base, Michigan. This former air base is located in a township with a population of 1,061 while the county population is 30,209. Property leases have already produced more than 1,000 new jobs, including an aircraft maintenance facility that utilizes most of the former flight line facilities. Several on-base housing units were relocated throughout the region under a public-private initiative to provide affordable housing. The remaining units will be redeveloped on the base as a retirement and vacation community. Reuse at Wurtsmith has succeeded beyond expectation.

Former Gentile Air Force Station, Ohio. Banc One, the nation's fourth largest private label credit card business, presently employs 800 people at the former Gentile Air Force Station in Kettering, Ohio, and will be hiring another 200 each month until they have created 2,000 jobs. The National Center for Composite Systems Technology began operations at Gentile in October 1997. The Center selected Gentile because they were able to move in immediately, saving $25 million in construction costs. They have created ten jobs on site, but over the next two years, they will create an additional 200-500 jobs.

In total, there are 1,765 new jobs on base—1,200 of which have been created during the past nine months.

The five part program for revitalizing base closure communities announced in July 1993 has set the stage for some remarkable success in reusing redundant Defense assets for civilian, job-generating purposes. A recent *Forbes* magazine article entitled, "Close a base, create a job" reflects the current view that closing bases can provide the foundation for communities to build stronger, more diverse local economies.



John J. Hamre

Tab E

THE PRESIDENT HAS SEEN

2-23-98

THE SECRETARY OF HEALTH AND HUMAN SERVICES
WASHINGTON, D.C. 20201

'98 FEB 19 PM3:38

MEMORANDUM FOR THE PRESIDENT

FROM: **DONNA E. SHALALA**
SECRETARY, DEPARTMENT OF HEALTH AND HUMAN SERVICES

Copied
Berger
Sheett
Bowles
Mathews

SUBJECT: **ADVANCES IN PREVENTION OF MOTHER-TO-INFANT TRANSMISSION OF HIV**

DATE: **FEBRUARY 18, 1998**

I want to provide you with important new information about the ability of developing countries to decrease HIV transmission from mothers to their infants. The CDC released this information in a press conference today in Atlanta.

The CDC, working with the governments of Thailand and Cote d'Ivoire, started clinical trials in 1996 to identify an effective therapeutic intervention that decreased HIV transmission from mother to child and that was realistically affordable in the developing world. The trials are now complete and conclude that a significantly shorter course of treatment is effective. This short course, four weeks of oral AZT, will be affordable in most of the developing world. (In comparison the standard of care in the U.S. requires several months of treatment for the mother and the infant and an intravenous dose.) As a result, the trials are being stopped and the new shortened oral course of AZT is being offered to all participants.

These trials are of great significance to children throughout the developing and developed world. For the first time we can offer a therapeutic intervention that may effectively diminish the chances of the baby becoming infected from a HIV-positive mother. The new therapy has profound implications in the developing world where over 1,000 HIV-positive babies are born each day. We now have the opportunity to prevent hundreds of thousands of HIV infections in newborn infants worldwide.

As you may know, questions have been raised concerning these clinical trials. If the two studies had not been undertaken by the CDC, NIH and the World Health Organization (WHO), we would not have identified an effective mode of preventive therapy that could be implemented in the developing world.

HHS has already begun discussions internationally and domestically to develop strategies to incorporate these findings into existing standards of practice. The discussion has included planning for an international meeting with HHS, the State Department, UNAIDS, WHO and senior public health officials in the developed and developing world.

Attachment - HHS Press Release

cc: The First Lady

HHS NEWS

U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES

FOR IMMEDIATE RELEASE
Wednesday, Feb. 18, 1998

Contact: CDC, National Center
for HIV, STD and TB Prevention
Office of Communication
(404) 639-8895

CDC Office of Communications
(404) 639-3286

Short-Course Regimen of AZT Proven Effective in Reducing Perinatal HIV Transmission: Offers Hope for Reducing Mother-to-Child HIV Transmission in Developing World

In an announcement that has important implications for many developing nations, the Centers for Disease Control and Prevention (CDC) stated today that a short course of AZT given late in pregnancy and during delivery reduced the rate of HIV transmission to infants of infected mothers by half and is safe for use in the developing world. The Ministry of Public Health of Thailand (MOPH), who conducted the study in collaboration with CDC, announced the results earlier today in Thailand.

The findings, from a preliminary analysis of data from the CDC/MOPH collaborative study, offer real hope to many developing nations that previously had no realistic therapy options to prevent HIV-infected pregnant women from transmitting infection to their babies.

"We are very fortunate in the U.S. and Europe to have been in a position to offer preventive therapy to HIV-infected pregnant women for several years, and thousands of infections in infants have been prevented as a direct result, said HHS Secretary Donna E. Shalala, "Now we are a step closer to seeing the kind of progress that we've made at home extended to the developing world."

Prior to these findings, the only AZT regimen proven effective for perinatal HIV prevention was essentially out of reach for the countries in which over 90 percent of HIV infections occur.

The AZT regimen used in the U.S. is costly and requires several months of treatment for the mother and the infant and an intravenous dose that is not feasible in many developing countries. In order for policy makers in developing nations to provide HIV-infected women a preventive therapy, they urgently needed conclusive scientific evidence that there is a practical treatment regimen that is safe and more effective than what they have been able to provide which, tragically for most, has been no preventive therapy at all.

- More -

"By using a much shorter course during pregnancy, an oral dose rather than an intravenous dose during delivery, and no infant dose, we evaluated a regimen that could be realistically implemented in developing nations," said Dr. Helene Gayle, Director of CDC's National Center for HIV, STD, and TB Prevention. "Now that the regimen has been proven safe and effective in Thailand, these findings offer hope of extending perinatal prevention to HIV-infected women throughout the developing world."

The Thailand study was one of two CDC collaborative perinatal HIV prevention studies. The CDC studies, conducted with the Ministries of Health in Bangkok, Thailand and Abidjan, Côte d'Ivoire, were part of an international collaborative research effort coordinated by the Joint United Nations Programme on HIV/AIDS (UNAIDS) to help identify practical solutions for the developing world.

The Thailand study, which began enrollment in 1996, provides the first conclusive scientific data on the preventive effectiveness of a short-course regimen of AZT.

Although final data are not yet in, CDC has now received conclusive interim data from Thailand. Enrollment into the study has been completed and over 90 percent of the data have now been reviewed by CDC and the independent Data Safety and Monitoring Board (DSMB) overseeing the research. Because this regimen has proven both safe and effective, the placebo-control component of CDC's Abidjan study is no longer necessary. Therefore, CDC and its collaborators have begun offering all pregnant women enrolled in the Abidjan study the short-course AZT regimen. Research collaborators worldwide are currently being notified of the findings. In a joint statement released today by UNAIDS, the National Institutes of Health (NIH) , and the French National Agency for AIDS Research (ANRS), it was announced that an international meeting will be soon be held to discuss the far-reaching scientific and policy implications of these findings.

"As the international health community now faces the challenges of making this prevention opportunity a reality for HIV-infected women worldwide, the really hard work begins," said Dr. Kevin DeCock, Director of the Division of HIV Prevention, NCHSTP. "The remarkable news is that we begin with the first conclusive evidence that simpler, practical therapies can make a difference."

CDC stressed that these studies were not designed to address perinatal prevention needs in the U.S. and other industrialized nations. Because HIV-infected pregnant women in the U.S. already have access to the more effective longer treatment regimen, recommendations for perinatal HIV prevention in the U.S. will not change.

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Note: HHS press releases are available on the World Wide Web at: http://www.hhs.gov.

HHS NEWS

U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES

FOR IMMEDIATE RELEASE
Wednesday, Feb. 18, 1998

Contact: CDC Press Office
(404) 639-3286

STATEMENT BY DONNA E. SHALALA
Secretary of Health and Human Services
Regarding Findings of Thailand Study of "Short Course" AZT

"Since the AIDS epidemic was first identified 17 years ago, some 380,000 Americans have lost their lives to this disease. In the same period, we estimate that worldwide AIDS deaths have been 11.7 million.

"In recent years, we have had some hopeful developments in the United States and other industrialized nations. New treatments, as well as prevention efforts, have brought about reductions in the number of AIDS deaths in America. But in the developing world, there has been little to report except growing numbers of infected persons and growing numbers of deaths, including the spread of infection from pregnant women to their infants. Treatments that have been proven most effective in the industrialized nations have generally been unaffordable and impractical for countries of the developing world.

"Today's news from Thailand is one of the first hopeful signs for countering HIV and AIDS in the developing nations of the world. While we are still far from control or cure of this disease, it now appears we may have a preventive therapy which is affordable and feasible in less developed nations, and which can significantly reduce the transmission of HIV from mother to infant. For tens of thousands of women in developing nations who are pregnant and infected with HIV, this is a vitally important development.

"Now, with the leadership of UNAIDS and the cooperation of the leading industrial nations, we must move to translate these findings into effective public policy and health care practice."

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Tab G

THE PRESIDENT HAS SEEN

THE WHITE HOUSE

WASHINGTON

'98 FEB 19 PM5:21

copied
Lewis
Emanuel
Kanter
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February 19, 1998

MEMORANDUM FOR THE PRESIDENT

FROM: **ANN LEWIS** AL

SUBJECT: **NEW YORK TIMES ARTICLES**

You mentioned an article in the New York Times Sunday Magazine from August 30, 1992. Enclosed are several articles from that edition of the newspaper that may be the one you referred to:

To Hillary & Bill Clinton

"Test Marketing a President," by Elizabeth Kolbert in the Magazine
"...Bush staffers were already starting to look to the day when Clinton's negatives would start to recede. 'If he starts to make a comeback, we may have to use some things that didn't get much play,' said (Fred) Steeper... 'I don't think, for example, that people ever understood his real estate dealings.'"

"The Democrats as the Devil's Disciples," by Tom Wicker in the Week in Review section
"The nation was warned, during and after the convention...that Mr. Clinton's past marital problems showed that he could not be trusted, even to defend the country from foreign assault, much less to guard it against the alien manipulations of the 'media elite.'"

- "The 1992 Campaign: A Contest of Two Generations. Molded by Two Different Wars," by Michael Kelley

Copyright 1992 The New York Times Company
The New York Times

August 30, 1992, Sunday, Late Edition - Final

SECTION: Section 6; Page 18; Column 1; Magazine Desk

LENGTH: 5404 words

HEADLINE: Test-Marketing a President

BYLINE: By Elizabeth Kolbert; Elizabeth Kolbert is a political reporter for The New York Times.

BODY:

MODERATOR: "Tell me, when you look at the news and you see George Bush, what kind of descriptions run through your mind? Anybody?"

AMANDA: "Status quo."

CATHERINE: "Ineffective."

CAROLINE: "All I can think of is he's not very impressive, as far as looks go."

DIANE: "He looks more haggard."

MARCIA: "They all seem to do that after they've been in office a while."

DIANE: "I think he seems to be floundering, kind of flip-flopping, trying to find where the public opinion is and go toward it."

MODERATOR: "Does he have any strong points? If you were sitting down making a list of pluses and minuses, what would you put on the plus side?"

ELLEN: "His wife has a good sense of humor."

The mood of the encounter falls somewhere between a coffee klatch and a college seminar where no one has done the reading. In a windowless room, a well-paid poll taker is interviewing several housewives, a cashier, a martial-arts instructor and a secretary about their views on the Presidential candidates and on abortion. The discussion -- meandering, affable and often ill informed -- may seem eminently forgettable, but every word is being taped by hidden microphones and every gesture recorded by a video camera stationed behind a one-way mirror. Over the next few days, the entire two-hour dialogue will be

transcribed, pored over by experts and analyzed in a written report.

It has become a commonplace of American political discourse that so-called ordinary people have no say in the process, that the average citizen's opinion counts for less and less in a system dominated by special interests. Yet nearly every day, somewhere in the country, conversations like this one are being staged among people who have been chosen precisely because of their ordinariness. These people are encouraged to say exactly what is on their minds. They are treated with great solicitude and even paid a fee for the trouble of expressing their opinions, and their thoughts and feelings can end up (sometimes verbatim) in policy speeches and campaign literature. These sessions, called focus groups, are becoming ever more influential, even as the power of the "little guy" allegedly evaporates.

Focus groups are organized by professional poll takers on behalf of senators, congressmen, governors and just about every other politician who can afford them. George Bush and Bill Clinton consult them at almost every turn, and, in theory at least, a casual remark dropped at a focus group could change the course of the Presidential campaign this fall. It has happened before. In the 1984 Democratic primary, when Walter Mondale was laid low by early losses to Gary Hart, a Georgia focus group showed him how to fight back by highlighting Hart's inexperience. And in 1988, when then-Vice President Bush was trailing Michael Dukakis, a New Jersey focus group inspired the unrelenting attack strategy the Bush campaign used to reverse the polls.

Roger Ailes, who directed Bush's media campaign in 1988 and remains leery of focus groups, once offered this testament to their influence: "When I die, I want to come back with real power. I want to come back as a member of a focus group."

GEORGE BUSH'S THIRD STATE of the Union Message marked the official kickoff of the 1992 campaign season, and, to Republicans and Democrats alike, the speech represented a defining moment of his Presidency. Both parties wanted to give this historic event due consideration, so both sides assembled focus groups.

The Republican focus group was made up of roughly 30 voters from the Chicago suburbs who had supported Bush in 1988, but were undecided in 1992. After a round of snacks (free food is a standard feature of focus groups), each of the participants was given a hand-held "Perception Analyzer," which, in spite of its portentous name, is actually just a simple dial wired up to a computer. They were told to move the dial to the right toward 100 when the President said something that struck them favorably and to the left toward 0 when he said something that made a negative impression.

To the distress of many Bush aides, several of the President's most dramatic

lines provoked little or no wrist action from the group. "The cold war didn't end, it was won," produced only a blip on the Pereption Analyzer graph. Similarly, "I know we're in hard times, but I know something else -- this will not stand!" brought only a modest response. The President's stirring promise to "get more good American jobs within our own hemisphere through the North American Free Trade Agreement" got no reaction at all.

It was not until the President had reached the peroration of his 51-minute address that the Perception Analyzers started to move. "This Government is too big and spends too much," a line that came roughly 40 minutes into the speech, was the high scorer for the evening, receiving an average mark of 94. "Welfare was never meant to be a life style, it was never meant to be a habit," a line that came just minutes before the close of the speech, was, at 91, the second highest for the night.

The Bush campaign, engaged at that point in an embarrassing primary battle with Patrick Buchanan, did not wait long to put its focus-group findings to work. The very next day, the campaign shot a new commercial for use in New Hampshire. The commercial showed the President standing in the Oval Office, outlining his economic plan. "My plan will work without big Government spending," he said, looking directly into the camera.

LIKE RADAR AND NUCLEAR power, focus groups are among the many innovations that owe their development to the research effort that accompanied World War II. Early in the war, the Army commissioned training films for its troops from several directors, among them Frank Capra. The films were not just supposed to inform the new trainees about the latest military hardware, they were supposed to boost morale, too. But the military's research division did not trust Capra and his fellow directors to understand how their films could affect a bunch of 18-year-old kids. So it asked some sociologists to investigate.

The research tool these social scientists developed was the "focused interview," an encounter designed to probe the individual's response to a specific stimulus. What the researchers using this technique found was that some scenes from the films provoked a reaction opposite from the one intended; this they labeled the "boomerang effect."

"Even though Frank Capra thought he was reaching hoi polloi, these kids didn't know what he was talking about," said one of these researchers, Robert K. Merton. Now a university professor emeritus at Columbia and one of the nation's leading sociologists, Merton recalls that Capra was not always enthusiastic about the researchers' findings: "He didn't accept everything we said."

The idea behind the focused interview, as developed by Merton and his colleagues, is that with proper prodding people can identify the exact reason

certain scenes or lines or phrases made them think or act acertain way. The idea is a powerful one, and it did not take long for the focused interview and its offshoot, the focused group interview, to find new applications in the world of marketing.

These days, it is hard to make a move in consumer culture that has not been screened by a focus group. Stroll down the aisle of your local grocery store and the shelves are lined with the results of focus-group research. Turn on your television and see what focus groups have told advertisers and the networks to put on the air. Go to the movies and watch the ending focus groups liked best.

Just when focus groups became a major force in American politics is hard to pinpoint, although there is general agreement that the Republicans became converts before the Democrats. Fred Steeper, a slight, intense man who directs public opinion research for the Bush campaign, remembers hooking a focus group up to little dials during the Presidential debates in 1976. When President Gerald Ford made his famous gaffe about Poland -- a country that was not under Soviet domination, he said -- the focus group didn't even register it. It was not until people had listened to news reports of the debate that the blunder began to take its toll.

In 1984, when Gary Hart won the New Hampshire Democratic primary, the shaken Mondale campaign turned to focus groups for guidance. Mondale's poll taker, Peter D. Hart, went down to Georgia and gathered 15 potential primary voters. They were in love with Gary Hart. An hour and a half into the session, Peter Hart (no relation to Gary) was getting worried. He asked the group to imagine there was a major recession. Who would they want as President? Fifteen hands went up for Gary Hart. Finally, he asked them to imagine a major international crisis. Who would they want then?

"All of a sudden, all the hands that shot up for Hart, shot up for Mondale," he recalls. The Mondale campaign swung into action, filming a commercial featuring an ominous-looking red telephone. The campaign continued to air the spot until Mondale had clinched the nomination. "The Hart campaign never could find a counter to that spot," Peter Hart says.

Probably the most notorious of all focus groups was conducted by the Bush campaign four years ago in Paramus, N.J. It was late spring, and polls showed the Vice President trailing Michael Dukakis by 10 points. G.O.P. campaign officials assembled a group of swing voters who had backed Reagan but were leaning toward Dukakis.

The moderator presented the focus group with what the Bush camp considered a Dukakis "negative." What, he asked, did the group think of the Massachusetts Governor's veto of a bill requiring school children to recite the Pledge of

Allegiance? Most of the group members were unfazed. Then came a second negative. What did they think of the Governor's opposition to mandatory sentencing for drug offenders? Still no response. Then came a third, the Massachusetts prison furlough program that would eventually star Willie Horton. The group started to get uncomfortable. By the time the session was over, Dukakis would have been lucky to receive a civil greeting.

"The finding," Steeper says, "was that more important than any of the negatives was the accumulation of three or four." Each of the negatives, taken individually, was "rationalized away" by the group, according to Steeper. But after a while, the cumulative effect got to be too much. "It took all four or five," Steeper says. "You could literally see the tearing, the ripping going on." Similar results emerged from focus groups at three other locations. Steeper recalls one woman in a Birmingham, Ala., group gasping as if confronted with some awful family secret: "If he believes all that, why, then, he must be a liberal!"

IN AN ERA WHEN POLLING HAS become so sophisticated it is possible to predict with mathematical certainty who will win an election, focus groups have a curiously low-tech feel. In spite of the dials and the graphs that are often used, focus groups are manifestly unscientific samples, and their results are dependent on the quirky interaction of a dozen or so adults. But these apparent drawbacks have not prevented them from proving a remarkably effective tool for gauging public opinion: skillfully conducted, focus groups allow campaigns to penetrate beyond what voters think they should be thinking to what they actually are thinking.

Much like putting together a dinner party, conducting a successful focus group depends on inviting the right people. Every professional focus group is subject to an elaborate screening process aimed at select-ing participants who will feel comfortable enough together to speak candidly. It's considered risky to mix blue- and white-collar workers, even to mix men and women. And you will almost never find whites and blacks sitting around the same table.

"The key to a focus group is homogeneity," Bill Clinton's poll taker, Stan Greenberg, says. "The more homogeniety, the more revealing."

To illustrate why this is so, Greenberg offers the following story: In 1985, Democratic state legislators in Michigan hired him to find out why, after years of winning, they had suddenly started to lose. Greenberg went to Macomb County, Mich., a region of predominantly white suburbs that has since been enshrined as the birthplace of the Reagan Democrat. There, he held a series of four focus groups. His findings may seem obvious now, but they were not at the time: white, middle-class Democrats were turning away from the party because of race.

These Democratic defectors saw affirmative action as a direct threat to their own livelihoods, and they saw the black-majority city of Detroit as a sinkhole into which their tax dollars were disappearing. In each of the focus groups, Greenberg had the participants listen to a quotation from Robert Kennedy exhorting whites to honor their "special obligation" to blacks. Virtually every participant in the four groups -- 37 in all -- reacted angrily to Kennedy's exhortation.

"I can't go along with that," one participant said.

"No wonder they killed him," another remarked.

The findings were particularly startling to Democrats because public opinion polls were registering something completely different. "If you look at the quantitative surveys on race, you would think that Americans are the most tolerant people on earth," Greenberg says.

To probe beyond the "yes-no-I-don't-know" answers of public opinion surveys, focus-group moderators are practiced in the art of indirection. Their aim is to discover the logic that led the participants to their opinions, however convoluted or inaccurate that might be. To get this logic, it often helps to follow a path of free association. Focus-group leaders frequently ask questions like "If George Bush came to your house for dinner, what would you talk about?" They ask participants to write postcards to their candidate, and they ask, "If the candidate were a color, what would he be?" ("Plaid," one wag told the Clinton campaign.)

They also listen carefully. As Steve Lombardo, a moderator of Bush focus groups, notes, "There is a difference between 'I like George Bush' and 'I like George Bush.' "

Like any form of public opinion research, focus groups have their pitfalls; they can be dominated by an opinionated, but unrepresentative, member, for example, and their findings can become so quickly out of date that they end up steering a campaign down the wrong path. But the virtue of focus groups is that they can reveal not just the substance but the texture of public opinion.

To watch focus-group sessions on tape (journalists are rarely allowed to witness the real thing) is to see how much they progress according to their own internal plots. Unlike polls, where the interaction between the questioner and the respondent is anonymous and essentially static, the mood of focus groups evolves over time, and surprising things often happen. Sometimes participants grow angry and argue with one another; sometimes they grow chummy and exchange glances. In one focus group I watched, a woman confessed to getting pregnant by mistake. A man talked about losing his job.

One professional moderator describes the focus-group dynamic as a reluctant courtship. "They test each other," he says. "You can watch a group develop, like when the first person says 'nigger' and no one gasps."

In this confessional context, halfway to group therapy, feelings ordinarily censored in public comments edge to the surface. These are often the very feelings people take the greatest pains to suppress when talking to poll takers. But they are precisely the feelings that they tend to vote on.

SINCE THE EARLY 1980'S, THE use of focus groups has steadily increased to the point that they are now a standard feature of all major campaigns, and many minor ones as well. While it is still possible to find political consultants who deride focus groups -- a common complaint is that the groups tend to confuse what is interesting with what is important -- it is almost impossible to find a strategist who doesn't use them.

This year's Presidential campaign, it is already clear, will be the most aggressively "focus grouped" ever. Voters will not see a single ad that has not been tested before a focus group, nor are they likely to see even a minor shift in strategy that has not been played out before a one-way mirror.

The Clinton campaign began holding its first focus groups a year ago, even before its candidate had officially announced. In these early groups, which were held in New Hampshire, researchers tested themes like "personal responsibility" and "welfare reform" that Clinton had been refining for years as a member of the determinedly centrist Democratic Leadership Council. These themes were supposed to serve as the backbone of the Arkansas Governor's candidacy.

Yet much to the surprise of Clinton's aides, who assumed that such positions would go over well in conservative New Hampshire, the themes bombed. What the campaign discovered in its focus groups was that after three years of rising unemployment and sinking real-estate values, New Hampshire residents were not much interested in hearing about "personal responsibility." And instead of dismissing welfare recipients as ne'er-do-wells who had lived off the dole for three generations, they now recognized them as people who had lost their jobs to the recession and could no longer make it -- people, it turned out, very much like themselves.

In response to this unsettling news, Clinton jettisoned his original message and ordered up a new one tailored for New Hampshire. In the new "Plan for America's Future," welfare reform and personal responsibility were quietly dropped.

This modified American plan went over well until Gennifer Flowers surfaced, triggering a focus-grouping frenzy. Within hours of The Star's release of

Flowers's titillating tale, Clinton staffers were ordering up groups to assess the damage. The day the story broke, all the evening newscasts showed Clinton wading into a group of reporters at a Claremont, N.H., brush factory, hoarsely denying Flowers's story. Clinton's campaign staff feared that the newscasts would be devastating.

"When we did the focus groups, we played the news from that night, all of which we thought was a disaster," Greenberg recalls. "But people were impressed that he went right into the press." As a result of the focus groups, the campaign adopted a "meet the press" strategy. "We always went in the front door," Greenberg says, "not the back."

The same focus groups gave Clinton the strategy he has since faithfully followed whenever discussing the "big A" question: steer clear of all but the vaguest references to marital difficulties. It was O.K. for the Clintons to admit having had "some problems in our marriage." Anything more intimate or detailed made focus groups uncomfortable. "It made them more involved than they wanted to be," explains Greenberg's partner, Celinda Lake.

In the months between New Hampshire and the convention, the Clinton campaign convened focus groups at every major crisis, and at most points in between. Threatened by the early success of Paul Tsongas and his cod-liver-oil message, Clinton aides used focus groups to probe for weaknesses in the former Senator, discovering that the best way to slow the "pro-business" Tsongas down was through a populist appeal. In the South and then in the Midwest, the Clinton camp aired commercials contrasting Clinton's "people first" message with Tsongas's more austere economic plan. Put on the defensive, Tsongas never regained his bearings after leaving the Northeast, and shortly after the Illinois and Michigan primaries he dropped out of the race.

Similarly, after former California Governor Jerry Brown won the Connecticut primary in late March and suddenly seemed a real contender, the jittery Clinton campaign again called out the focus-group troops. The obvious tactic -- to run against "Governor Moonbeam" -- was promptly shot down by the groups. "We tested 'flake,' " Greenberg says. "But they didn't think Brown was a flake."

Instead, heading into the crucial New York primary, the Clinton camp was persuaded to challenge Brown directly on the issues. Clinton held a news conference to attack Brown's 13 percent "flat tax" proposal as regressive, while the campaign's commercials in New York warned that the flat tax would wreak havoc on the Social Security system.

Just as Clinton tinkered with his message on the basis of focus-group transcripts, so, too, has he learned from focus groups how to tell and retell his life story. In groups conducted before the Democratic convention,

researchers discovered that voters had no idea where Clinton came from. Because of the rich-kid schools he had attended -- Georgetown, Oxford and Yale -- they assumed he was a Bush-style blue blood. At the convention, the campaign made sure voters found out that Clinton had lost his father before he was born and had worked his way through school.

Special recognition was given to Clinton's late stepfather, an alcoholic. During the primary season, the rap on Clinton was that he was too "slick"; he tried to please all of the people all of the time -- a tendency many took to be a sign of his blind ambition. Focus-group members, however, found the family melodrama of the alcoholic stepfather, who occasionally beat up Clinton's mother, to be an alternative and equally compelling explanation for the candidate's dislike of confrontation. "It gave him a nonpolitical motivation," Lake says.

It was focus groups, too, that tipped off the Clinton campaign to the Chelsea problem. During the primaries, the Clintons had been fiercely protective of their daughter's privacy -- so much so, in fact, that many focus-group members voiced surprise to find out that the couple even had a child. At the convention, the 12-year-old Chelsea was positively ubiquitous, often seeming to be joined to her mother and father at the wrist.

Like Nancy Reagan's astrologer, Clinton focus groups have sometimes divined danger in astonishingly everyday things. Clinton's hair, for example. Early groups were disturbed by the Governor's blow-dried coiffure; there was too much of it, and it seemed to stand unnaturally on end. The candidate eventually switched to a new, less stylized-looking cut. Then there was the problem of Clinton's smile. Groups that watched videotapes of the candidate sometimes thought he was "smirking." Clinton has been working on this, too.

IF CLINTON CAMPAIGN aides seem hooked on focus groups this year, Bush staffers are focus-group junkies from way back. The Republican Party has always maintained closer ties to Madison Avenue and has always seemed more eager to adopt the latest marketing technology. It is no accident that this year George Bush chose as his campaign manager Robert M. Teeter, a professional poll taker with decades of experience standing behind a one-way mirror. But these days the Bush campaign is downplaying its focus-group findings, at least in public. Since the State of the Union, Bush aides acknowledge, the results have not been encouraging.

"People haven't heard of anything that he's proposed or done," one Bush aide lamented after a series of focus groups held the week before the Republican convention. "And if you tell them about something, they don't believe it, because they've never heard of it before."

Already back in February, when the President seemed threatened by a strong challenge from Pat Buchanan, focus groups convinced Bush staffers that their major problem was not Buchanan; it was the President himself. In focus groups held in Georgia and Maryland, Bush campaign researchers found that they had little to fear from Buchanan's increasingly strident attacks; the more Buchanan banged on the President, the more he hurt himself. But focus-group members were not impressed by what they were hearing from the White House.

"We found that we needed to forget about Buchanan and begin worrying about our own message," says the Bush focus-group moderator, Steve Lombardo.

Perhaps the low point for the President's research team came in late April, when the campaign assembled focus groups in Van Nuys, Calif., and Charlotte, N.C. Bush strategists were testing the soft side of the President's support -- voters who had sided with the Republicans in '88, but were undecided this time around. As the group sessions progressed, aides stationed behind the one-way mirror found much more unhappiness than bargained for: these one-time Bush voterswere convinced that the President did not understand or care about the problems of ordinary Americans. When pressed to decide between Bush and Ross Perot, the group members overwhelmingly chose Perot.

"We had assembled Perot supporters," Steeper recalls ruefully. "We just didn't know they were Perot supporters."

The Bush campaign is particularly reluctant to talk about how the President himself comes off in focus groups. "People always say, 'He's honest, he's trustworthy' " was all one of Bush's top aides would volunteer. But G.O.P. operatives are considerably more loquacious when it comes to discussing the President's opponents.

" 'Eewww, he's such a politician,' " says Mary Matalin, the Bush campaign's deputy director, reporting what she said was a typical focus-group reaction to Bill Clinton. "We're not looking for that stuff," Matalin insists. "But it has been hard to get past that. It is volunteered in a snickery way."

Throughout most of the spring, the press and Clinton's Democratic opponents were doing such a good job of highlighting his negatives that the Bush campaign did not have to prod its focus groups to dismiss him. Indeed, such is the volatility of focus-group data that just a few weeks before Clinton took a 25-percent lead in the polls, the Arkansas Governor barely even registered in many Bush focus groups. But Bush staffers were already starting to look to the day when Clinton's negatives would start to recede.

"If he starts to make a comeback, we may have to use some things that didn't get much play," Steeper told me in early June, a time when Clinton seemed

permanently wedged in third place. "I don't think, for example, that people ever understood his real-estate dealings."

Early signs of how the Bush campaign will apply its focus-group findings are already evident in the rhetoric of the campaign's "pit bull," Vice President Dan Quayle. In recent weeks, Quayle has insistently chomped away at the "Eewww, he's such a politician" theme, dismissing Clinton's personality, his campaign and even his bus tours as "slick." "The 'slick' thing will stick," one Bush researcher predicts. "It just has to be brought back."

Hillary Clinton, too, seems destined to be the subject of continuing unflattering attentions from the Bush campaign. Republican focus groups invariably cite Barbara Bush as one of the President's major strengths, while labeling Clinton's wife a liability. Even Democratic focus groups have tended to perceive Hillary Clinton as a conniving, manipulative spouse -- Lady Macbeth in a headband -- although Clinton staffers insist her image is mellowing.

Focus groups this year, according to Matalin, "have a sharper and more clear reaction to the spouses. Barbara is cookies and grandchildren. Hillary is too brassy and coldly ambitious. This leads to too much influence." In an obvious effort to capitalize on the First Lady's high focus-group standing, the Bush campaign orchestrated the unusual spousal testimonial -- complete with grandchildren -- that aired in prime time on the third night of the Republican convention.

Although the Bush campaign has plenty of information on the Clintons, most of its spring and early summer focus groups were devoted to Perot, who, at the time, seemed to the President's staff the tougher challenger in the fall. The Texan's fiscal conservatism and Norman Rockwell values were draining voters directly from the President's base, as the California and North Carolina groups demonstrated. Something, the Bush campaign was convinced, had to be done. But what?

The answer began to emerge from focus groups conducted in May. These groups showed that the lurking authoritarianism of Perot's "just do it" philosophy was making voters uneasy. One focus-group member went so far as to liken Perot to Hitler.

The Bush campaign moved quickly to exploit this vulnerability. Aides to the President directed reporters to stories about the Texas billionaire's penchant for private investigators. Vice President Quayle denounced the diminutive Perot as a "temperamental tycoon" and asked voters to "imagine having the I.R.S., the F.B.I. and the C.I.A. under his control."

While the President's proxies were busy trying to puncture Perot, the Perot

forces were doing some research of their own. In June, the campaign's poll taker, Paul Maslin, traveled the country, talking to undecided and Perot-leaning voters, a dozen at a time. Not surprisingly, the focus groups were beginning to voice impatience with Perot's vagueness. The unannounced candidate was asking voters to abandon the security of the two-party system, but was offering them an alarmingly flimsy vessel with which to make this journey. "The problem is, Why won't he tell me what he stands for?" one high-ranking Perot staff member told me in mid-July. "We're in a very dicey situation." A few days later, Perot resolved the situation by dropping out of the race.

AT THE START OF A recent focus group on a state abortion referendum, a gray-haired insurance salesman asked with curiousity and a touch of wariness why anyone would be willing to pay him for his opinion. The moderator put off the question to allow the rest of the group to introduce themselves. Then he circled back: "It's the price," he explained, "of democracy."

Wariness is not unusual at the start of a focus group, nor is it particularly surprising. It does seem odd for average citizens to be paid up to $50 to express opinions that are being given away free at bars, malls and playgrounds across America. But if focus-group participants are often suspicious at first, few remain so for long. Almost inevitably, they warm to the notion that someone -- anyone -- is interested in what they have to say. Focus-group moderators report that one of the hardest parts of their job is getting the group to shut up at the end and go home.

Watching focus groups in action, one can easily sympathize with their enthusiasm. Participants feel themselves empowered by the experience, as if they were finally being asked to take a hand in shaping America's future. As the session wears on, they seem to forget what they suspected at the start: If they are being paid to give their opinion, this cannot be an altogether disinterested exercise in democracy.

And indeed it is not. Focus groups have very little to do with democracy -- or at least with the version of democracy taught in civics classes. They grow out of the assumption that Americans are fickle in their loyalties, that they don't completely understand their own political interests and that their opinions are easier to manipulate than to enlighten. The focus group is the product not of a Lockean but of a Hobbesian world.

In this world, politicians and their handlers care enormously about voters' opinions and values, and want to hear exactly how average citizens express themselves because, in this case at least, knowledge really is power. As one Bush researcher explains: "It's not just what they say, it's how they say it. When people talk about 'change,' what words do they use? If we know how average Americans describe their feelings, we can reach them that much more easily."

The process of soliciting voters' opinions only in order to produce more potent propaganda causes even those who lead focus groups to have qualms. Some of these researchers maintain that they select their causes carefully, that the meritorious ends justify the questionable means. Others never manage completely to overcome their ambivalence. When a successful focus group is over, Paul Maslin, Perot's former poll taker, says: "You have that sense of innocence lost. You have that twinge of knowledge that they're the guinea pigs allowing us to exploit the electorate."

GRAPHIC: Photos: Focus groups, like the one in Birmingham, Ala., top right, get to the core of what voters truly think. (Ann States/Saba for The New York Times); Among focus-group findings were that Barbara Bush was a major asset (Peter Blakely/Saba), that Bill Clinton needed a new haircut (Nina Berman/Sipa) and that the President had lost touch with ordinary people. (Martin Simon/Saba)(pg. 18-19); Out of the mouths of focus groups: From left, Bill Clinton's "smirky" grin. (Allan Tannenbaum/Sygma); The notorious prison-furlough ad from Bush's 1988 campaign. (The American Museum of The Moving Image); Al Gore and Bill Clinton on the just-folks road. (Les Stone/Sygma); The First Couple do the White House wave. (David Burnett/Contact); The politics of chocolate-chip cookies. (Earl Ripling for The New York Times); Chelsea Clinton joined to her mother, Hillary. (Allan Tannenbaum/Sygma)(pg. 20-21)

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The Democrats as the Devil's Disciples

BYLINE: By TOM WICKER

BODY:

During the celebrated trials in Salem, Mass., children fell into writhing fits at the sight of an accused witch. That was, of course, 300 years ago, when the fear of witchcraft was common. It couldn't happen again.

Or could it?

So intense are the political passions of 1992 that the Rev. Pat Robertson, a former and possibly future Republican candidate for President, prophesies that children may again be foaming at the mouth as victims of sorcery in modern America.

Mr. Robertson warned that a proposed equal rights amendment to the Iowa state constitution was part of a "feminist agenda" that he described as "a socialist, anti-family political movement that encourages women to leave their husbands, kill their children, practice witchcraft, destroy capitalism and become lesbians."

President Bush, fortunately, has had no such apocalyptic "vision thing" as that. And Mr. Robertson's jeremiad on witchcraft and infanticide in Iowa was not a product of the Republican National Convention in Houston or issued on behalf of the Republican Party. Some Republicans, moreover, professed to be backing away last week from the "religious war" that Patrick Buchanan proclaimed at the Houston convention.

The evangelist-politician was writing, instead, on behalf of the Christian Coalition, an organization that arose from the hot ashes of his 1988 Presidential campaign. Representatives of the Christian Coalition virtually dominated that convention and the platform Mr. Bush accepted; and the Robertson letter fit snugly into a pattern of dire Republican threats that a Democratic victory would abandon the nation to debauchery and deviltry.

Mr. Buchanan, another former and future Republican Presidential candidate, had the delegates up and roaring with his none-too-subtle suggestion that Democrats are sexually weird -- his charge that "20,000 liberals and radicals" had gathered at the Democratic National Convention in New York "dressed up as moderates and centrists in the greatest single exhibition of cross-dressing in American political history."

In the first days of the campaign, Representative Newt Gingrich of Georgia, a purveyor of brimstone if ever there was one, pounced on the sexual theme. The Democrats, he said, had a "Woody Allen plank" in their platform because "they have no concept of families."

The President later picked up Mr. Buchanan's notion of a "religious war." He told a campaign audience that the Democrats had written thousands of words into their platform while leaving out the letters "G-O-D."

The nation was warned, during and after the convention, that Hillary Clinton is not only a radical feminist but favors children suing their parents; that if her husband is elected President, homosexuals and lesbians will take over the Oval Office and "environmental extremists" the economy; and that Mr. Clinton's past marital problems showed that he could not be trusted, even to defend the country from foreign assault, much less to guard it against the alien manipulations of a "media elite."

The tried-and-true crime issue also might have been resurrected when Vice President Quayle made the bizarre suggestion that Governor Clinton is a closet opponent of the death penalty -- even though the Governor had let several executions go forward in Arkansas, including one in 1992. But he once had said that Gov. Mario Cuomo of New York would be a good choice for the Supreme Court. Mr. Cuomo does oppose the death penalty -- and that was all the evidence Dan Quayle needed to suggest that Mr. Clinton was hiding what might really be soft-on-crime views.

Fear led to the "witch hunt" in Salem in 1692. It might be too strong to call the early Republican campaign of 1992 another witch hunt. But these claims and charges were not only directed at the presumed fears of Americans; these fears seemed actually to reflect the profound convictions of many of those who met in Houston.

If so, fear is a theology as well as a strategy. A strategy largely based on fear worked in 1988, but 1992 is different in at least two ways. One is a slumping economy, now perhaps moving into a "triple-dip" recession. In hard times, most Americans expect the Government, personified by the President, to act. Polls show they expect no less of George Bush in 1992 -- at least that he say more than he has about the economic action he plans to take in a second

term.

The other difference is a Democratic Presidential candidate far more willing to fight back than Michael Dukakis was for much of 1988. Whatever else may be thought of Bill Clinton, he already has shown himself to be a tough and resilient candidate, able to hand out punishment as well as take it. And he, too, knows how to play the fear game -- witness his claim that Mr. Bush, having broken his word once and raised taxes, cannot be trusted not to do it again.

No doubt influenced by post-convention polls, Mr. Bush's senior political adviser, Charles Black, repudiated Mr. Gingrich's linkage of Woody Allen's troubles to the Democrats. William J. Bennett, the former Secretary of Education, conceded that the election did not pit "the forces of light against the forces of darkness."

But you'd never have known that if you were watching the televised sessions from Houston. And it's early yet. The roots of fear -- religious, sexual, social -- seem to lie deep in American life and particularly among the so-called conservatives who dominated the Houston convention. If coaxed into malodorous growth in the two remaining months of the campaign, the theology of fear may prove more effective than the strategy.

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HEADLINE: THE 1992 CAMPAIGN: Political Memo; A Contest of 2 Generations, Molded by 2 Different Wars

BYLINE: By MICHAEL KELLY, Special to The New York Times

DATELINE: WASHINGTON, Aug. 28

BODY:

With both nominating conventions completed and the fall race begun, the 1992 election has emerged as a generational contest of unusual intensity and scope, a choice between two men of two very different epochs, shaped by two very different wars.

The 68-year-old George Bush may be the last President of the age of World War II, the war in which every President since Harry S. Truman has served, excepting Jimmy Carter, who was a midshipman at the United States Naval Academy during the war. The 46-year-old Bill Clinton, born a year after that war ended, is the first Presidential nominee of the age of the Vietnam war.

Peril for Both Candidates

Over this week and last, the old, unresolved differences between the time of America's good war and that of its failed war have begun to occupy a place at the center of the 1992 race, informing debates on matters ranging from party ideology to personal morals.

It is, the events of this week showed, a discussion that holds peril for both sides.

On Tuesday, Mr. Clinton had to stand before the American Legion and offer, as he put it, "one final statement" on how he had come to not go to Vietnam. His incomplete explanation left Republicans gleefully convinced that they have in this issue the perfect means by which to portray the Democrat as a closet hippie and a dishonest man.

Cooling on 'Family Values'

But the "family values" debate that is rooted in these generational politics, and that the Republicans began with a great, angry to-do in their nominating convention in Houston, appeared by this week to have very nearly backfired, repelling as many voters as it had reached. By midweek, senior Bush Administration and campaign officials had called for a cooling of the hot-button talk.

The differences between the 1940's and the 1960's, and between Mr. Clinton's age and Mr. Bush's, shape the way each candidate depicts the choice between them.

In the choice as portrayed by the Democrats, Mr. Clinton is John F. Kennedy, the young, vigorous candidate poised to lead the country into an exciting (but not radical) era of growth and change, a time of bold experiments in leadership. Mr. Bush, in this picture, is an old, stuck-in-his-ways, golf-playing duffer, incapable of seizing the historical moment. "Change" is the keyword of Mr. Clinton's campaign.

In the choice as portrayed by the Republicans, Mr. Bush is Dwight D. Eisenhower, the sober, sensible steward, shaped by the ways of the old, good days, and imbued with the half-mythic values of those days. He does not promise so much to induce change as to manage it, and he does not promise to make things better as much as he warns that his opponent will make them a great deal worse. Mr. Clinton, in this view, does not represent the promise of the early 1960's but the traumas of the decade's later years; he is a secret radical hiding behind the mask of moderatism. "Trust" is Mr. Bush's answer to Mr. Clinton's "change."

Nowhere is the generational contrast between Mr. Bush and Mr. Clinton sharper -- and a cause of greater hope to Republican strategists -- than in the matter of who did what in each generation's war. Mr. Bush, acting in a manner fairly typical of the men of his class and time, was an officer and gentleman-hero of his war; Mr. Clinton, acting in a manner fairly typical of the men of his class and time, was a protester and an avoider of his.

Making Their Cases

On Tuesday, both men stood before the audience at an American Legion convention and made cases for themselves that centered on just this matter.

"You know that I never served in the military," Mr. Clinton told the veterans. "You know that I opposed the war in Vietnam. But I want you to know this: I was never against the heroic men who served in that war. I honored their service then, and I honor it still."

He went on: "If any of you here choose to vote against me because of what happened 23 years ago, that is your right as an American citizen, and I respect it. But I hope that you will cast your vote looking toward the future rather than remaining fixed to the problems of the past."

Mr. Bush began by casting back 20 years before 1960 to, as he put it, "the world we knew," a phrase that evoked remembered youth and old songs. "Fifty years ago this summer, America is at war," he said. "At the age of 18, I went off to fight. Like many of you, I was scared, but I was willing. And I was young, but I was ready. And like so many of you, I had barely lived when I began to watch men die."

Clinton Stressed the Theme

The generational theme began with Mr. Clinton; it has been present since the inception of his campaign, when he spoke in October 1991 of an America "on the threshold of a new era, a new millennium," and used the word "generation" four times in the first six paragraphs.

At the Democratic convention in New York last month, Mr. Clinton imitated Mr. Kennedy in a well-choreographed appearance in the convention hall the night before his acceptance speech, and the biographical movie that preceded Mr. Clinton's speech featured President Kennedy, in a moment heavy with torch-passing symbolism, shaking hands with an awe-struck 16-year-old Bill Clinton.

In their convention, and in the week since, the Republicans have sought to turn this argument for generational change sharply against Mr. Clinton, by reminding voters that he is not really of Mr. Kennedy's generation (Mr. Kennedy shared Mr. Bush's war, not Mr. Clinton's) but Abbie Hoffman's, and to link the Democrat with a decade remembered unhappily by many as a time when liberalism was turned into radicalism.

In a convention speech that opened this effort, Marilyn Quayle said: "Much has been said lately about the need in this country for a new generation of leadership; that the moment has come for a couple of baby boomers to take the helm of this great and complex nation; that the time has come for generational change."

She then said, with Mr. Clinton clearly in mind: "Not everyone joined the counterculture, not everyone demonstrated, dropped out, took drugs, joined in the sexual revolution or dodged the draft. Not everyone concluded that American society was so bad that it had to be radically remade by social revolution."

Broadening the Attack

Other speakers broadened the generational attack. Hillary Clinton, whom friends at Yale recall as a committed leftist, and who has left a trail of legal writings and involvement with advocacy groups that place her clearly closer to the left edge of liberalism than her husband seems to be, was brought into play as a sort of stand-in for Mr. Clinton. The suggestion in the Republican strategy was that she represents the views Mr. Clinton secretly holds, too, but will not admit.

The "family values" assault was generational, too, contrasting the warm appeal of the idealized 1950's family as embodied in "Father Knows Best" with the equally idealized depiction of single motherhood in today's "Murphy Brown."

This approach, on its face, would seem to offer promise for Mr. Bush and peril to Mr. Clinton. It is, after all, rooted in fact. Mr. Clinton is a product of his generation. He did demonstrate against the war, he has (sort of) acknowledged smoking marijuana, and he has been the subject of much sexual gossip. Most important, he did avoid the draft during the Vietnam war.

Clinton's Vulnerability

This last issue, which Republican strategists plan to make much, illuminates the vulnerability Mr. Clinton faces in matters related to his generation.

In his efforts to avoid Vietnam, Mr. Clinton first worked his way through academic deferments. When these were no longer available, and after he had received an induction notice while attending Oxford as a Rhodes Scholar, he promised to join the Reserve Officers Training Corps at the University of Arkansas. In the fall of 1969, after President Richard M. Nixon had announced that draft-eligible students like Mr. Clinton could finish the school year before induction, and proposed a lottery system to select inductees, Mr. Clinton put himself forward for the draft. He drew a high number in the lottery and was never drafted.

Mr. Clinton has said repeatedly that he exposed himself, however briefly, to the draft because he felt it was the honorable thing to do. But on Dec. 3, 1969, two days after the lottery showed he was safe, Mr. Clinton wrote an extraordinary letter to the Army colonel who had supervised the R.O.T.C. program at the University of Arkansas.

In the letter, he thanked the colonel for "saving me from the draft," acknowledged that he had misled the colonel about his intentions and views on the war and said that he had "decided to accept the draft in spite of my beliefs for one reason: to maintain my political viability within the system."

Changing Accounts

Moreover, the statements Mr. Clinton made about his wartime actions when the subject first came up this year do not hang together well. He was quoted in news reports in the spring as saying he had never received an induction notice, and later as saying he was not sure. In his remarks to the American Legion, he acknowledged having received the induction notice before signing up for the R.O.T.C.

Speaking to reporters the day after Mr. Clinton spoke to the American Legion, Charles Black, a senior political adviser to the Bush campaign, identified this area as "an issue of huge vulnerability" that, he cheerfully admitted, he was "trying to stir up interest in."

Mr. Black made it clear that the Republicans regard Mr. Clinton as vulnerable on this issue not because he did not fight, but because Mr. Clinton's maneuverings around the draft and his varied explanations of those maneuverings lend resonance to the core Republican assertion, that he is misrepresenting his generational self, hiding from the voters what he really stands for. "He has to put this draft issue to rest and the credibility issues that surround it, and he certainly didn't do it yesterday," he said.

Possible Strategy Weakness

But the appearances by Mr. Clinton and Mr. Bush before the veterans also illustrates what may be a great weakness in the Republican strategy. Appearing before a group of men who could be expected to be receptive to the Republican's continuing attack, Mr. Clinton received a notably warm reception -- about as warm as that accorded Mr. Bush.

Polls taken in the days since the convention have found a lack of interest among voters in debating such things as the rights of homosexuals and the ways of radical feminists. What the voters did seem to be interested in hearing about was the economy, health care and crime. It may be that most people are finally tired of fighting about who did what in the cultural wars.

2-23-98

THE WHITE HOUSE
WASHINGTON

February 21, 1998

MR. PRESIDENT:

Attached are the following weekly information items:

(A) Weekly Economic Briefing

(B) Interest Rates and the Stock Market (CEA) and Update on Emerging Markets (Treasury)

(C) DPC Report

(D) NEC Report

(E) CEQ Report

(F) Communications Report

(G) Race Initiative Report

(H) Public Liaison Report

(I) Cabinet Affairs Report

(J) OSTP Report

(K) Political Report

Phil Caplan Phil
Sean Maloney

✓ Tab A: Yellen / COS
✓ Tab C: Reed / Kagan / COS
✓ Tab D: Sperling / Streett / COS
(without Caplan back slip)

Tab A

2-23-98

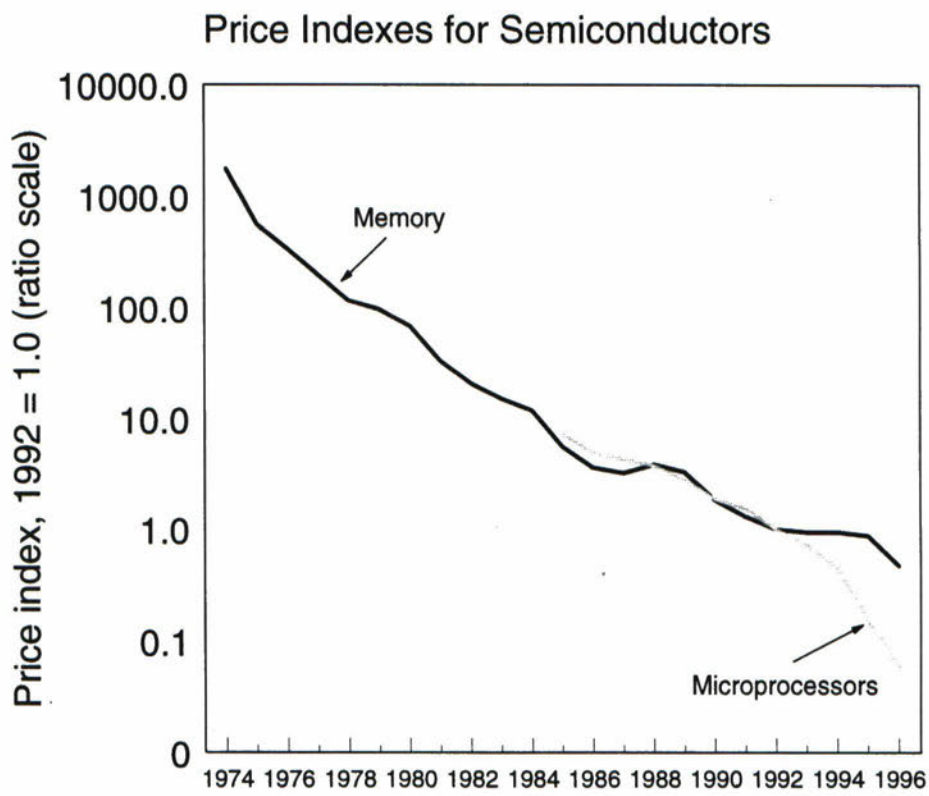
WEEKLY ECONOMIC BRIEFING OF THE PRESIDENT OF THE UNITED STATES

Prepared by the Council of Economic Advisers
with the assistance of the Office of the Vice President

February 20, 1998

copies to Yellen COS

CHART OF THE WEEK



The price indexes for semiconductors used in the national income and product accounts reflect the latest efforts by the Department of Commerce to take into account rapid changes in quality and performance. They show that prices for memory chips declined at a 37-percent average annual rate from 1975 to 1985 and at a 20-percent average annual rate from 1985 to 1996. The price index for microprocessors declined at a 35-percent average annual rate from 1985 to 1996.

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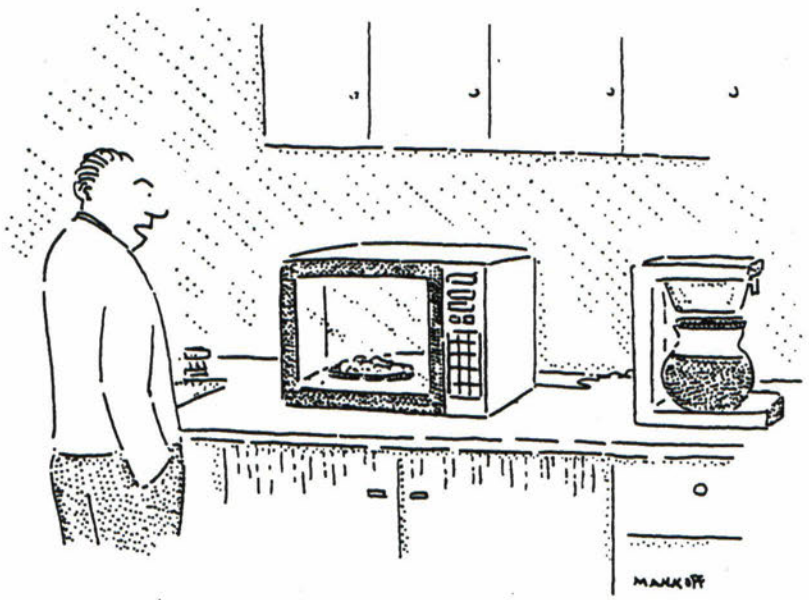


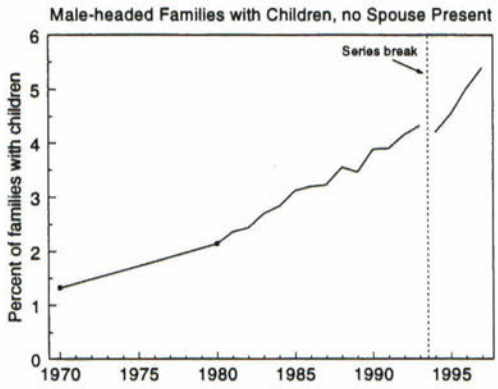
"No, I don't want to play chess. I just want you to reheat the lasagna."

2-23-98

TREND

More Single-Parent Families Are Headed by Men

Between 1970 and 1997, the proportion of families with children, headed by a father with no spouse present, grew from 1.3 percent to 5.4 percent. The increase has been especially sharp in the last 3 years (see chart).



How many? Since 1994, the number of families with children, headed by a single father, increased by nearly half a million. Indeed, these families accounted for all of the increase in the proportion of families with children headed by a single parent over the period. The proportion of families with children headed by a single parent increased from 30.8 to 32.0 percent, while the proportion headed by a single female remained constant at 26.6 percent.

Characteristics. Generally speaking, the economic status of male-headed families lies between that of female-headed and that of two-parent families. For example, the 1996 poverty rate for single-father families was about 20 percent, compared with 42 percent among single-mother families and 7.5 percent among married-couple families with children. In 1997 single mothers and single fathers had comparable levels of education. Single fathers were somewhat more likely to be divorced or separated (60 percent compared with 56 percent), and somewhat less likely never to have married (30 percent compared with 36 percent). Among non-Hispanic whites, however, about 70 percent of both single mothers and single fathers were divorced or separated.

Implications. Little is known about the causes and consequences of the recent rise of single-father families. Economic and social incentives may have changed for both men and women so as to make single-fatherhood relatively more attractive. For example, improved child support enforcement may have increased the economic incentives for men to seek and take custody. Increases in the value of the Earned Income Tax Credit, coupled with provisions that link eligibility to the principal residence of children, may also have made custody more attractive to fathers.

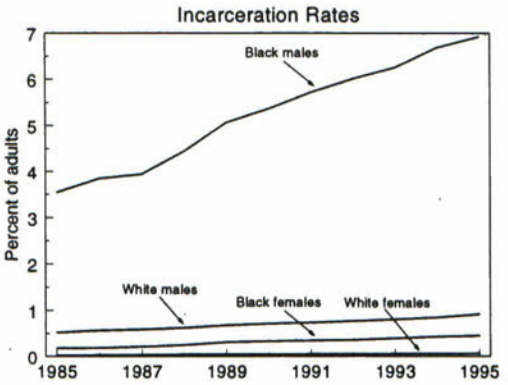
It is also unclear whether the consequences of growing up in a single-father family are different from those of growing up in a single-mother family. For example, the lower poverty rate among families headed by a single father should reduce the incidence of child poverty. And children may have more contact with the non-custodial parent when that parent is the mother.

SPECIAL ANALYSIS

2-23-98

Incarceration and the Labor Market

The percentage of the population in prison or in jail rose by 75 percent between 1985 and 1995. Incarceration appears to diminish workers' earnings prospects and it complicates interpretation of labor market trends.



Incarceration rates. By 1995, 6.9 percent of black men and 0.9 percent of white men were in prison or in jail (see chart). A recent study has estimated that the lifetime probability of going to prison is 28.5 percent for black men, 16.0 percent for Hispanic men, and 4.4 percent for white men.

Effect on employment trends. The standard measure of the employment-to-population ratio does not include the incarcerated in the population. Including them can make a noticeable difference. For example, the ratio in March 1997 for men aged 20-34 would decrease from 67 percent to 60 percent for blacks, from 82 percent to 79 percent for Hispanics, and from 84 percent to 83 percent for non-Hispanic whites, if the incarcerated were included in the population. The standard measure also overestimates the *change* in the employment-to-population ratio. For example, the ratio for black males aged 25-34 *rose* by 3 percentage points from 1985 to 1995 under the standard measure, but *fell* by 2 percentage points under a measure that includes the estimated incarcerated population.

Does incarceration affect future earnings? Having been in prison seems to reduce earnings, both because employers may be unwilling to hire someone with a prison record, and because workers' skills may atrophy while in prison. Although research has found that arrest has a relatively small impact on subsequent earnings, incarceration appears to have a larger impact. One study has estimated that a young man released from jail or prison in 1979 worked about 25 percent fewer weeks in the subsequent 8 years than an otherwise comparable young man who had not been incarcerated. These lower employment rates reflect both a greater probability of subsequent imprisonment and a lower probability of working while out of prison.

Recent trends. New admissions to prison leveled off between 1992 and 1995, but longer terms have kept growth in the prison population from slowing. The leveling off of admissions may partly reflect recent improvements in earnings of low-skilled workers and declines in unemployment, which could have decreased the relative rewards to criminal activity. Further improvements in the labor market opportunities of low-skilled workers may contribute to further reductions in admissions to prison, and ultimately to a reduction in the incarcerated population.

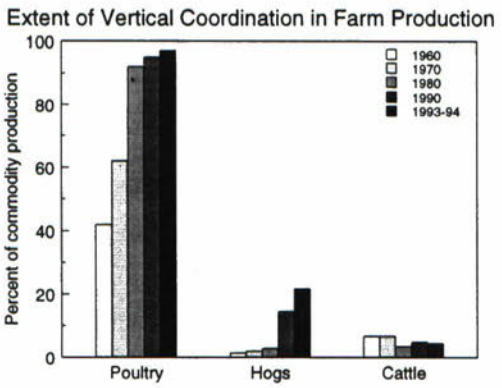
2-23-98

ARTICLE

Vertical Coordination in the Livestock Industry

Vertical coordination between livestock producers and meat processors is increasing. Such coordination can reduce costs and risks, assure product quality and supply, and promote technological advance. But some worry about its effect on traditional farming.

What is vertical coordination? Vertical coordination links processors and farmers in new, contractual arrangements. For example, processing companies may own farms outright, or enter into production contracts with farmers to produce specified products at predetermined prices. Processing companies often provide farmers with animals, feed, veterinary services, and managerial advice, with farmers contributing land, labor, and facilities.



Trends. Vertically coordinated production now accounts for nearly all poultry raised in the United States and a growing share of hogs. However, its importance in beef cattle production remains small (see chart). Further growth in vertical coordination is expected in hog production.

Why vertical coordination? By extending managerial control to the farm level, vertical coordination enables processors to achieve consistency and quality in their raw materials and reduce marketing and processing costs. This has helped poultry and pork processors introduce a variety of new, brand-name products to meet consumer demand for higher quality, more convenient, and more nutritious foods. Efficiency improvements have been harder to achieve in beef production, and the beef industry has not invested in product development at levels anywhere near those of competing meats. Partly as a result, prices for beef have increased relative to those of poultry and per capita beef consumption has fallen over the past 25 years, even though overall per capita meat consumption has increased.

Effects on farmers. Vertical coordination reduces the farmer's traditional role in production management but can also provide benefits. For example, hog farmers with production contracts have lower production costs than independent farmers. They also face less price risk—and thus less variation in income—than farmers who sell livestock on the spot market.

Vertical coordination has spread unevenly across regions and has been associated with the growth of large, specialized farms. In 1996 it accounted for 80 percent of hogs sold in Appalachian states but only 12 percent in the Corn Belt, the traditional

center of hog production. One result is that Corn Belt states have lost market share to other regions and have witnessed a sharp decline in the number of small hog farms.

Summary. Vertical coordination in the livestock industry has benefitted consumers through higher-quality, lower-priced products, and has helped reduce risk to farmers. But it does significantly reduce the role of farmers in production decisions and has contributed to a decline in the number of small farms.

2-23-98

BUSINESS, CONSUMER, AND REGIONAL ROUNDUP

Fewer Openings Contribute to Drop in Massachusetts Welfare Caseloads. CEA analysis of welfare caseload "gross flows" data from Massachusetts suggests that a decline in the number of case openings was as important as an increase in the number of case closings in explaining the reduction in Massachusetts welfare rolls since 1993. Between January 1994 and December 1997, welfare rolls fell nearly 40 percent, from 111,000 to 69,000—a pace somewhat faster than that for the Nation as a whole. About half of this decline reflected a reduction in the average number of case openings each month. This finding is important for two reasons. First, it suggests that the decline in caseloads does not simply reflect people being "thrown off" welfare, as some critics have charged. Second, it suggests that efforts to evaluate welfare reform should look not only at what happens to people who leave welfare but also at the reasons why fewer people are going on welfare. Following those who leave welfare can be helpful to the extent that reduced recidivism is an important reason for a drop in the number of case openings. But it may also be important to look for changes in the determinants of welfare eligibility (both economic and policy-related) and changes in the propensity to apply for welfare among those who remain eligible.

Teen Birthrate Highest among Hispanics. In 1995, Hispanic teen birthrates were the highest in the Nation, surpassing for the first time the birthrate among black teenagers, according to a new study from the National Center for Health Statistics. While the teen birthrate for blacks decreased by 11 percent between 1989 and 1995, the birthrate for Hispanic teenagers increased by 6 percent. This increase was driven by a dramatic increase in the Mexican teen birthrate, which grew by 32 percent over this period. Both black and Hispanic teenagers were more than twice as likely as non-Hispanic white teenagers to bear children in 1995 and more than twice as likely to bear children out of wedlock.

Total Number of Work Stoppages Hits All-Time Low. The total number of work stoppages dropped to a record low of 29 in 1997, according to the Department of Labor's Bureau of Labor Statistics. The number of days of work lost to stoppages fell from 4.9 million in 1996 to 4.5 million in 1997, though the number of workers idled by stoppages increased from 273,000 to 339,000. Of the 29 work stoppages during 1997, 26 occurred in the private sector; the other three were in state and local governments. The largest number of workers affected by a single work stoppage in 1997 were the 180,000 Teamsters idled by the 15-day strike with the United Parcel Service. Work stoppages are defined as worker-initiated strikes and management-led lockouts involving more than 1,000 workers.

FOR PRESIDENT SIGN DATE
2-23-98

INTERNATIONAL ROUNDUP

DOE Reports on World Energy Trends. The world's total output of primary energy reached 375 quadrillion BTU in 1996, according to newly released data on international energy production and consumption from the Department of Energy. Output of primary energy—petroleum, coal, natural gas, and electricity (hydro, nuclear, geothermal, solar, and wind)—increased at an average annual rate of 1.8 percent between 1987 and 1996. Petroleum continued to be the world's largest primary energy source in 1996, accounting for 39 percent of total production. Coal accounted for 25 percent of world primary energy production, and natural gas accounted for 22 percent, with hydro, nuclear, and other sources of electric power generation representing the remainder. The United States, Russia, and China were the largest producers and consumers of energy, together producing 40 percent and consuming 42 percent of the world's total energy. The largest regional increase in primary energy production between 1987 and 1996 occurred in the Far East and Oceania region, where production—primarily coal—grew by 24.8 quadrillion BTU. In North America, overall energy production rose 13.6 quadrillion BTU (despite a decrease in crude oil production) while consumption grew faster (by 19.6 quadrillion BTU).

Entitlement to Maternity Leave Varies Significantly across Countries. More than 120 countries around the world provide paid maternity leave and health benefits by law, according to a recently released report by the International Labor Organization. Notable exceptions among the industrialized countries were Australia, New Zealand, and the United States. The countries that provide the most paid maternity leave by law include the Czech Republic (28 weeks), Hungary (24 weeks), Italy (5 months), and Canada (17 weeks). The minimum leave recommended by the ILO is 12 weeks; almost 80 percent of the countries surveyed meet this criterion. In the United States, the Family and Medical Leave Act permits workers to take as much as 12 weeks unpaid leave for a variety of reasons, including childbirth, and a few states provide for some paid maternity leave benefits through temporary disability programs. The report estimates that in just over 10 years, 80 percent of all women in industrialized countries and 70 percent of women globally will be working outside the home throughout their child-bearing years.

RELEASES THIS WEEK

Industrial Production and Capacity Utilization

The Federal Reserve's index of industrial production was unchanged in January following an increase of 0.4 percent in December. Capacity utilization fell 0.3 percentage point, to 83.0 percent.

Producer Price Index

The producer price index for finished goods fell 0.7 percent in January. Excluding food and energy, producer prices fell 0.1 percent.

Housing Starts

Housing starts declined 0.3 percent in January to 1.534 million units at an annual rate.

U.S. International Trade in Goods and Services

The goods and services trade deficit rose to $10.8 billion in December from $8.7 billion in November. The deficit for 1997 was $113.7 billion compared with a deficit of $111.0 billion for 1996.

MAJOR RELEASES NEXT WEEK

Consumer Prices (Tuesday)
Consumer Confidence—Conference Board (Tuesday)
Advance Durable Shipments and Orders (Thursday)
Gross Domestic Product (Friday)

U.S. ECONOMIC STATISTICS

	1970-1993	1997	1997:2	1997:3	1997:4
Percent growth (annual rate)					
Real GDP (chain-type)	2.7	3.9	3.3	3.1	4.3
GDP chain-type price index	5.4	1.8	1.8	1.4	1.5
Nonfarm business (NFB) sector:					
Productivity (chain-type)	1.5	2.2	2.3	3.6	2.0
Real compensation per hour:					
Using CPI	0.6	2.1	2.1	1.8	2.9
Using NFB deflator	1.3	2.4	2.0	2.7	3.5
Shares of Nominal GDP (percent)					
Business fixed investment	10.9	10.5	10.4	10.7	10.5
Residential investment	4.5	4.1	4.0	4.1	4.1
Exports	8.2	11.9	12.0	11.9	12.0
Imports	9.2	13.1	13.1	13.3	13.0
Personal saving	5.3	2.8	3.1	2.6	2.8
Federal surplus	-2.7	N.A.	-0.5	-0.1	N.A.

	1970-1993	1997	Nov. 1997	Dec. 1997	Jan. 1998
Unemployment Rate	6.7**	4.9**	4.6	4.7	4.7
Payroll employment (thousands)					
increase per month			429	355	358
increase since Jan. 1993					14709
Inflation (percent per period)					
CPI	5.8	1.7	0.1	0.1	N.A.
PPI-Finished goods	5.0	-1.2	-0.2	-0.2	**-0.7**

**Figures beginning 1994 are not comparable with earlier data.

New or revised data in **boldface**.

FINANCIAL STATISTICS

	1996	1997	Dec. 1997	Jan. 1998	Feb. 19, 1998
Dow-Jones Industrial Average	5743	7441	7910	7808	8376
Interest Rates					
3-month T-bill	5.01	5.06	5.16	5.04	5.07
10-year T-bond	6.44	6.35	5.81	5.54	5.51
Mortgage rate, 30-year fixed	7.80	7.60	7.10	6.99	6.99
Prime rate	8.27	8.44	8.50	8.50	8.50

INTERNATIONAL STATISTICS

Exchange Rates	**Current level**	**Percent Change from**	
	February 19, 1998	**Week ago**	**Year ago**
Deutschemark-Dollar	1.824	0.8	7.5
Yen-Dollar	126.3	2.0	1.6
Multilateral $ (Mar. 1973=100)	100.3	0.7	4.9

International Comparisons	**Real GDP growth (last 4 quarters)**	**Unemployment rate**	**CPI inflation (last 12 months)**
United States	3.9 (Q4)	4.7 (Jan)	1.7 (Dec)
Canada	4.0 (Q3)	8.6 (Dec)	.7 (Dec)
Japan	1.0 (Q3)	3.5 (Dec)	1.8 (Dec)
France	2.6 (Q3)	12.4 (Dec)	1.2 (Dec)
Germany	2.3 (Q3)	7.8 (Nov)	1.8 (Dec)
Italy	2.1 (Q3)	12.2 (Oct)	1.5 (Dec)
United Kingdom	3.1 (Q4)	6.5 (Dec)	3.6 (Dec)

Tab C

THE PRESIDENT HAS SEEN

2-23-98

THE WHITE HOUSE

WASHINGTON

98 FEB 21 PM 2:51

February 20, 1998

copied
Reed
Kagan
COS

MEMORANDUM FOR THE PRESIDENT

FROM: Bruce Reed
Elena Kagan

RE: DPC Weekly Report

1. Tobacco -- New Tobacco Ad Campaign and Announcement on Synar Goals: Next Saturday, February 28, is the one-year anniversary of the effective date for two key provisions in the FDA rule. Those provisions prohibit retailers from selling tobacco products to anyone under 18 and require retailers to check the photo identification of anyone under 27 years old. We are preparing an event for you and the Vice President to mark the anniversary by announcing a new FDA ad campaign to call attention to these access restrictions. In addition, HHS will release a report showing that all 50 states are in compliance with the Synar amendment (enforcing age restrictions on tobacco purchases), and listing the target date that each state is expected to achieve its Synar goal. The report also presents state by state information on the rate of sales to youth of tobacco products. We believe this is a good opportunity to highlight your success in moving the country forward in the fight to protect children and to repeat your challenge to Congress to enact comprehensive tobacco legislation.

2. Child Care -- Stay at Home Parents: We are working with NEC and Treasury to prepare policy options on proposals to help "stay-at-home parents" in case we need to negotiate a proposal as part of a final child care package. Senators Chafee and Dodd have both included proposals in their child care bills to offer tax credits to parents who choose to stay at home with their young children. Last week, the House unanimously passed a resolution introduced by Congressman Goodling noting that any child care initiative passed by the Congress must not ignore stay-at-home parents (although Democrats complained that they were not given the opportunity to amend the resolution to include support for child care for working families as well). In deference to Treasury's concern that the administration maintain its leverage by not looking too eager to accept a compromise, our current position is that we welcome Republicans' interest in passing child care legislation and are still evaluating their stay-at-home proposal.

3. EEOC -- Federal Sector Rule. On Friday, February 20th, the EEOC published a Notice of Proposed Rulemaking which seeks public comment on a number of proposed changes to the federal sector complaint process. Most notably, the proposed rule would end the current practice of allowing federal agencies accused of discrimination to overrule final decisions of

THE PRESIDENT HAS SEEN
2-23-98

EEOC administrative judges. In addition, the proposed rule would expand the use of ADR mechanisms, provide for the dismissal of complaints where there is a clear pattern of abuse of the complaint process, and expand the use of class actions to more effectively combat systemic discrimination practices in federal employment. These proposed changes would increase the perception of fairness in the process and would increase efficiency by eliminating unnecessary layers of review, dealing more expeditiously with meritless claims and delegating more authority to front-line employees.

4. Campaign Finance Reform --McCain Feingold: Next week we expect the McCain-Feingold reform legislation to come up for consideration. After the vote on McCain-Feingold, we expect Lott to bring up Sen. Nickles's controversial Paycheck Protection Act, which would require unions to get prior consent before using dues for political purposes and is strongly opposed by Democrats who believe it could cripple labor. Sen. Snowe -- along with Sens. Jeffords and Chafee -- has been trying to make aspects of each bill more palatable to Senators on both sides of the aisle. Snowe's compromise, derived from a proposal crafted by Norm Ornstein and Thomas Mann -- would restrict both unions and corporations from airing certain types of advertising within 60 days of a primary or general election. It is not clear yet whether Democrats will support the Snowe compromise.

5. Campaign Finance Reform -- Petitions: Two weeks ago, the Federal Communications Commission (FCC) received your letter to establish a system of free and discounted TV time. Last week the Federal Elections Commission (FEC), in response to your petition to ban "soft money," asked the FEC General Counsel to provide the commission with additional options on restricting "soft money" contributions. If bipartisan campaign finance reform legislation is filibustered next week, we will focus attention on your pending petitions before the FCC and FEC. In addition, we should consider submitting other petitions, including one to the Securities Exchange Commission (SEC) on disclosure of contributions.

6. Welfare Reform -- Update on Fatherhood Initiatives by Governors and Congress: There is growing interest among governors regarding how states can use their TANF funds to promote positive fatherhood involvement. Govs. Ridge and Carper recently launched a bipartisan national effort to promote responsible fatherhood. They will host a national fatherhood summit in June, bringing together elected officials and leaders from the civic, philanthropic, education and entertainment communities. There are also indications of interest by House Republicans on this issue. Late last month, Rep. Archer called for $1 billion "Fatherhood Counts" block grant, paid for by capping attorneys' fees in tobacco legislation. We are working with the Vice President on possible new administration initiatives on fatherhood.

7. Welfare Reform -- Welfare to Work Transportation: As you asked us to do after the State of the Union, we have sent a letter from you to all the governors urging them to use existing welfare funds for welfare to work transportation. The letter highlights Elaine Kinslow's success story, describes your proposal for $100 million in new welfare to work transportation funds, and urges states to make full use of existing welfare funds to provide transportation

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services. To help states do so, HHS, DOL and DOT will provide more detailed guidance shortly. The letter will also be sent to state legislative leaders and local elected officials.

8. Welfare Reform--Separate State Programs: New financial data from the states show that 16 states have created separate state programs. Under TANF, state expenditures in certain separate state programs may count toward a state's TANF Maintenance of Effort (MOE) requirement, even though individuals served in these separate state programs don't have to follow the TANF work and time limit rules. Information from the 16 states show that total state spending on separate state programs ranges from 1% in Indiana to 52% in Hawaii. Eight states report spending more than 10% in a separate state program: Hawaii, Illinois, Colorado, Iowa, Alabama, Wyoming, Massachusetts, and Arizona. Six of these eight states spent most or all of their funds on child care (child care funds spent in this way would not be time limited). Hawaii created a separate state program for two-parent households and legal immigrants (Florida, Michigan and Tennessee have similar programs amounting to less than 10%). Colorado's separate state program is for child welfare services.

8. Education -- NGA Meeting: On Monday, you will announce to NGA (1) a directive to the Education Department to develop guidelines for educators and policymakers on how to end social promotion; (2) John Engler's appointment to NAGB; (3) a legislative proposal to extend Ed-Flex from the current 12-state pilot program to one open to any state which sets high standards and holds schools accountable for results by issuing school-by-school report cards and intervening in failing schools; and (4) findings from a recent Education Department analysis of recent state class size reduction initiatives.

9. Education -- TIMSS Results: As we reported last week, on Tuesday the Education Department and the National Science Foundation will release the results of the TIMSS 12th grade study, in which U.S. students performed among the worst in the world. We believe the poor performance in 12th grade is due to a number of factors, including; (1) a weak foundation for learning advanced math and science, especially in math among 8th graders; (2) an unchallenging curriculum which continues to emphasis superficial mastery of facts rather than an in-depth understanding of subject matter; and (3) weak teaching due to inadequate content expertise among significant number of high school math and science teachers, as well as poor classroom teaching even by teachers with strong substantive preparation. The Education Department has also conducted a preliminary analysis of 12th grade data from the Chicago-area First in the World Consortium, which performed among the top countries in general knowledge of math and science. While this is partly because these are affluent communities, it also appears that they have a more rigorous curriculum and better teaching than the rest of the country. If this finding holds up, it will provide additional support for your arguments for higher standards, a more challenging curriculum and better teachers.

Tab D

THE WHITE HOUSE

WASHINGTON

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February 20, 1998

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MEMORANDUM FOR THE PRESIDENT

FROM: **GENE SPERLING**

RE: **NEC WEEKLY REPORT**

cc: **ERSKINE BOWLES**

Employability Conference in London: This weekend, I will be attending the G-7 Ministerial on Employability along with Secretaries Rubin and Herman. While the Asia crisis is expected to be topic number one, we expect the discussion to focus on the rigidities in the European labor markets and the attempts of the U.S. and England to push other countries toward more flexible market policies. We will stress our increases in the EITC and minimum wage and other ways we have increased incomes while still keeping our labor markets flexible.

Electricity Restructuring: The NEC has worked closely with the CEQ, EPA, and DOE this week to finalize options on electricity restructuring. An options memorandum is being submitted to you shortly.

Student Loan Interest Rate: Under current law, the interest rate on student loans is scheduled to go down by roughly one full percentage point on July 1, as a result of changes made in the 1993 budget deal. Banks and Sallie Mae have been warning for the past year that the loans are not profitable at the lower rate (partly because it uses a longer-term instrument to set the rate). They have called this a "ticking time bomb" that will threaten student access to loans. At my request, Treasury has been analyzing the lenders' claims, and will soon be ready to issue a report.

Treasury's analysis finds that the July 1 situation is untenable for banks over the long term; *however*, Treasury also finds that giving students an *equivalent* rate (but based on a short-term instrument) is inside the range of adequate lender returns. We are looking into whether we can hold the report until a day next week when you or the Vice President could make a brief comment that lays out that position. (The Hill and groups are anxious to see the report, so we can't hold it very long).

I'll
Good if could give
a summary of major
on Direct Loans
etc

THE PRESIDENT HAS SEEN
2-23-98

School Construction: The Rangel legislation will be ready for Rep. Rangel to introduce next week. We are working closely with him so that it reflects the proposal that you laid out in the budget. He has kindly offered to add Rep. Lowey as his chief cosponsor, since she led the effort for our bill last year. In the Senate, we expect the bill to be introduced by Sen. Moseley-Braun, who is on the Finance Committee. We may ask him to introduce the legislation on a day when you would be able to make a statement. We are working on bringing in a number of organizations to broaden the groups who are endorsing the initiative.

Educational Technology: This week, Tom Kalil, on our staff and staff from the Vice President's office briefed over 30 Congressional staff (both Democrats and Republicans) on your FY 1999 educational technology investments and the "e-rate." Congress seems to be supportive of your focus on making sure that teachers can use technology effectively in the classroom. Over 15,000 applications for the "e-rate" -- which will provide discounts of 20-90 percent to connect schools and libraries to the Internet -- have been filed from every state in the Nation. We want to continue to strengthen Congressional support for the "e-rate" since long distance companies may add a line item to phone bills to pay for it.

Cox-Wyden Internet Tax Freedom Act: Next week, you may be announcing your support for this legislation, which would put a 5-year moratorium on new taxes that discriminate against the Internet and electronic commerce. A possible venue for this announcement could be at a conference in California organized by Robertson Stephens on information technology -- which attracts over 3,000 high-tech CEOs, venture capitalists, and financial analysts.

Japan Economic Package: The LDP today announced economic measures that do not include any additional fiscal stimulus. The package consists primarily of financial stabilization and deregulation measures of limited value. We are stating publicly that it is critical for Japan to take additional policy steps to strengthen domestic demand, and that demand-led growth in Japan would be an important contribution towards the economic recovery of other Asian nations. Bob Rubin will urge early, significant fiscal action in his meetings with the new Japanese Finance Minister at the London G-7 Finance Ministerial. I will reinforce that message in my meetings in London, as well. Our target is a possible supplemental stimulus package that Hashimoto may announce after the passage of his 98 budget in late March or early April.

Looking Ahead on the IRS: Next week, Treasury and the IRS will begin the launch of our first Citizen Advocacy Panels. In total, there will be 33 citizen panels to provide taxpayers with an independent source of help to resolve their problems and to monitor the practices of IRS offices. Bob Rubin will issue a written statement to generate print coverage and the IRS will place a notice in the Federal Register seeking members for the first panel, which will be in Florida.

On March 7th, the IRS will open its offices on Saturday for the first time during filing season. The Vice President may conduct an event around this first Saturday of "problem prevention days," in conjunction with the release of the final NPR report on IRS customer service. We will initiate a renewed push that week for the Senate to pass IRS reform.

THE PRESIDENT HAS SEEN
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Budget Response: Frank Raines and I are placing a letter to the editor in the *New York Times* in response to an op-ed this week by John Cogan, a former Republican OMB official. Cogan made several false assertions about our budget. Their main assertion we are rebutting is that we spend some of the surplus. But we point out that over 5 years, we are actually adding $800 million in budget savings to the surplus.

Kelly Air Force Base: Boeing today announced plans to establish a major center for the maintenance of large aircraft at Kelly Air Force Base in San Antonio. Boeing expects to hire 850 Kelly workers over the first 18 months of operation, and as many as 1,500 workers eventually. Today's announcement came after weeks of negotiation between Boeing and the community, and reflected considerable effort by DoD and other federal agencies. At the NEC's request, Phil Singerman, the head of Commerce's Economic Development Administration, participated in the event and the Vice President and the Acting Secretary of the Air Force both issued statements.

Reg Reform Legislation: Once again, there is interest on the Hill in regulatory reform legislation. Senators Levin and Thompson have coauthored a bill that is somewhat responsive to many of our concerns with earlier reg reform efforts, but there are important issues that are still unresolved to the agencies' satisfaction. Sally Katzen convened a deputies-level meeting this week to sort out the substance and the politics, and we will have a recommendation for an Administration position shortly. We have prepared Qs and As for you in case you are asked about this by the Governors this weekend.

THE WHITE HOUSE

WASHINGTON

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February 20, 1998

MEMORANDUM FOR THE PRESIDENT

FROM: William Marshall, Associate Counsel
Robert Weiner, Senior Counsel

SUBJECT: Census litigation

Speaker Gingrich has written you the attached letter urging that the Justice Department not assert jurisdictional defenses to the suit brought by the House of Representatives challenging the use of statistical sampling in the 2000 census. We understand he may also be calling you to discuss this issue.

The Speaker will base this request on the sections of the Commerce-Justice-State Appropriations Act providing for an expedited suit to challenge sampling and authorizing the Speaker and/or the House of Representatives to be plaintiffs in that suit. In your statement signing the Act you noted that "Representatives of my Administration informed the Congress while it was considering the census provisions of their doubts whether the right to sue satisfies Article III requirements." You also noted that the "Department of Justice is obligated to challenge any suits that fail to meet applicable justiciability requirements."

The reasons why DOJ must raise the jurisdictional defenses are as follows:

1. The jurisdictional defenses in this case can not be waived. They raise serious constitutional issues as to the limits of federal judicial power under Article III.

2. DOJ's obligations to raise the jurisdictional defenses are twofold. First, as officers of the court, they are required to raise these issues. Second, as representatives of the United States government, they are charged with protecting the United States against unconstitutional extensions of federal judicial power.

3. Contrary to Speaker Gingrich's contention, DOJ's obligation to defend statutes does not preclude DOJ from raising the jurisdictional defenses in this case. DOJ is not contending that the statute is unconstitutional -- only that it alone cannot confer jurisdiction. (Ripeness and injury requirements must also be satisfied.)

Speaker Gingrich may also contend that the Administration is reneging on the agreement codified in the C.J.S. bill. Any such contention would be incorrect:

1. We offered the Leadership a number of legislative proposals that would have significantly improved the chances that the jurisdictional obstacles in this case would be overcome. The Leadership rejected these proposals.

2. Throughout the negotiations, we continued to represent that it was our legal opinion that the Leadership's proposal (which was enacted into law) would not satisfy jurisdictional requirements and we continued to offer the solutions that we believed would be more successful. In all instances our objections were ignored and our proposals rejected.

3. In one instance we were asked directly if DOJ would raise jurisdictional objections. In response to that question we replied we could not speak for DOJ on this issue and could not rule out that they would raise the jurisdictional defenses.

Newt Gingrich
Sixth District
Georgia

(202) 225-0600

Office of the Speaker
United States House of Representatives
Washington, DC 20515

February 20, 1998

The Honorable William J. Clinton
President of the United States
1600 Pennsylvania Ave, NW
Washington, D.C. 20500

Dear Mr. President:

As you know, today the House of Representatives filed a civil action in federal court to challenge the legality of your Administration's plans to substitute statistical sampling for an actual enumeration of the population in the 2000 Census. This action was brought under Public Law 105-119, § 209 ("the 1997 Act"), which expressly authorizes such action by "either House of Congress," and which further provides that the July 1997 "Riche Report" shall "be deemed to constitute final agency action regarding the use of statistical methods in the 2000 decennial census, thus making the question of their use in such census sufficiently concrete and final to now be reviewable in a judicial proceeding."

The House seeks a prompt and expeditious judicial ruling on the merits of your Administration's sampling plan because it is clearly in the national interest to resolve the issue now, before the 2000 Census begins. In the absence of such a ruling, there is a substantial risk that the entire 2000 Census could be thrown out after the fact as unconstitutional and invalid. Not only would this result in the waste of billions of taxpayer dollars, but it would create chaos by leaving the nation without a usable census with which to conduct reapportionment for the next decade. As you yourself stated when you signed the 1997 Act on November 26, 1997, the planned census is a "one number census" in which the underlying "raw data are not usable for apportionment and redistricting." 33 Weekly Comp. Pres. Doc. 1927 (Dec. 1, 1997). Your statement also reaffirmed the correctness of Congress' finding in the 1997 Act that "the decennial enumeration of the population is a complex and vast undertaking, and if such enumeration is conducted in a manner that does not comply with the requirements of the Constitution or laws of the United States, it would be impracticable for the states to obtain, and the country of the United States to provide, meaningful relief after such enumeration has been conducted."

When you signed the 1997 Act, you suggested that the Department of Justice would be obliged to attempt to block a prompt and expeditious ruling on the merits of any challenge to the sampling plan by resorting to technical justiciability arguments. However, there simply is no obligation on the part of the Department of Justice to oppose the right of the House to bring this

action. As you well know, the Department's obligation is quite the opposite.[1] Indeed, the Department of Justice has previously acknowledged that either House of Congress is entitled to seek the aid of the federal judiciary in appropriate cases.[2] Given that the 1997 Act, which was drafted in extensive consultation with your Administration, expressly grants the right to sue to "either House of Congress," the Department of Justice can and should support a prompt judicial ruling on the merits of the House's challenge to the legality of statistical sampling, without resorting to technical justiciability arguments.

Accordingly, we urge you to join with the House, in the best interests of the country, to facilitate a prompt judicial ruling on the merits of the House's challenge to the legality of sampling by directing the Department of Justice to support, or at the very least not oppose, the justiciability of the civil action brought by the House today.

Sincerely,

Newt Gingrich
Speaker of the House

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BD Marked

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[1] See 5 U.S. Op. O.L.C. (April 6, 1981) ("[T]he Department has the duty to defend an act of Congress whenever a reasonable argument can be made in its support, even if the Attorney General and the lawyers examining the case conclude that the argument may ultimately be unsuccessful in the courts").

[2] See Raines v. Byrd, 117 S. Ct. 2312, 2323 n.2 (1996) (Souter, J., concurring).

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DAN CAMP
PRESIDENT AND MANAGING DIRECTOR

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DEAR PRESIDENT CLINTON:

MAY I PLEASE CALL YOUR ATTENTION TO THE RECENT ARTICLE IN OUR LOCAL PAPER ON PAGE 3 "ARE PROSECUTORS SPECIAL?"

THIS WAS WRITTEN BY A LOCAL SYNDICATED COLUMNIST, VICKI WILLIAMS.

I AM PROUD TO SEND IT ON TO YOU, AND I DO HOPE YOU GET THE OPPORTUNITY TO READ IT FOR YOURSELF.

SINCERELY,

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And the media's behavior in creating "presidential scandals" has been detestable. Converging en masse on anyone

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Hammond, IN
2.5 Hour Trip

Are prosecutors special?

WABASH COUNTY SAMPLER

By Vicki Williams

I have been caught up in presidential crisis for the last several days — tuned in, religiously, to MSNBC or the call-in segments of C-Span. Like so many Americans, I have conflicted feelings about the media frenzy over the Monica Lewinsky story.

I don't know if President Clinton had a sexual affair with Monica Lewinsky or if he is lying, shading the truth or being forthright. (Perhaps Clinton should have taken a page from Reagan's book and instead of denying anything, simply said, "I do not recall" which cannot be proven or disproven).

Furthermore, I don't care. Clinton has been an excellent president. We have low unemployment combined with low interest rates and low inflation. The stock market has posted record highs. Clinton's policies have not driven the country into bankruptcy which was the dire prediction of the conservatives just a few short years ago. Both Haiti and Bosnia are comparatively peaceful.

My concern is more our new national penchant for electing a president and then promptly attempting to destroy him. I will always believe that Watergate was, in fact, a constitutional crisis and called for a president to resign. Since then, we have had numerous independent prosecutors with various missions. We have practically got to the point that if a president sneezes without putting his hand over his mouth, someone will call for an investigation into his "crime."

The era of special prosecutors has reached its zenith in Clinton's seven years. Even Lawrence Walsh who investigated two presidents in the Iran-Contra affair for too many years and too many millions of dollars was confined to his one issue. By contrast, Ken Starr seems to have been given a blank check to investigate anything and everything in Clinton's life. Now he is investigating him about something else.

If this keeps up, I expect we may as well assign a special prosecutor to our next president as soon as he is elected. We can then swear in the president and immediately following the oath of office, we can swear in his Personal Prosecutor whose job will be to try to unseat the person the people just elected.

This latest presidential crisis is particularly unsavory, not only because of the nature of the allegations, but by the way Ken Starr arrived at them. The news media keep calling Linda Tripp, Monica Lewinsky's "friend" but if Tripp is a friend, then Monica surely doesn't need any enemies. Even working for law enforcement, the thought of someone wearing a surveillance wire to gather evidence from the unaware seems somewhat unappetizing although I realize it can be an effective crime fighting tool. But to wire yourself to convince your best friend to confide in you about an affair, not caring that she will be persecuted and prosecuted, is unconscionable. For Ken Starr to then take this terrified young woman into custody for nine hours and question her, sometimes threateningly, without her attorney present is shameful.

Hillary Clinton has complained about a "vast right-wing conspiracy" and been pooh-poohed by our super-sophisticated press as paranoid but is her accusation really so unbelievable? Robert Fiske was Clinton's first independent prosecutor but he was believed by conservatives not to be hard-nosed enough so after a cordial lunch between the three-judge panel that appoints the prosecutor and Senator Loach Faircloth, one of Clinton's sworn enemies, Fiske is gone and Kenneth Starr takes his place. Starr makes no attempt to even give the appearance of neutrality. He works openly for the tobacco companies that despise Clinton. He offers to write a brief for Paula Jones, who is suing Clinton. He accepts speaking engagements at conservative conferences who've called for the president's resignation and/or impeachment.

We also know that Paula Jones' suit is being financially subsidized by conservative backers. We know that conservative radio talk show hosts, such as E. Gordon Liddy, are not backward about their hostility toward the president. We know that Jerry Falwell was selling videotapes purporting to show how Clinton was involved in drug dealing and murder. I think I might begin to feel pretty paranoid myself were I in Hillary's shoes.

Not only do all the actions of the special prosecutor and the various hearings that go on in Congress impact the president (Clinton is our first president who will leave office practically bankrupt from legal fees) but on his cabinet and staff. There is probably not a White House employee of any rank who has not had to hire an attorney to represent them during various depositions, grand jury appearances and congressional hearings.

And the media's behavior in creating "presidential scandals" has been detestable. Converging en masse on anyone involved, embarrassing our country by screaming questions about sex at the president in front of the ambassador of another country, reling rumors as if they were facts — they remind me of piranhas stripping the flesh from the bones of anyone the consider their prey.

If we keep this up, who wil our presidents be? Few of ou presidents could have worn t halo of a saint. The one who probably comes closest is Jim my Carter and we didn't like him very well. Not only will many good potential presidential candidates look at the wringer we put past presiden through and bow out but onc elected, who will a president convince to serve him? Mike Espy, the agriculture secretar was indicted for accepting $30,000 in gifts. Even the *Indianapolis Star* pointed out tha this is far less than many congressmen accept from lobbyis in the form of political junket in the course of a year. Henry Cisneros, one of the best housing secretaries we've ever had is being investigated for undestating how much he paid a former mistress. I wonder how Congress would like it if the executive branch could conduc hearings on their affairs the way they do on the president?

There is a necessity for being able to investigate the "high crimes and misdemeanors" of a president but an independent prosecutor's investigation should be limited in scope time and dollars.

Vicki Williams is a columnis who writes about people and places in Wabash County for the Plain Dealer.

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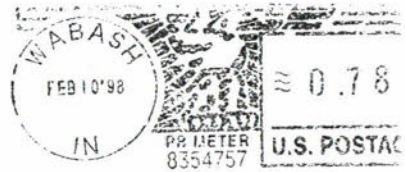

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February 17, 1998

'98 FEB 23 AM9

The Honorable William J. Clinton
The President of the United States
The White House
1600 Pennsylvania Avenue NW
Washington, D.C. 20500

2-23-98

Phil -
This looks like a form letter. How is do you want to handle?
To Bruce Reed
Greg Carol

Dear Mr. President:

I am writing to express my strong opposit
insurance products as proposed in your re
is a time when we should be encouraging
discourage savings.

I work for American Express Financial A ; of
life insurance and annuities in the countr
proposals to change the tax code in ways
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flexibility to move funds among contracts or among subaccounts within a variable policy to manage their changing long-term retirement needs. These proposals are ill conceived and will only serve to hurt savings, especially because insurance and annuities play such a vital role in the retirement planning of middle-class Americans.

Now is not the time to pass laws that undermine private savings when employer-provided retirement plans and Social Security benefits are increasingly being seen as inadequate to meet Americans' retirement security. By making annuities and certain insurance products less attractive, the proposals send a mixed message: People are supposed to take more personal responsibility for long-term saving but government is going to make it more difficult for them to achieve that goal. This makes no sense at all.

I ask you to reconsider your current proposals to tax life insurance and annuity contracts. You will be helping to protect Americans who work hard and are trying to save for their future.

Sincerely,

John D. Robinson, CFP
Certified Financial Planner

please take this under advisement!

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Bus: 612.943.8055
Fax: 612.946.4975

American Express Financial Advisors Inc.
IDS Life Insurance Company
Suite 100
6500 City West Parkway
Eden Prairie, Minnesota 55344

May 5 doc

February 17, 1998

'98 FEB 23 AM

The Honorable William J. Clinton
The President of the United States
The White House
1600 Pennsylvania Avenue NW
Washington, D.C. 20500

Dear Mr. President:

I am writing to express my strong opposition to any new taxes on annuities or life insurance products as proposed in your recent submission to Congress. In my view, this is a time when we should be encouraging savings, not changing the tax code to discourage savings.

I work for American Express Financial Advisors, which is one of the largest providers of life insurance and annuities in the country. I am very troubled by the administration's proposals to change the tax code in ways that would make annuities and life insurance products less desirable and less effective in helping people meet their savings and retirement needs. Perhaps most disturbing is the provision to limit a policyholder's flexibility to move funds among contracts or among subaccounts within a variable policy to manage their changing long-term retirement needs. These proposals are ill conceived and will only serve to hurt savings, especially because insurance and annuities play such a vital role in the retirement planning of middle-class Americans.

Now is not the time to pass laws that undermine private savings when employer-provided retirement plans and Social Security benefits are increasingly being seen as inadequate to meet Americans' retirement security. By making annuities and certain insurance products less attractive, the proposals send a mixed message: People are supposed to take more personal responsibility for long-term saving but government is going to make it more difficult for them to achieve that goal. This makes no sense at all.

I ask you to reconsider your current proposals to tax life insurance and annuity contracts. You will be helping to protect Americans who work hard and are trying to save for their future.

Sincerely,

John D. Robinson, CFP
Certified Financial Planner

please take this under advisement!

Insurance and annuities are issued by IDS Life Insurance Company, an American Express company.

Financial Advisors

Advanced Advisor

G.J. Lempe
Personal Financial Advisor
Registered Representative

American Express Financial Advisors Inc.
IDS Life Insurance Compa
Suite 100
City West Financial Center
6500 City West Parkway
Eden Prairie, MN 55344
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Fax: 612.946.4975

February 16, 1998

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The President of the United States
The White House
1600 Pennsylvania Avenue NW
Washington, D.C. 20500

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G.J. Lempe
Personal Financial Advisor
Advanced Planner Group

GJL:slc

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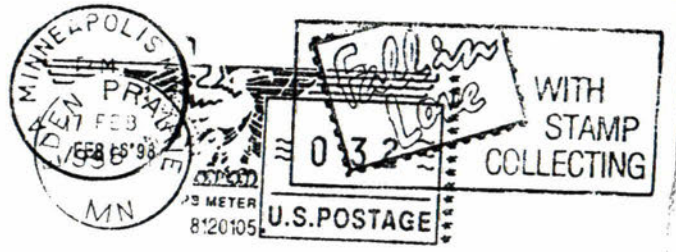

The Honorable William J. Clinton
The President of the United States
The White House
1600 Pennsylvania Avenue NW
Washington, D.C. 20500

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THE PRESIDENT HAS SEEN
2-23-98

Sandy Interesting

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jgill @ penfield-gill.com
02/17/98 05:42:00 PM

Record Type: Record

To: Nancy V. Hernreich

cc:
Subject: Birthday Greetings

Dear Mr. President,

Thank you very much for your birthday greetings. 53 and counting. Getting better too.

I have just had an interesting conversation with a retired LTG, USA, and his observations lead me to ask a few brief questions vis Iraq.

Are your advisors questioning whose side time is on? I think ours.

Are your advisors suggesting alternatives to bombing now? Such as:

> imposing a no fly zone over ALL of Iraq?

> a total naval blockade to prevent any black marketering in oil?

> flooding the country with food and medical relief - all clearly marked from your
American friends. Support the civilians.

> a monthly statement supporting Iran's objectives in the region.

Sadam fears his historic enemies the Persians.

It strikes me as imperative to develop strategic thinking that goes beyond the depleted limits of the the old industrial idea space. Bombing as the only alternative reflects a lack of learning from WW II and VietNam. There are numerous alternatives to the either or trap of bomb or blink. How do you bomb the floppy disks of all the critical information -- especially if 20 are sent out of the country with vacationing Iraqis to 20 different tourist destinations?

I wish you the very best as you struggle with this very difficult situation.

Regards,

Jock

--

Jock Gill

THE PRESIDENT HAS SEEN
2-23-98

The Death of Civility

cc: Rahm Be
cc: Emanuel COS

Hatred threatens Clinton and the Presidency.

By H. Brandt Ayers

ANNISTON, Ala. When the House Banking Committee begins its Whitewater hearings on July 26, Congressional decorum will spread a patina of civility over hatred of unprecedented violence being directed at the White House. Though the animosity toward President Clinton is a gauge of the many anxieties people feel, it may damage the Presidency itself.

Richard Neustadt says in his influential "Presidential Power" that the President's chief weapon is the power to persuade. But when partisan zealots turn up the volume of financial and sexual innuendo so loud that serious talk is hard to hear, an essential power of the Presidency is neutered.

The Media Studies Journal, a scholarly publication, finds that "a pattern of sensationalism and scandal-mongering is sweeping across virtually all the electronic media and infecting even traditional print outlets." The uniquely "savage nature" of this media comment, it says, "could weaken our role and effectiveness as the world's only surviving superpower."

If Mr. Clinton is to be a transforming leader, he has to find a way to use the bully pulpit of the White House to overcome the national malaise.

That distress includes the feeling many sincere Christians have that the nation has abandoned God and embraced moral relativism — open homosexuality, abortion, illegitimacy and R-rated movies and TV. (The unsubstantiated allegations of sexual misconduct by Mr. Clinton are nothing but a red herring.)

Most of these concerns are beyond the pastoral powers of any President, but Mr. Clinton can relieve one source of distress: the banishment of religion and its values from public schools after 1962, when the Supreme Court, in Engel v. Vitale, outlawed Government-imposed prayer.

A results-oriented White House conference on restoring to schools the study of religion as part of the American Experience and the study of consensual American values could help fill the spiritual void. Such programs would not contravene the separation of church and state.

Tabloid TV, talk shows and televangelists' broadcasts, which carry the anti-Clinton infection, are a relatively new form of media. They are especially virulent because there is no longer a fairness doctrine requiring balance. In fact, most rules of civility are obsolete — anything goes. The well-financed personal industries dedicated to destroying Mr. Clinton feed the new media, which hijack legitimate networks and newspapers.

Among those out to get him are the Rev. Jerry Falwell, who sells videotapes that even accuse him of murder; the Christian Coalition, run by the failed Presidential candidate Pat Robertson; Floyd Brown of Citizens United, whose talk show and newsletter, Clintonwatch, attack Mr. Clinton obsessively; Randall Terry, the founder of Operation Rescue; Cliff Jackson, the source of most sleaze stories about the President; Rush Limbaugh, most of whose daily three-hour radio and half-hour TV shows attack the President; Reed Irvine of Accuracy in Media; the American Spectator magazine and the Conservative Coalition.

Michael Novak, a neo-conservative theologian, isn't troubled. "Liberals can't take it," he said. He rightly points out that liberals have their own armies, from People for the American Way to civil rights organizations, who didn't cheer Ronald Reagan and swarmed all over conservative totems such as Judge Robert Bork with a vengeance. However, none investigated the sexual and financial pasts of President Reagan or Judge Bork.

Even Mr. Novak softened when asked if his hero, Ronald Reagan, could have ducked the new media's artillery. Imagine "Geraldo," "A Current Affair" and "Hard Copy," followed by CNN and The Washington Post, investigating Mr. Reagan's adventures among starlets before, during and after his divorce, or any conflict of interest in his relationship with the wealthy old men who groomed him for office.

"Private life should be ruled out of bounds," said Mr. Novak. "People whose private lives, in a Christian sense, have not been of the highest standard have made significant contributions to the common good."

Most Presidents have been intensely criticized. Huey Long and radio demagogues of yesteryear, Father Charles Coughlin and the fundamentalist Gerald L. K. Smith, mixed a poisonous stew of fascism, populism and anti-Semitism to undermine Franklin D. Roosevelt.

Arthur Schlesinger Jr., the historian, thinks that today's media landscape is different. He said: "Press coverage of the private sexual life of the President has a salience that is new, but every President who stands for change is hated — beginning with Thomas Jefferson."

Everette Dennis, director of the Media Center at Columbia University, is astounded by the casual arrogance among TV reporters. "There's open contempt for the Presidency with TV reporters saying on the air what they like and don't like — as if their opinion mattered," Mr. Dennis said. And in an interview, Mr. Neustadt called the White House press "obnoxious, arrogant, pampered and self-important baby-boomers."

Republicans may see temporary advantage in Mr. Clinton's torment. But everyone has an interest in satisfying the national yearning for values and bringing the anti-White House industry to heel, if only because the monster it feeds has no brain or soul. It can turn against anyone — including, say, a President Bob Dole.

H. Brandt Ayers is editor and publisher of The Anniston Star.

Sue Coe

2-23-98

THE WHITE HOUSE

WASHINGTON

'98 FEB 20 PM 1

February 20, 1998

MEMORANDUM FOR THE PRESIDENT

FROM: ERSKINE BOWLES AND LARRY STEIN

SUBJECT: ACHIEVING LEGISLATIVE AND POLICY GOALS FOR THE YEAR

Objectives: To portion your time and our resources in order to secure maximum legislative and policy accomplishments for the year, while effectively communicating our commitment to the principles most powerfully supported by the American people.

Background: Since Congress is scheduled to be in session for no more than 90 legislative days this year, we will be engaging a huge number of issues in a very brief span of time. We will be seeking the right mix of legislative accomplishments and principled policy disputes designed to energize our party. At certain times, we will have to work with the Republican majority in areas where both sides can claim victory; and we will attempt to persuade Republicans and Democrats to support us on issues--primarily international matters like IMF, Iraq and Bosnia funding -- where we need policy successes despite an unfavorable political climate. At other points, we will use the national pulpit and our issues advantage with the public to pursue principles with hard, keen edges.

Because success requires a deft mix of communications and legislative skill, bipartisan accommodation and partisan aggressiveness, we need to establish our priorities and potentialities early. Since that delicate balancing act also must fit into a schedule truncated by the Republicans to suit their own partisan needs, we must portion your time with great care and target our resources with precision.

The Communications Prerequisite: Fundamental to success is sustaining our communications advantage in all of its forms. This means keeping your approval ratings high so as to maximize your ability to persuade the American people and thereby drive the issues agenda; and, conversely, using issues successes to sustain our high approval. Our scheduling and message delivery teams will therefore continue to:

* Take full possession of the positive economy which is the foundation of your favorables, capitalizing on regular release of economic indicators as well as events we can stage to draw attention to positive trends in income, unemployment, interest rates, investment etc.

* Build positive events out of the issues on which we have significant public advantage with special emphasis on education (class size), child care (tax credit, block grant and standards),

2-23-98

Patients' Bill of Rights, and tobacco (focussing on getting juveniles off smoking).

* Go repeatedly out to the country on forward-looking issues like Social Security, Medicare, our research agenda, climate change and tobacco to build more grass-roots support and sharpen your already strong image of commanding leadership.

During the communications process, we should also clearly establish the Administration's standards and priorities so we can validate our position during the legislative process: e.g. tobacco is a kids' smoking issue that should also allow us to address other child-related problems like child care and children's health; class size and school construction are issues affecting more children, more critically than IRA withdrawal.

Categorizing the Agenda: Since time constraints will keep us from a full court press on all issues, we have to develop a categorization of the agenda to allow for the best apportionment of resources. The following is not intended to be an exhaustive catalogue, but it divides issues in a way that can prove useful. We will provide a fuller issues listing, using the same headings, after our next meeting. We see six issue types:

1. Clean wins (bills likely to pass without significant partisan strife):

    * Nato Enlargement
    * IRS Restructuring

2. Potential wins:

    * NEXTEA
    * America Reads
    * Internet Taxation
    * Bankruptcy

3. Not particularly popular or outright unpopular bills we must pass:

    * Supplemental (Iraq, Bosnia, IMF, U.N. Arrearages)

4. Threshold issue that determines whether the year produces ambitious legislation or resolves into a normal stand-off election season:

    * Tobacco--upon which depends how much we can fund our initiatives: child care, school construction and opportunity zones, environmental technologies, discretionary investments in health research, etc. **and** the extent to which Republicans will be able to fund their marriage penalty and "stay-at-home moms" tax cuts. (Medicare is a presently unpredictable but significant element in this equation.)

5. Fights that may produce either accomplishments or election issues:

2-23-98

* Patient's Bill of Rights
* Medicare buy-in
* Minimum wage/pensions
* Tax cuts (even without a tobacco agreement, the Republicans will push tax cuts as their basic re-election platform, with emphasis on marriage penalty, stay-at-home moms, IRA withdrawal for private school tuition etc. We will counter with our "Save Social Security First" refrain if they try to use the surplus.)
* Juvenile justice
* Judges

6. Defense--issues we must combat:

* Late-term abortion
* Flag-burning
* Affirmative action
* Scrap-the-code (an issue upon which we appear to be on defense but have a real opportunity to gain significant advantage.)
* School vouchers

In this context, it is vital that we not allow the tobacco to become, either publicly or in our own minds, the determinant of our success. It is both complex and divisive, drawing in an unwieldy number of factions. We have maybe a one in five chance of forcing a deal. But if no deal is struck, there is still much to be gained from the tobacco debate. Both as a political issue and as a chance for you to take an assertive leadership role in an area that will fix the press's attention, there is real opportunity here. An actual solution should not necessarily be our standard of success internally, though we must keep intensifying the public pressure for comprehensive legislation to keep open the chance for a major success. (We will outline our full tobacco strategy in a subsequent memo.)

The Rhythm of Bipartisanship and Partisanship: As a practical matter, the legislative year will boil down to three major events: the Supplemental and Budget Resolution; the by-play around tobacco; and an omnibus appropriations bill. Through the month of March and into April, we will need Republican help in passing an unpopular group of international funding programs. We must therefore start the next Congressional work-period (next week) in a bipartisan posture. The next phase, tobacco, has the Republicans at a distinct public disadvantage. Moreover, our Democratic caucuses are looking to us for wedge and definitional issues for the election year. As soon as the Supplemental is passed, we should take a partisan stance, with particular emphasis on kids' smoking and child care. We should also heighten the rhetoric on class size, Patients' Bill of Rights and Medicare buy-in--all three of which may turn out to be wedge issues.

Subsequent to this period, likely to last through the spring, our stance will be determined by the tobacco question: if we have constructively engaged, we will be in something like a budget summit as we were in 1997; if we have broken apart, we will be into a major fight on appropriated funding levels for education, health, research and the environment as we were in

1995 and 1996. Neither scenario is bad for us, and both impose significant pressure on the Republicans.

Moreover, our strategic decisions for the year should always be made with our strongest leverage point in view. The Republicans are frightened to death of repeating the government shut-down episode. They know that the caps constraining discretionary spending are tight and will make it very difficult for them to fund their own priorities and, at the same time, send you signable bills. We have a significant upper-hand in any end-game negotiations..

Immediate Steps: We must first mobilize all our resources and persuasiveness to get as much of our international funding agenda as we can on the supplemental. At the same time, we have to solidify our tobacco position, build pressure for a tobacco deal through kids-related public events, and send out quiet embassies to Republicans who may be receptive to a comprehensive tobacco solution.

We will expand and refine the strategy outlined above in subsequent memos.

U.S. Army wary of Russia's mutant anthrax

BY DEB RIECHMANN
THE ASSOCIATED PRESS

WASHINGTON — U.S. scientists want a sample of a new form of anthrax developed in Russia that may be able to elude the vaccine shots American troops will soon get.

The organism — the first known genetically engineered biological warfare threat — is an altered form of anthrax, a disease that normally afflicts animals like cattle and sheep, but can cause severe illness and death in people who inhale large doses.

IF U.S. BOMBS Iraq again, defense industry would profit. Page 12A.

IRAQ'S PUBLIC universities are now crippled by lack of resources. Page 13A.

"This is a Trojan horse," said Col. Arthur Friedlander, chief of the Bacteriology Division at the Army Medical Research Institute of Infectious Diseases in Frederick, Md. "This is coming in as anthrax, but it's got other bullets in it — different bullets."

He said the Defense Department is working through diplomatic and other channels to get the Russians to share this new organism and other naturally occurring strains of anthrax with U.S. experts in the field.

Friedlander and other biological warfare experts are confident that the American vaccine, based on a protein called protective antigen, can protect troops against any anthrax strain that relies on the protein to facilitate damage to white blood cells.

They're more uneasy about the Russian organism, which contains

See ANTHRAX, Page 12A

Anthrax

• Continued from Page 1A

two non-anthrax genes that change the organism and may alter the way it causes disease. If that's the case, it's conceivable that the current American vaccine might not be effective, Friedlander said.

"We need to get hold of this strain to test it against our vaccine," Friedlander said. "We need to understand how this new organism causes disease and we need to test it in animals other than hamsters that the Russians used."

The American vaccine, widely used by textile mill and livestock workers and veterinarians since the Food and Drug Administration licensed it in 1970, was given to about 150,000 troops during the 1991 Persian Gulf War. No inoculation program was initiated for troops now deployed in the gulf in the latest dispute with Iraq, said Rick Sontag, a spokesman for the Army Medical Command at Fort Sam Houston, Texas.

But the Defense Department plans to begin administering the U.S. anthrax vaccine this summer to about 100,000 troops deployed to high-risk areas of southwest and northeast Asia. Eventually, all 2.4 million U.S. military personnel are to be inoculated.

The new anthrax organism was developed at the State Research Center for Applied Microbiology in Obolensk, Russia. The research was formally published in December 1997 in the British scientific journal *Vaccine*.

Development of a new strain through genetic engineering is something that biological warfare experts around the world have feared since the advent of such technology in the late 1970s and early 1980s.

"Ever since the dawn of the age of genetic engineering, there's always been a speculation that somebody could always make designer bugs," said Col. Gerald Parker, commander of the institute at Fort Detrick.

But he cautioned: "It's one thing to do this in the lab, but it's a whole different thing to produce it in large quantities to be used as a weapon. That would be very difficult."

At least 10 countries, including Iraq, are believed to have the capacity to load weapons with dry, powdered anthrax. Iraqi President Saddam Hussein's decision to block access to U.N. weapons inspectors looking for evidence of biological and chemical weapons has led to America's latest showdown with Iraq.

Parker said Army scientists had no knowledge that Iraq had also developed the new organism.

The Washington Post reported Thursday that Russia may have sold a fermentation tank to Iraq that could be used for either brewing animal feed or lethal germs for war use. But Russia's Interfax news agency said the Russian Foreign Ministry denied that Russia concluded any agreements with Iraq or delivered any equipment.

Paul Jackson, a molecular biologist who has done research on the genetics of anthrax at Los Alamos National Laboratory in New Mexico, said the Russian research paper gives details for making the new organism using standard methods of molecular biology.

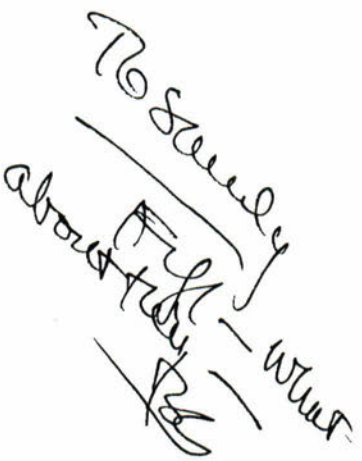
"The Russians have demonstrated that they can do it," Jackson said. "Clearly, any competent laboratory in the world could do this, too."

It's unclear, though, whether the Russian researchers developed the new organism for offensive or defensive purposes. The Russian Federation is a signatory to the 1972 Biological Weapons Convention, banning the development, production and stockpiling of biological and toxin weapons.

The treaty has no provisions for enforcement, but the U.N. secretary-general has the authority to investigate complaints of violations. The last time the secretary-general investigated an alleged infraction was in the late 1980s when Iran complained that Iraq was using chemical weapons, according to the U.N. Department for Disarmament Affairs in New York.

Matthew Meselson, a professor in Harvard University's Molecular and Cellular Biology Department, hopes the Russian researchers will share the new organism with U.S. scientists.

"If you wanted to keep it secret, you certainly would not have published it," said Meselson, a member of a National Academy of Sciences committee working to foster cooperation between American and Russian scientists who work on infectious diseases, including ones that could be used in biological weapons. "When scientists work together, they share things. It depends, of course, on us being equally forthcoming."



THE PRESIDENT HAS SEEN
2-23-98

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THE WHITE HOUSE

WASHINGTON

February 12, 1998

MEMORANDUM FOR THE PRESIDENT

FROM: PHIL CAPLAN
SEAN MALONEY

SUBJECT: Children's Health Insurance Program Waivers

The attached memo from Chris Jennings seeks your guidance on whether to grant waivers under the two prongs of the new Children's Health Initiative Program (CHIP), and sets out possible options for doing so. As you know, CHIP allows states to expand coverage either through new non-Medicaid block grants, or by expanding their Medicaid programs. The non-Medicaid block grant option has fewer benefit requirements than does the Medicaid option. Even so, certain states that choose the non-Medicaid option are expected to request waivers of CHIP's requirements. Other states that choose the Medicaid option, will likely seek Medicaid/CHIP waivers. Still others will want to expand their existing Medicaid waivers, previously granted by the Administration, to encompass CHIP.

Two issues are presented. First, what sort of waivers, if any, should be granted to states under CHIP's new non-Medicaid block grant option. Second, what sort of waivers, if any, should be granted to states under CHIP's Medicaid option.

I. Non-Medicaid block grant waivers. *All of your advisers agree* that for non-Medicaid block grant programs, waiver decisions should be deferred for one year. The consensus among your advisers is that, because CHIP is a new program, states should have at least a year's worth of experience, followed by an evaluation, before waivers are granted.

Approve (recommended option) ✓ Disapprove ___ Discuss ___

II. Medicaid/CHIP Waivers. With respect to Medicaid/CHIP waiver requests, your advisers present three options:

Option 1 -- Defer new Medicaid/CHIP waivers until after one year's program evaluation; allow expansions of existing Medicaid waivers but require that they adhere to CHIP's non-Medicaid block grant requirements. *HHS* favors this option; it believes CHIP sets a benefits floor that we should not fall below and waiver negotiations could delay program implementation/coverage for 5 million uninsured kids. Democrats and children's health advocates would prefer this option; Governors would react strongly and negatively to it.

Option 2 -- Permit Medicaid/CHIP waivers (either existing or new) if states' programs are *generally* consistent with CHIP's non-Medicaid block grant requirements. *NEC and DPC* support this option. They believe it's a good balance, preserves CHIP's standards, and removes an important disincentive for states to use the Medicaid option. *NEC/DPC* would further allow states to drop modestly below certain CHIP requirements (*e.g.,* permitting cost sharing for those at 133% versus 150% of the poverty level). Base Democrats and advocates, who feel their support for CHIP's less-than-Medicaid requirements was conditioned on no new flexibility in Medicaid, will oppose this option. Governors would prefer it to Option 1, but will still seek greater flexibility.

Option 3 -- Permit new Medicaid/CHIP waivers if states' programs are *generally* consistent with CHIP's non-Medicaid block grant requirements (like Option 2 above); but permit states' existing Medicaid waivers to expand but without adhering to CHIP non-Medicaid black grant requirements. *OMB* and *Treasury* support this option. They think allowing approved waivers to encompass CHIP would help waiver-holding states avoid significant coordination problems. Such states may feel the Administration "reneged" if we don't permit them to extend approved waivers to CHIP. Base Democrats and children's advocates would strongly oppose this option; so too some Republicans, who would see it as an attempt to steer states into Medicaid. Governors would support it.

Option 1 (HHS) ___ (defer new waivers; allow existing if CHIP-consistent)

Option 2 (DPC/NEC) ___ (allow new & existing if generally CHIP-consistent)

Option 3 (OMB/Treasury) ___ (allow new if CHIP-consistent; permit existing without changes)

Discuss ___

- Under Options 2&3, permit modest cost sharing flexibility

  Approve ___ Disapprove ___ Discuss ___

THE WHITE HOUSE

WASHINGTON

January 21, 1998

MEMORANDUM FOR THE PRESIDENT

FROM: Chris Jennings CJ

SUBJECT: Waivers and the Children's Health Insurance Program

cc: Bruce Reed, Gene Sperling, Jack Lew, Josh Gotbaum, Elena Kagan

This memo seeks your guidance on how much, if any, additional flexibility should be given to states in the Children's Health Insurance Program (CHIP) through the use of §1115 waivers. Although waivers have been instrumental in modernizing and reforming welfare and Medicaid, questions have been raised about the feasibility and advisability of granting waivers for the new children's health care program so soon after its enactment.

Despite acknowledging the great amount of flexibility given to the states in the new CHIP grant program, the Governors asked — soon after the law's enactment — if additional flexibility would be given through waivers. HHS's interim response was that it would be difficult to review and evaluate the merits of waiver proposals until we had some experience with the implementation of the new law. Your advisors agreed that this was the appropriate, initial response, but we also underscored that this was not necessarily our final position.

The National Governors Association (NGA) immediately responded by formally requesting that we affirm states' ability to seek new CHIP grant program §1115 waivers. Since then, two other issues have been raised: (1) Will we approve new Medicaid §1115 waivers in the Medicaid option within CHIP, and (2) Will we allow states with current Medicaid §1115 waivers to expand those programs through CHIP (even though some have provisions below the CHIP minimums).

All of your advisors agree that the HHS Secretary does have the authority to grant waivers for CHIP, whether administered through a new non-Medicaid grant program or through Medicaid. They also generally agree that the CHIP waiver policy need not conform to existing waiver policy. However, they (HHS, OMB, Treasury, NEC/DPC) disagree on whether and under what circumstances HHS should approve waivers in CHIP.

Because HHS is holding state conferences this month on CHIP and the annual NGA conference is in February, it is important that we receive direction from you in short order on this issue. This memo, developed in collaboration with HHS and OMB, outlines these issues, provides policy options for your consideration, and summarizes where your advisors stand on these options.

BACKGROUND

Your Administration has given states unprecedented flexibility for their health care programs. Since 1993, we have granted 15 comprehensive Medicaid waivers that test approaches not allowed in Medicaid like experimenting with premiums and cost sharing for low-income populations, waiving benefits, and accelerating enrollment in managed care. States have also used waivers to expand coverage to millions of Americans. In addition, with the Administration's strong support, the Balanced Budget Act secured much greater administrative flexibility for the Medicaid program (e.g., eliminated the need for a waiver for a managed care program, repealed the Boren amendment, and reduced cost-based reimbursement requirements for community health centers). In so doing, we eliminated the need for many time-consuming waivers that we heretofore required from states.

The BBA also created CHIP, which has fewer Federal guidelines than any other health insurance program that the Government oversees. Unlike Medicaid, CHIP allows states that opt to expand through a new, non-Medicaid grant program to cap the number of children covered (i.e, no entitlement requirement); to limit programs to parts of the state; to not cover Medicaid's EPSDT (Early, Periodic, Screening, Detection and Treatment) benefit; and to charge beneficiaries long-sought-after (although limited) cost-sharing. Alternatively, states may expand using the enhanced Federal match through the now more flexible Medicaid program. However, states choosing this option must follow Medicaid rules (e.g., no benefits changes or cost sharing).

Although extremely flexible, CHIP includes standards for accountability, benefits, and cost sharing limits; these were secured by you and Congressional Democrats. Accountability provisions include limits on the type of state contribution (e.g., no provider taxes and donations) and provisions to prevent "crowd out" (substitution of the new coverage for existing coverage). For the new non-Medicaid grant program, we developed a benefit standard that simultaneously ensures that it is valuable but provides great flexibility to states in benefits design. Cost-sharing is allowed in the grant program but limited to moderate premium and copayment schedules for those below 150 percent of poverty and to 5 percent of family income for those above 150 percent. As under current law, states electing the Medicaid option must follow Medicaid rules for benefits (including EPSDT) and cost sharing (for children, none is allowed).

Despite the flexibility in CHIP, some states have indicated that they want §1115 waivers. There are three types of waivers that states are seeking. First, several states want to waive provisions for non-Medicaid, CHIP grant programs (e.g., California wants to impose greater cost sharing above the CHIP limits). Second, others want to waive Medicaid provisions within CHIP's Medicaid option since states choosing the Medicaid option must use all Medicaid rules (e.g., Missouri wants to waive the Medicaid requirement to cover non-emergency transportation). Third, most states that already have Medicaid §1115 waivers want to expand those programs to more children to receive CHIP's higher matching rate — even though some include provisions that are significantly below the new CHIP minimums (e.g., Arkansas has higher cost sharing requirements than allowed in CHIP). It is important to note that the provisions that states want most to waive are the benefits and cost sharing minimums we worked to secure before signing off on the budget agreement.

CONSENSUS RECOMMENDATION: DEFERRING NON-MEDICAID CHIP WAIVERS

Your advisors have achieved consensus on one of the major issues. For CHIP non-Medicaid grant programs, we believe the Administration should consider waiver applications only after a state has had at least a year's worth of experience, followed by an evaluation of its children's health insurance program. As we gain experience with the new CHIP grant program, we will have a better understanding of what types of CHIP demonstrations are appropriate and will develop guidelines at that point.

We believe that deferring approvals for waivers of the already extremely flexible CHIP is advisable because this enables us to see how the program you signed into law last summer will work. Granting waivers now would place great pressure on us to weaken the accountability and benefits standards that we secured in the Balanced Budget negotiations that base Democrats and advocates think are too modest anyway. Having said this, waiver policy for CHIP may well be advisable after we have had time to learn about the program's strengths and weaknesses.

If you agree, we will inform Governors of this policy in a response to their letter. While we believe that Governors will be disappointed with this position, they will likely appreciate that our policy is temporary and that we open up the prospect for waivers soon after they implement their children's health programs.

Decision

_____Agree on deferring non-Medicaid grant program waivers until plans in place for one year

_____Let's discuss

ISSUE: POLICY FOR MEDICAID WAIVERS

The other types of waivers, about which there is disagreement amongst your advisors, concern the Medicaid option within CHIP. We all agree that our Medicaid waiver policy should be modified to acknowledge the fact that the Congress did pass legislation that explicitly outlines new guidance on balancing the need for greater flexibility with the need for accountability. However, we differ on how our policy should be modified to reflect this policy change and, more specifically, the extent to which we would hold Medicaid waivers to the CHIP standard.

There are two questions. The first is whether we grant new waivers to states that expand CHIP coverage through Medicaid. States have indicated that they are interested in expanding coverage through the Medicaid option, but since the law allows no flexibility from Medicaid rules, they want waivers, particularly in the area of cost sharing. The second question is whether we allow states that already have Medicaid §1115 waivers to expand those programs, without change, to get the CHIP allotment and higher match. The following are the options proposed by your advisors.

OPTION 1 (HHS): Defer new Medicaid CHIP waivers (with minor exceptions) and allow expansions of existing Medicaid waivers if consistent with CHIP standards for non-Medicaid grant programs. HHS recommends that we apply the same policy for new Medicaid and non-Medicaid, grant program waivers. It would hold off on approving any new Medicaid waiver under CHIP until we have at least a year's experience plus an evaluation. (The only exception would be for waivers for small, incidental provisions that have little or no effect on most children — like Missouri's desire to waive the Medicaid requirement for non-emergency transportation.) For states that have waivers already, HHS would allow them access to the new enhanced matching dollars only if they met CHIP's non-Medicaid grant program standards.

Although HHS/OMB have, in years past, approved a number of Medicaid waivers that have less generous benefits than even the new CHIP grant program, HHS believes the new law set a floor that we should not fall below. They fear that once we open the door to waivers, we will have a difficult time maintaining these standards. In addition, they are concerned that waiver negotiations will delay implementation of new programs in a number of states. Rapid implementation is one critical component to covering our target 5 million uninsured children.

If you choose this option, the Democrats and children's health advocates will applaud our decision to respect the rules enacted in the widely praised new health insurance program for children. However, Governors — who are hoping that we will allow some type of Medicaid waivers — will surely react strongly and negatively to this policy.

OPTION 2 (NEC/DPC): Allow Medicaid CHIP waivers (new or old) if <u>generally</u> consistent with CHIP standards for non-Medicaid grant programs. This option would allow new waivers through the Medicaid option of CHIP <u>if</u> those waivers were consistent with the standards provided under the new CHIP grant model. In other words, states choosing the Medicaid CHIP option could waive Medicaid rules as long as the benefits, cost-sharing and other accountability provisions are in line with the CHIP grant program standards. Existing (old) Medicaid §1115 waiver programs could also receive the higher matching rate, but they too would have to meet CHIP standards; in a number of cases, this would mean they would have to strengthen some of their benefits/cost-sharing protections to access these additional dollars. Although a few states would have to reduce cost sharing requirements to comply with CHIP, we believe that the higher matching rate available under CHIP would be sufficient to offset these costs.

DPC/NEC believes that this option strikes an appropriate balance by maintaining the integrity of the CHIP program and the Balanced Budget Act and giving the new standards time to be tested. It also removes an important disincentive for states to use the Medicaid option in CHIP. Many states would prefer to use their already-in-place Medicaid programs because it is administratively simple. Moreover, having a seamless Medicaid program serving both poor and children of working parents has obvious advantages. However, allowing any new Medicaid waivers through CHIP will be criticized by our base Congressional Democrats, some Republicans, and advocates. They believe that their support for the flexibility in the non-Medicaid CHIP program was conditional on no new flexibility in Medicaid. The Governors would like this approach better than the HHS option, but they could be counted on to say that it is still not flexible enough.

Within this option, NEC/DPC also recommends that the Secretary have the authority to approve Medicaid CHIP waivers that may be modestly below those standards provided for in the new CHIP grant program. While we strongly believe that the CHIP standards should be the guiding principle for Medicaid waivers, we also recognize that it is unwise and unrealistic to treat the new law's standards as "lines in the sand" that can never be crossed regardless of a waiver's merits. One good example is in the area of cost sharing.

In both previous Medicaid waivers and our internal policy positions, we have allowed limited cost sharing that exceeds the CHIP grant program standards. Such cost sharing can appropriately increase beneficiaries' cost sensitivity in using health services and decrease possible employer insurance dropping problems, since such a policy would more accurately mirror marketplace coverage. While we recommend providing this additional flexibility authority, we also believe that waivers of the CHIP grant standards for children not be granted below 133 percent of poverty -- the level your Administration advisors had previously concluded (during the balanced budget discussions) achieved the balance between appropriate and excessive cost-sharing.

While some might point out that it is inconsistent to allow flexibility below CHIP standards for Medicaid and not the grant option, we believe that the advantages of this approach far outweigh this criticism. First, the CHIP standards were designed for the grant program — not Medicaid. Second, Medicaid waivers are quite variable and have never been publicly held by Democrats and advocates to the same standards as legislated changes to public programs. And thirdly, as described above, having an additional incentive to administer the children's health program through Medicaid is desirable.

Giving HHS the authority to allow any cost sharing flexibility in Medicaid will likely anger base Congressional Democrats and some moderate Republicans. They will argue (as does HHS) that once we sanction higher cost sharing below 150 percent of poverty, decisions will be perceived as arbitrary, making it difficult to say no to states that demand even greater flexibility. We believe these are valid concerns and should be seriously considered. However, we are also well aware of states (such as Wisconsin) who will be requesting cost-sharing levels just under 150 percent (i.e., 143 percent of poverty) that we would find difficult to oppose on purely policy grounds.

OPTION 3 (OMB & TREASURY): Allow new CHIP Medicaid waivers if consistent with CHIP standards for non-Medicaid, grant programs, but allow existing Medicaid waivers to expand with no change. For states requesting *new* Medicaid waivers, OMB/Treasury agree with DPC/NEC option that the CHIP standards should guide approval of such waivers (also allowing for greater cost sharing for families no less than approximately 133 percent of poverty). This policy should be re-evaluated after states gain experience with their programs, at the same time the Administration is re-considering non-Medicaid, grant program waivers.

For states with waiver programs already approved (since the 1994 NGA waiver agreement), OMB and Treasury recommend that we recognize their history and different situation and not hold them to the CHIP standards. We anticipate that these 11 states will want to expand their current waiver programs under CHIP; OMB and Treasury think they should be permitted to do so with no changes. Although this option provides only a few more states with additional flexibility in cost-

sharing or benefits under CHIP than the DPC/NEC option, it helps these states avoid significant coordination problems by sanctioning CHIP programs consistent with approved waiver programs. In addition, lower income children in these states might pay more in premiums than the higher income children newly eligible under CHIP. Waiver states will consider the Administration to have reneged if we don't permit them to carry their waivers to CHIP. This option excludes pre-NGA agreement waivers (e.g., Tennessee) since states have been held to a higher standard since then.

Allowing existing Medicaid waivers into CHIP unchanged will surely be noticed and strongly opposed by base Democrats and children's advocates. They believe that some of the waivers that we have approved to date, such as Tennessee and Arkansas, have gone too far by allowing states to impose "excessive" cost sharing on low-income beneficiaries and waive EPSDT. Ironically, this policy may also be criticized by some Congressional Republicans, who think that many of our CHIP implementation decisions are steering states toward the Medicaid option. It would, however, be the most acceptable option to the NGA and the relevant (existing waiver) states.

Decisions

Medicaid Waivers

_____OPTION 1: Defer new Medicaid waivers in CHIP (with minor exceptions)
Allow existing waivers to expand through CHIP if consistent with CHIP standards for non-Medicaid, grant programs

_____OPTION 2: Allow new & existing Medicaid waivers in CHIP if consistent with CHIP standards for non-Medicaid, grant programs

_____OPTION 3: Allow new Medicaid waivers in CHIP if consistent with CHIP standards for non-Medicaid, grant programs
Allow existing waivers (post-NGA agreement) to expand through CHIP with no program changes even if they fall significantly below new CHIP grant standards

_____Let's discuss

Cost Sharing Flexibility

_____OPTION 1: Hold all Medicaid waivers to the cost sharing in CHIP for non-Medicaid, grant programs

_____OPTION 2: Authorize the Secretary to approve, within limits, Medicaid waivers in CHIP with cost sharing below CHIP standards for non-Medicaid, grant programs

_____Let's discuss

STATES WITH MEDICAID 1115 WAIVERS (Chronological Order)

STATE	Approved	Eligibility Limit	Benefits for New Eligibles	Cost Sharing: New Eligibles
Arizona	10/82	Existing eligibles	Medicaid benefits	None
Oregon	3/93	People < 100% PL	Prioritized benefits	Premiums: $6 to 28 No copays or deductibles
Hawaii	7/93	People < 300% PL, plus assets test	No long-term care	Premiums: $142 - 168 Copays: $5
Maryland	10/93 10/96	Children 133-185% PL Existing eligibles	No inpatient, outpatient, emergency room, some EPSDT; no long-term care Medicaid benefits	Copay: $5 None
Rhode Island	11/93	Children < 250% PL	Medicaid benefits	Premiums: From 185-250% PL: $1.50 - $10.75 No copays or deductibles
Tennessee	11/93	People up to 400% PL, with enrollment cap	Medicaid benefits	Premiums: $14.25 to 475 Deductibles: $250 / $500 Coinsurance: 2 to 10%
Florida	*9/94*	*People < 250% PL*	*Excludes some EPSDT, transportation, some long-term care and mental health*	*Premiums: $90 - 550 / mo* *Deductibles: Up to $500* *Copays: $10-200 or 20%*
Ohio	1/95	People < 100% PL	Medicaid benefits	None
Massachusetts	4/95	People < 200% PL	Medicaid benefits	Premiums: Variable Deductibles:$100 / $250 Copays: $5 / 10
Minnesota	4/95	Children < 275% PL	Medicaid benefits	Premiums: $4 to 104 / mo No copays or deductibles
Delaware	5/95	People < 100% PL	Medicaid w/ small changes	None
Vermont	7/95	People < 150% PL	No transportation, long-term care	Premiums: Above 25% PL: $5 to $20 every 6 months Copays: $3 for dental
Kentucky	*10/95*	*Existing eligibles*	*Medicaid benefits*	*None*
Oklahoma	10/95	Existing eligibles	Medicaid benefits	None
Illinois	*7/96*	*Existing eligibles*	*Medicaid benefits*	*None*
Alabama	12/96	Existing eligibles	Medicaid benefits	None
New York	7/97	Home relief pop.	Medicaid benefits	None
Arkansas	8/97	Children < 200% PL	No EPSDT, limited long-term care & mental health	Copays: $10 outpatient; 20% inpatient ; $5 for drugs

Italics indicated approved but not implemented. States above the line were approved prior to NGA 1994 agreement.

Eugene -
Sorry for the delay in getting it on
Just leave it on
- Eugene to it?

D. Stephen Goodin
01/28/98 11:57:19 AM

Record Type: Record

To: Paul K. Engskov/WHO/EOP

cc:
Subject: Rev. Jackson's assistant

Sorry to sit on this--I just found the info.

When we were in New York, Rev. Jackson's assistant--Yuri Tadesse asked the President for a letter from POTUS to his mother. I pulled Yuri aside to ask what the occaision was for a letter (her birthday, etc.); there is no occaision, he just wants a letter saying how proud she must be of her son, best wishes, etc. Rev. Jackson also brought this up with the POTUS. Yuri was going to fax me some suggested language, but he has not.

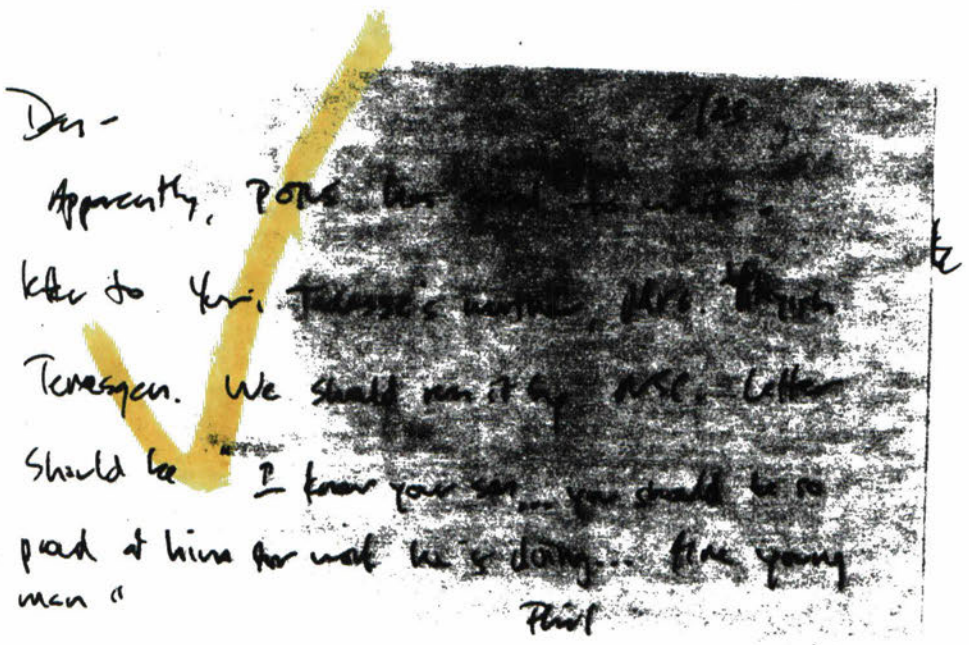
98 FEB 18 PM 8:45

Would you forward this to Ugene and request a letter from POTUS? I just wanted to funnel this through you in case Yuri or Rev. bring it up with you or POTUS in the future.

The mother:

Yitayish Temesgen
Local 19
Azezo, Gondar
Ethiopia.

The young man's name is Yirgalem "Yuri" Tadesse. He is Rev. Jackson's special assistant. He just returned from visiting his mother for the first time in 20 years.



Eugene
Steve Ed - Does
Steve need
okay it or
just have
Eugene do it?

D. Stephen Goodin
01/28/98 11:57:19 AM

Record Type: Record

To: Paul K. Engskov/WHO/EOP

cc:
Subject: Rev. Jackson's assistant

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JAN 28 PM 12:45

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Local 19
Azezo, Gondar
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— letter to PM of Ethiopia per Powe
— Powe expressed interest in writing a note
— Pictures — Doc

Yirgalem "Yuri" Tadesse
National Director for International Affairs, Special Assistant to the President & CEO

RAINBOW PUSH COALITION

Washington, DC Bureau
1002 Wisconsin Ave., NW
Washington, DC 20007
Phone: 202-333-5270
Fax: 202-728-1192
Page No. 1-800-946-4645
Pin No. 6043142
E-Mail: Tadesse@IBM.NET

BILL VAN LAETHEM

79 Whitehall Road
Toronto, Canada
M4W 2C8
(416) 964-1975
bvl@inforamp.net

February 15, 1998.

Ms. Betty Currie
The White House
Washington, D.C.
20501
USA

Dear Ms. Currie,

On December 30, 1996, I sent to President Clinton, by registered mail, a great silk tie, my copy of his book, Between Hope and History, $4, and a self-addressed envelope. Because I am a great admirer of his I sent him the great silk tie as a gift and I sent him the book with the hope that he would be kind enough to sign it for me. I have an acknowledgment of receipt card stamped by the White House mail room on January 10 indicating receipt of the mail that I sent him (copy enclosed). It has now been over a year since I sent him the tie and the book and I have sent many letters asking about it and I have yet to receive any response whatsoever. Would you be able to help me find out what happened to my book or whether I will ever get it back? Thank you.

If the book has been lost then would it be possible to get a genuinely signed photo of President Clinton (please reject my request rather then send an autopen or other non-original autograph) or preferably have him agree to sign my picture of him shaking hands with President Kennedy. I will send the picture by registered mail if he agrees to sign it. I look forward to your response.

If you are sending me a picture, if possible, please include cardboard or a mailing board because the post office loves to fold pictures. Please do not send a photograph with a printed autograph. Thank you.

Thank you for your time and I wish you the best for the future.

Sincerely,

Bill Van Laethem

Acknowledgement of Receipt — Avis de réception

To be completed by Sender — **À être complété par l'expéditeur**

Name of addressee — Nom du destinataire
President Clinton

St and No., Apt. No, PO Box or RR No — N° et rue, n° d'app., n° de CP ou de RR
The White House

City — Ville: Washington DC

Province:

Postal Code — Code postal: 20501

Country — Pays: USA

To be completed at destination — **Compléter à destination**

Date Stamp of Office of Delivery — Timbre à date du bureau de destination

As a matter of priority this advice must be signed by the addressee or, if this is not possible, by another person authorized to do so under the regulations of the country of destination, or if these regulations so provide, by the official of the office of destination and returned by the first mail direct to the sender.

Cet avis doit être signé en priorité par le destinataire et, si cela n'est pas possible, par une autre personne autorisée en vertu des règlements du pays de destination, ou, si ces règlements le prévoient, par l'agent du bureau de destination et retourné par le premier courrier directement à l'expéditeur.

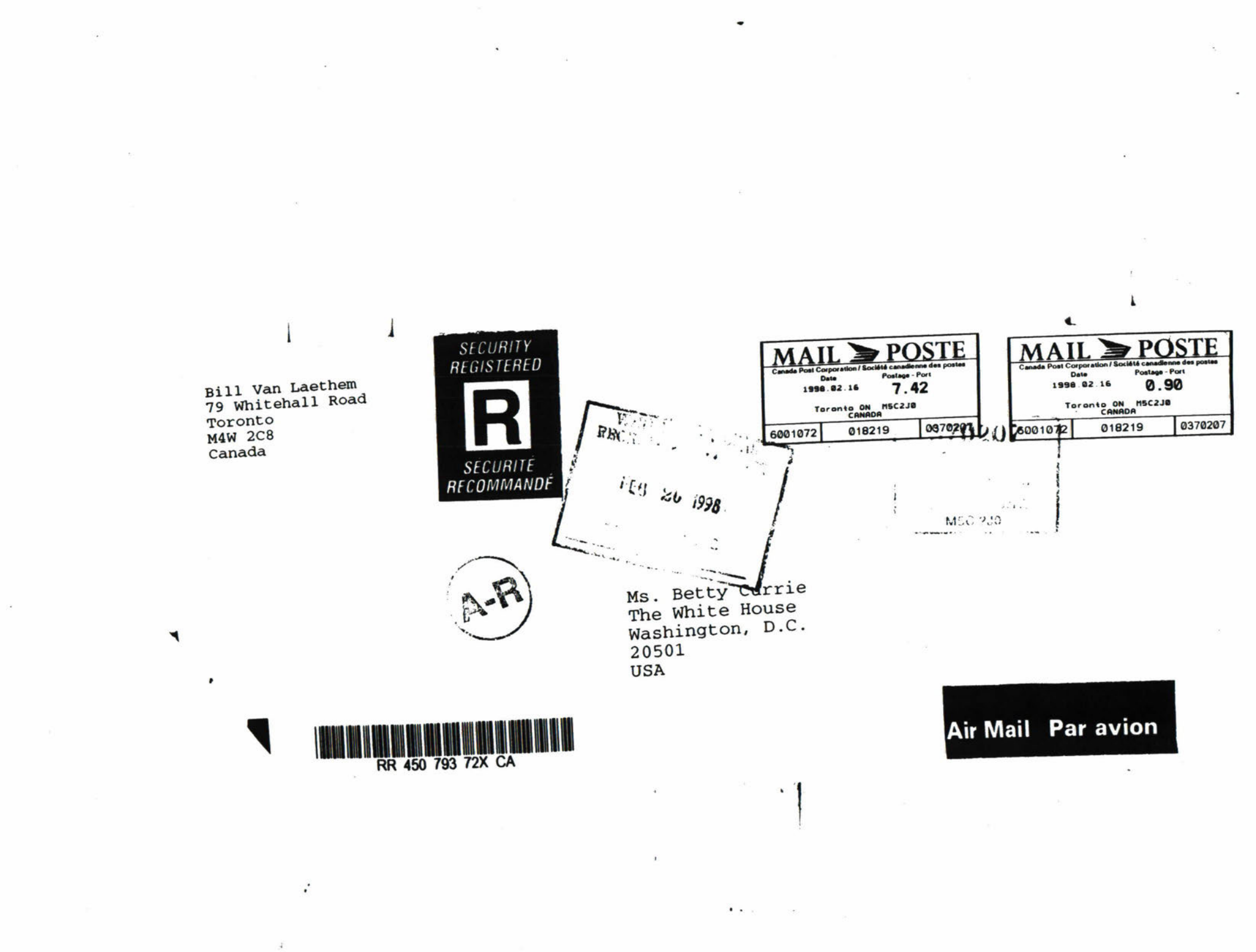
This item was delivered on: — Cet item a été livré le : — Date: JAN 10 1997

Printed Name of Addressee — Nom du destinataire en lettres moulées

Signature of Official at Office of Delivery — Signature de l'agent du bureau de destination

Signature of Addressee or Authorized Representative — Signature du destinataire ou de son représentant

WHITE HOUSE MAIL ROOM


Bill Van Laethem
79 Whitehall Road
Toronto
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Ms. Betty Currie
The White House
Washington, D.C.
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USA
RR 450 793 72X CA
Air Mail Par avion

SABRE FOUNDATION, INC.

Scientific Assistance Project
872 Massachusetts Avenue, Suite 2-1
Cambridge, MA 02139

telephone 617/868-3510
fax 617/868-7916
e-mail sabre@sabre.org

FACSIMILE TRANSMISSION

TO: SID BLUMENTHAL

AT: White HC

FAX: 202-4

DATE: 2/19/9

FROM: JLA

PAGES (including this o

2-20-98
How shall we handle?

Carl

Dan-
Message apart from Nancy.
(1) Should we do?
(2) If so, need to clear with
-- dinner is
3/4 Wed

Sid—

Here is a sample text. The dinner is March 4 at the Sulgrave Club.

I note that Ken was interviewed as a Trustee of the Legal Defense Fund on NPR.

Love

SABRE FOUNDATION, INC.

Scientific Assistance Project
872 Massachusetts Avenue, Suite 2-1
Cambridge, MA 02139

telephone 617/868-3510
fax 617/868-7916
e-mail sabre@sabre.org

FACSIMILE TRANSMISSION

TO: SID BLUMENTHAL

AT: White House

FAX: 202-456-1213

DATE: 2/19/98

FROM: JLA

PAGES (including this one): 2

Sid —

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I note that Ken was interviewed as a Trustee of the Legal Defense Fund on NPR.

Jan

To Ken Bartels
38 Clove Rd
Greenwich CT 06831

98 FEB 20 PM 4:34

Dear Ken,

My congratulations to you & the Sabre Foundation Board on the launch of the Michael W. Christian program for Africa.

Hillary has told me about the good work Sabre is doing around the world in health. An investment in young people ~~everywhere~~ in Africa now is especially timely.

Please convey my greetings to your speakers at this dinner and to all those who are assisting in this important work.

With best personal regards to you and Jane.

B

Mr. Ken Bartels
38 Close Road
Greenwich, CT 06831

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With best personal regards to you and Jane.

Falconer
9201 W 90th St
Overland Park, KS 66212

Dear Mrs. Currie,
Thank you for taking time out to read my short note.
I would appreciate it if you would read the two enclosed articles and then pass it on to President Clinton.
Thank you so much.
Kathleen A. Falconer

P.S. Please ask the President to help get my 20 year old son home from the Gulf very soon.

2-20-98
How should we handle?
DAN

MEMO

Uncivilized behavior

Steve Rose
Publisher

There are a whole lot of Americans out there who really don't care one way or the other what Bill Clinton did with Monica Lewinsky. What have we come to?

I'm not talking about those who don't believe he did it. Nor am I talking about those who say he deserves the benefit of the doubt, like O. J. Simpson.

No, the rude awakening is that about half of Americans who believe the scandal is true don't think this is any big deal. I don't mean the possible perjury or obstruction of justice. I mean that a married man who happens to be President of the United States and about 50 years old would do what most everybody knows he did with a 21-year-old employee.

This is a great victory for the television and movie industries, which have finally conquered Judeo-Christian ethics. The values Moses and Jesus put together a few thousand years ago, the laws of civilized behavior and decency, have been trumped by a barrage of amoral propaganda that sends out the modern message: Who are we to say what is right or wrong for another?

The answers that came back in polls should blow you away.

Half of American women say Bill Clinton's morals are about the same as the average American man. If this is true, we live in a jungle, not a nation.

About half of America thinks what Bill Clinton does in his private life has nothing to do with his public life. If that notion is true, then what are we supposed to tell our children? That it's OK for our President, but it's immoral at home?

The message is that as long as life is good, the economy is booming, and there is peace, the rest doesn't matter. America stands for prosperity. America stands for strength. America stands for winning. And apparently, that's all.

There was a time, not that long ago, when I believe the American people would have been truly outraged and disgusted at this kind of Presidential behavior.

Had we known about John Kennedy's escapades at the time, the nation would have been repulsed. He and his Camelot fantasy would have ended in resignation.

I believe the same would have been true of Franklin Roosevelt, had the American people been aware of his mistress.

On and on. There have been many unfaithful and immoral Presidents. Bill Clinton is not the first.

But Bill Clinton is the first we have known about, while still in office. And he is the most arrogant, the most conniving, the sleaziest of all, because he has stood before the American people with his wife at his side and lied to our faces.

But never mind. Americans not only don't care about Bill Clinton's disgusting behavior, they seem not to care that he is a baldfaced liar, too.

When the history of this moment is written, I hope someone will record one of the most profound lessons learned. The most successful nation in world history has lost its way. The proof is in their defense of their chosen leader, who represents not the best of civilized man, but the worst of an uncivilized beast, dressed up in Presidential clothing.

Clinton not capable of governing well

To the editor:

The one recent quote that sticks in my head is this. "This country knows what it got itself into when it elected Bill Clinton twice," said former labor secretary Robert Reich.

During President Clinton's first term arose the Whitewater scandal. This alone shocked the nation. Now more ridiculous allegations are brought against Bill Clinton, and yet some fellow Americans still feel that Bill Clinton is the man for the job.

Not one single human being would want a friend who lies, even worse a president. True enough, a president is human just like you and me. However, he has a burden on his shoulders that you and I as everyday Americans do not: the respect, hopes, dreams and security of this nation and its people. A president is a figure of goodness, and the title itself demands respect. I myself have lost all respect for Bill Clinton as a president, a husband, father figure, and most of all a person.

You would think that given the opportunity to gain the presidency, given to him by the American citizens, he would want to uphold that position to the best of his ability. Obviously the American people and the well-being of this country is the farthest thing from Bill Clinton's mind.

BJ Bales
Overland Park

Falconer
9201 W 90th St
Overland Park, KS 66212

THE WHITE HOUSE
1600 PENNSYLVANIA AVENUE
WASHINGTON, D.C. 20500

ATTENTION: MRS. BETTY CURRIE, SECRETARY

Carol — ?

FOR

BETTY Currie

2-20-98

2-20-98

Send to Burkhardt?

Y/C

No

C

Memorandum

To: Betty Currie

Betty, as you know I worked with issues of Foreign Policy and I and the world our issues.

I think the President is doing well. But this morning he said on TV something which no one else has said...and it was sort of in the middle of his remarks....."after all he(Saddam) has agreed to this years before"

I do not think from following this closely that this point has been empasized enough.

We stopped the war with him because he agreed to be a good boy and to allow inspections. Now years later he has broken that agreement---violated it.
We need to go back to the beginning and The President and Secretary of State and Secretary of Defense should make that point again and again...Go back to the beginning...that is why we are doing what we have to do....to force him to comply with what he agreed to .That is why the U.S. ended the last war with him.

The analogy is as if a Prisoner is given Parole .He violates that Parole and he either goes back to prison or we give up on the Prison system.

I checked with some friends to see if they had heard this point and they said they had not only the reasons about weapons of mass destruction.....but not the initial reason that he agreed to inspection and now says no or only partial inspections.

FOR

BETY Currie

FAX

Ambassador Gilbert A. Robinson
6617 Jill Court ,Suite 100, McLean Va. 22101

Tel. 703-917 9501
Fax 703-917 9505

Memorandum

To: Betty Currie

Betty, as you know I worked with issues of Foreign Policy and how to explain to the public and the world our issues.

I think the President is doing well. But this morning he said on TV something which no one else has said...and it was sort of in the middle of his remarks....."after all he(Saddam) has agreed to this years before"

I do not think from following this closely that this point has been empasized enough.

We stopped the war with him because he agreed to be a good boy and to allow inspections. Now years later he has broken that agreement---violated it.
We need to go back to the beginning and The President and Secretary of State and Secretary of Defense should make that point again and again...Go back to the beginning...that is why we are doing what we have to do....to force him to comply with what he agreed to .That is why the U.S. ended the last war with him.

The analogy is as if a Prisoner is given Parole .He violates that Parole and he either goes back to prison or we give up on the Prison system.

I checked with some friends to see if they had heard this point and they said they had not only the reasons about weapons of mass destruction.....but not the initial reason that he agreed to inspection and now says no or only partial inspections.

FAX

Date 2/19/98

Number of pages including cover sheet 10

TO: Thomas "Mac" McLarty

Phone 202.456.2000
Fax Phone 202.456.2215

FROM: Tom Hoog's Office
President & CEO
Hill and Knowlton/USA
466 Lexington Ave. - Fl. 3
New York, NY 10017

Phone 212/885-0500
Fax Phone 212/885-0585

CC:

REMARKS: ☐ Urgent ☐ For your review ☐ Reply ASAP ☐ Please Comment

See the attached.

2-20-98

From Mack McLarty —
Send to Berkhardt?
Yes ✓
No

C.

Thomas Hoog
President and CEO
Hill and Knowlton/USA

HILL & KNOWLTON

Hill and Knowlton, Inc.
International Public Relations/Public Affairs
466 Lexington Avenue
New York, NY 10017
212 885-0500
Fax 212 885-0585

February 19, 1998

Mr. Thomas F. McLarty
The White House
Exec. Office of the Pres., Ground Floor
West Wing 1600 Pennsylvania Ave., NW
Washington, DC 20500

Dear Mac:

As frequently seems to be the case, I'm asking for a favor. The nation lost one of its venerable patriots, Carl Gorman, as you will see from the attached obituary, which the AP ran on January 30th. He was a respected Navajo leader, a decorated Marine, an artist and teacher.

But one of his greatest distinctions is that of being the oldest of the 28 Code Talkers who helped his country defeat the Japanese in WWII. You remember that the Japanese could never break the code the Navajos used and this gave our military distinct advantage.

Carl Gorman's son, R. C. Gorman, is the most well-known Native American artist in the world. I know R. C. would be deeply honored, as would his tribe, to receive a note from the President and Mrs. Clinton acknowledging the Nation's loss and expressing appreciation for is father's unique contribution to our country's security and our culture. I've enclosed several articles on him.

If this is possible, the President's correspondence could reach R. C. Gorman at P. O. Box 1258, El Paso, New Mexico 87592. The private phone number is 505-758-7599 should the President prefer to telephone him instead. Let me know if you think this is appropriate.

Warm regards,

Thomas W. Hoog

Enclosures

Hope all continues to go well for you

Code Talker, Artist Carl Gorman Dies

Navajo Known Across U.S. for Art, Lectures

The Associated Press

GALLUP — Navajo artist, teacher and "Code Talker" Carl Gorman, whose encrypted use of his native language helped defeat Japan during World War II, died Thursday of cancer. He was 90.

Gorman died at Rehoboth McKinley Christian Hospital shortly after midnight, hospital spokeswoman Jennifer Dowling said.

He was mourned Thursday throughout the Navajo Nation and the art world.

"Here is a man who has contributed tremendously to the country — the United States — and to the Navajo Nation, his people," Navajo President Albert Hale said in Albuquerque. "We are very proud he has served in the armed forces and the Code Talkers."

Gorman, during 1982 festivities honoring the Code Talkers, said he and 28 other Navajos learned of their secret mission after completing boot camp in 1942.

"We never realized they were going to use our language as a code," he said. "Some of our comrades couldn't figure us out. ... Some of us looked like Japanese, and when they saw us talking into the equipment, they thought we were talking Japanese.

"And we were doing secret work, so we couldn't even tell our buddies what we were doing."

The recruits, ranging in age from 15 to 35, were inducted into the Marine Corps on May 4, 1942. Gorman was in his 30s.

The Japanese never cracked the code hidden within the Navajo language. Bird names were used to identify aircraft, fish for ships. The original code included more than 200 terms and evolved to more than 600.

C. GORMAN: "I was very proud to serve my country".

"Many people ask me why I fought for my country when the government has treated us pretty bad," Gorman said during the 1995 unveiling of a Code Talker monument in Flagstaff, Ariz. "But before the white man came to this country, this whole land was Indian country and we still think it's our land, so we fight for it. I was very proud to serve my country."

The monument was sculpted by Gorman's son, R.C. Gorman, who visited his father in the hospital Sunday, said Virginia Dooley, director of R.C. Gorman's Navajo Gallery in Taos.

After the war, Carl Gorman became known for his art and his lectures around the country about the Navajos. In the 1970s he taught art history and Native American history at the University of California-Davis, where the C.N. Gorman Museum was dedicated in 1973. The museum is planning a tribute, university spokeswoman Lisa Klionsky said Thursday.

Born in 1907 in Chinle, Ariz., the son of a merchant-rancher, Gorman ran away from school at the age of 10, according to his biography, "Power of a Navajo — Carl Gorman: The Man and His Life" by Henry and Georgia Greenberg.

Gorman was treated harshly in school because he wouldn't give up the Navajo language, the book recalled.

scrapbooks on her husband's career, she came up with photos, newspaper clippings, awards, letters of praise and recommendation—all the material that the faculty needed.

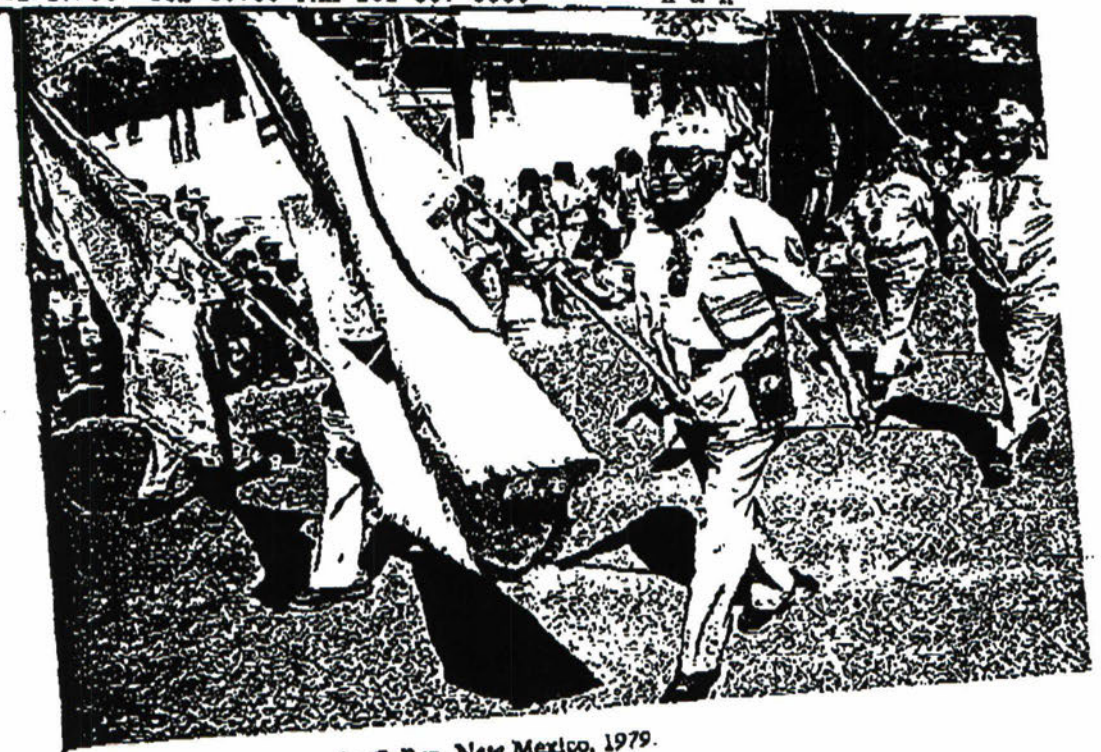
On April 22, 1990 a celebration and reception was held at the University of New Mexico, Gallup Campus, to honor Carl Nelson Gorman —and to announce publicly that he was going to receive an honorary Doctorate of Humane Letters. No one had told Carl, and it came as a complete surprise to him. Hundreds of people were there to honor him—members of the faculty, friends, and students.

Dr. Gloria Dye, professor of English and Chair of the Cultural Arts Council, paid homage to a man:

> "whose life has been shaped by the will to create, a man who has influenced and transformed the community. And we honor Mr. Gorman today, for his role as an emissary, for he helped to create understanding among people of various cultures . . . and his services have extended to the nation as a whole. I know I speak for everyone here when I say that we consider Dr. Gorman a precious asset to our community."

A month later at the commencement exercises of the University of New Mexico in Albuquerque, Carl N. Gorman was awarded an honorary degree, Doctor of Humane Letters. Before the crowd gathered there, the president of the university read the citation:

> **Carl Gorman**
> **Doctor of Humane Letters**
> **1990**
>
> Painter, teacher, philosopher, soldier, healer, he has worked throughout his life to create harmony and understanding between the Navajo people and other Americans. As a distinguished painter he was one of the first to lead Navajo artists in new directions. He believes in the traditional but also in the adaptation of the traditional to the modern. His paintings and prints have been widely exhibited. While his artistic style departs dramatically from Native American traditions, he has devoted the last thirty years to preserving Navajo culture for the benefit of his people, by teaching art, Navajo history and culture, and the Navajo language. As director of the Navajo Cultural Center and the Office of Native Healing Sciences, he has been instrumental in the preservation of Navajo medical lore. For his commitment to his people and his contributions to the culture of the Southwest, he richly deserves the honor bestowed upon him today.



Code Talkers on parade, Gallup, New Mexico, 1979.

Gorman

in the Navajo nation for what they had accomplished. Sixty Code Talkers attended the first reunion at Window Rock in July 1971. They reminisced about their war experiences. On a hill above the tribal museum, they put on an exhibition of code talking, as it was done during the war, with radios provided by the Marine Corps. Two stations were set up a half mile apart and messages in Navajo code were sent back and forth. "We realized," Carl Gorman said, "how we helped shorten the war with our language." He had come down from U. C. Davis where he was teaching. He was asked to be the first president of the association. He declined because he felt his position at Davis would keep him too far away, but he agreed to be the representative of the Second Marine Division.

In the years that followed, although most of the men were scattered throughout the reservation and there were difficulties in getting together, the idea grew of taking part in public affairs, of being seen in public. After their participation in the Rose Bowl Parade of 1975, they were asked to march as a group in many other parades. They were proud

The Code Talkers had a special uniform.

kept their work a secret because of its value, if there were to be another war. Then the highly sophisticated communication equipment used in Korea made the secret unnecessary.

The time had come for recognition. Each year at its annual reunion, the Marine Corps Fourth Division, "The Fighting Fourth," had honored a commanding officer or a distinguished combat hero. In 1969, at the recommendation of Lee Cannon, press secretary for the Fourth Division, who knew the accomplishments of the Navajo Code Talkers, the decision was made to honor them as a group. Of the more than four hundred qualified Code Talkers, fifteen were found from the Fourth Marine Division and one each from the First, Second, Third, Fifth, and Sixth to attend the reunion in Chicago on June 28, 1969. Among them was Carl Gorman, from the Second. They were flown there by transport plane. Marines were assigned to them as special hosts. They took part in a memorable parade through the streets of downtown Chicago. The final honor came at the reunion banquet in the Sheraton Hotel, where high-ranking Marine Corps officers presented the Code Talkers with a specially minted medallion in commemoration of their distinguished service.

Within the next two years, the Code Talkers Association of the Marines was formed. This was primarily at the instigation of Lee Cannon and Martin Link, the director of the Navajo Tribal Museum, who gave them space to meet in the museum and whose help and guidance were invaluable. Both Anglos, they felt the organization would not only be a valuable group for the Navajo men, but it would awaken a spirit of pride

Mary, Marine Corps General P. X. Kelley, Carl, Mrs. Kelley, on the occasion of the Fourth Marine Division honoring Navajo Code Talkers, Naval Officers' Club, Long Beach, California, 1975.

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02/17/98 TUE 06:40 FAX 202 337 3538 H & K 008
P. 03

XIV

University of California Davis

"I would ask my Indian students, 'What does your culture say to you?' And I encouraged them to learn about their people – everything they could. And they would be stronger for it."

an excellent quote

Early in 1970, not long after the ONEO project was terminated, Carl Gorman received a telephone call that changed his life immeasurably and took him away from the reservation for more than three years. The call came from Professor Jack D. Forbes, head of the Native American studies program at the University of California at Davis. He wished Carl to come there to teach Indian art. He sincerely felt, he said, that Carl's presence at Davis, his knowledge, and his art would be extremely important to the program. It was already the beginning of the winter session. Carl would have to come as soon as possible, within a matter of days.

Jack Forbes and the Gormans had known each other for a long time. They first met ten years before when he was a professor in the history department at San Fernando State College. There had been an interview with Forbes in the local Northridge paper about a book of his, *Apache, Navajo and Spaniard*, published in 1960 by the University of Oklahoma Press. Intrigued with the article, Carl decided there were things in the book he wanted to talk to the author about, and he and Mary arranged to go and see Forbes. They found him a charming, articulate man in his forties, with a deep personal interest in Indian problems, outspoken on the need to recognize the right of all the Indians in this country. He had grown up in the East and was proud of the fact that he had Indian [Powhatan] blood. Dr. Forbes left the college in Northridge to work with the Far West Laboratory in Berkeley, an educational group putting Indian studies together. He headed a feasibility study on the establishment of Native American studies, the need for which had already been recognized

$24.95

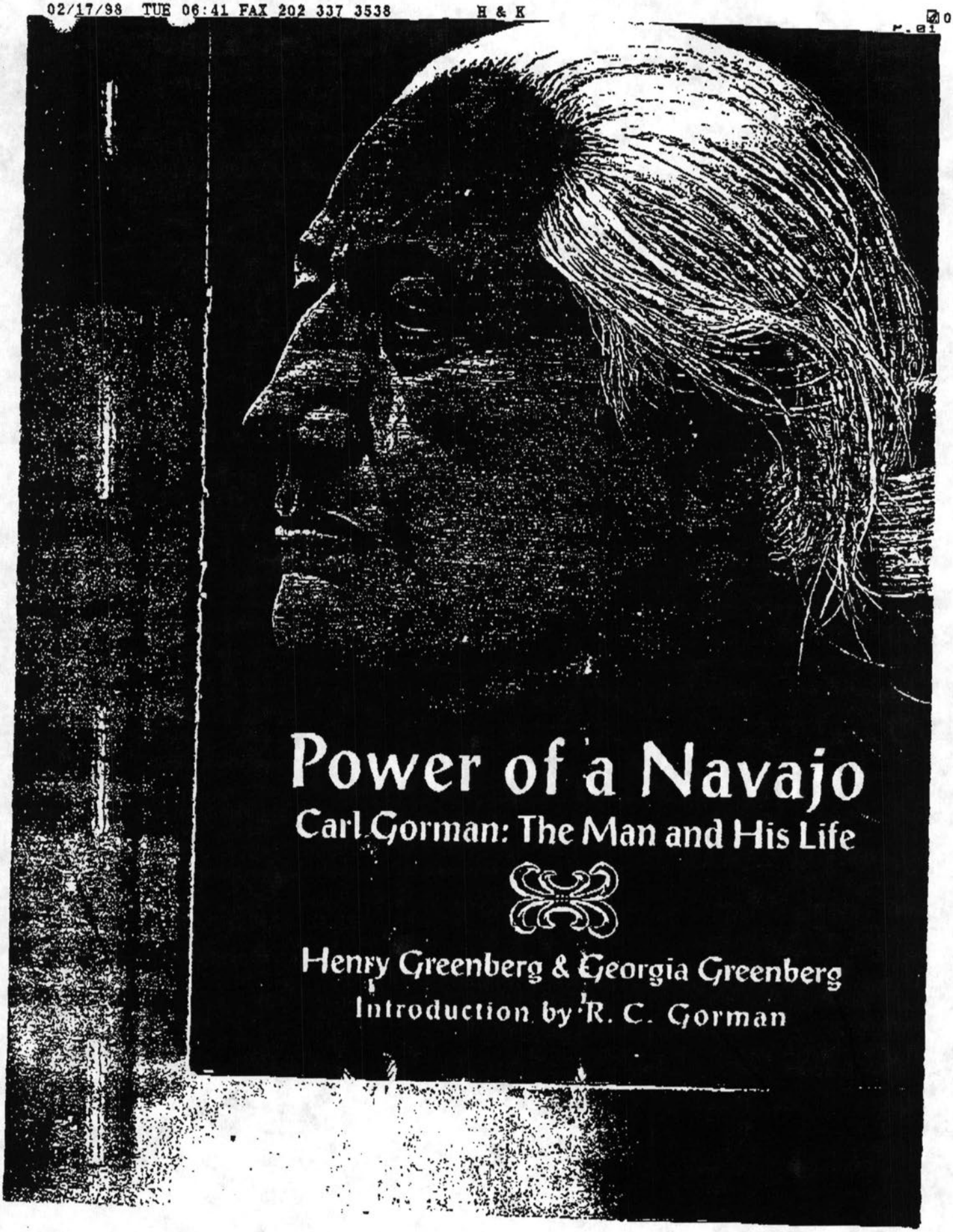
Power of a Navajo

Carl Gorman: The Man and His Life

Carl Gorman—artist, merchant, patriot, and a respected Navajo leader and spokesman, is one of those rare people whose life encompasses the drama of an entire society. One of the original Navajo Code Talkers in World War II, Gorman would later become president of the Code Talkers Association and help to bring recognition to the Navajos who created the Navajo-language-based combat code that the Japanese could never break. After the war, following a lifelong interest in art, Gorman studied at Otis Institute and became a respected artist and teacher. His son, R. C. Gorman, was also gaining recognition as an artist, and the two held several father-son exhibitions. During his time in California, Gorman became a leader of the urban Navajo community in Los Angeles. Returning to the Navajo Reservation to accept the position of Director of the Navajo Arts and Crafts Guild, he contributed increasingly to the support and betterment of his people.

The Greenbergs' biography gives a fascinating account of Carl Gorman's childhood and youth in Navajo country and tells of the trials he experienced at different Indian schools. It includes descriptions of Indian education, art, culture, and major events of Navajo history. Carl Gorman's life has embraced success, hardship, and searing personal tragedy and demonstrated a resilience of spirit that has been inspirational to all who know him. Achieving success in the Anglo world on his own terms, he has continually brought respect to the Navajo way of life.

Clear Light Publishers
Santa Fe, New Mexico


Power of a Navajo
Carl Gorman: The Man and His Life
Henry Greenberg & Georgia Greenberg
Introduction by R. C. Gorman

"My father was always my hero. He was strong, powerful — and afraid of nothing. He rebelled with anger against the prejudice of the white man toward himself and his people.

In time he drew great strength from his own native roots. And he lived with deep pride in his Navajo culture and religion. With his knowledge and his teaching, he has worked to build what he calls a 'bridge of understanding' between cultures. For all this, he is respected and honored in both Anglo and Indian worlds."

— R. C. GORMAN
Carl Gorman's Son

Native American / Biography

$24.95

ISBN 0-940666-82-0

52495>

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We build strong[illegible]ds,

-98

December 10, 1997

Phil -
Mr. Kelley wants a letter done to Jimbo Hobson — who should do it?
DLS

Mr. Richard W. Kelley
209 Bayside Road
Hot Springs, AR 71913

Dear Mr. Kelley,

I enjoyed our conversation at the airpo[illegible] here at the Hot Springs Family YMCA on building four courts and a lounge ar[illegible] "MAKE A RACQUET AT THE Y" a[illegible]

I have been teaching tennis for over tw[illegible] head pro at Burns Park in North Little [illegible] director of tennis there until they chang[illegible] temporarily at the Southshore Resort but due to restrictions of my arrangement my lessons really have no place to play or practice. I went to the YMCA and discussed bringing tennis to their organizatio[illegible] excited about the possibilities and with the inadequate t[illegible] success. We are currently working on raising the money [illegible] a good atmosphere. Tennis is a sport enjoyed by people [illegible] four to ninety years of age with an emphasis on the youth [illegible] start up and with the YMCA's programs kids who can't [illegible]

2/19/98
Send to Burkhardt?
Yes ✓
No

The courts will be built on the land beside the main build[illegible] play and at least two of the courts will be a clay surface. [illegible] slower and softer for our senior players. The pro shop an[illegible] tennis community as well as the people of the Y. The lan[illegible] moved but it is the perfect spot for the courts because you[illegible] attention to the Y and help to bring in new members. The [illegible] thousand dollars and must be raised by the end of Februar[illegible] donations and with the flexibility of the payment plans we [illegible]

Dan - Need a letter from POTUS to Mr Hobson saying POTUS could help him -- or maybe letter could come from Conrad. Call to discuss
Phil

We need your help to get us to our goal. If you could get th[illegible] President that would be a great service to the campaign. If [illegible] directly I feel he would understand the importance of this t[illegible] he could help us get in the door of the people who have the resources to help out. When you are trying to get something like this done if you can get in the door that is all it takes because we know how important it is. Being able to get in those doors is the tough part but with your help maybe we can get these doors to swing wide and we can make this facility a reality. Please call Fred Leonard, executive director of the YMCA or myself at 623-8803.

Thank you for your consideration.

Jimbo Hobson

Jimbo Hobson

Hot Springs Family YMCA
130 Werner St.
Hot Springs, AR 71913-6443
501-623-8803
Fax: 501-623-1310
E-mail: ymca@direclynx.net
Web site: http://www.direclynx.net/~ymca

YMCA mission: To put Christian principles into practice through programs that build healthy spirit, mind, and body for all.

A United Way Agency

We build strong kids,
strong families,
strong communities.

1-8-98
Nancy-
I don't think
there's anything the President
can do for them -- it's
basically a private
effort.
Paul

December 10, 1997

Mr. Richard W. Kelley
209 Bayside Road
Hot Springs, AR 71913

Dear Mr. Kelley,

I enjoyed our conversation at the airport last week and I am writing you to fill you in on what is happening here at the Hot Springs Family YMCA. We are starting a fundraiser to build a tennis center at the Y. We plan on building four courts and a lounge and pro shop for people to meet and play. We need your help to help "MAKE A RACQUET AT THE Y" a reality.

I have been teaching tennis for over twenty years. I have been a USPTA professional since 1983. I was the head pro at Burns Park in North Little Rock for five years before moving to Belvedere in 1987. I was the director of tennis there until they changed my arrangement which forced me to move on. I have been teaching temporarily at the Southshore Resort but due to restrictions of my arrangement my lessons really have no place to play or practice. I went to the YMCA and discussed bringing tennis to their organization. They were excited about the possibilities and with the inadequate tennis facilities in the area they felt it would be a success. We are currently working on raising the money to build a place where people can come and play in a good atmosphere. Tennis is a sport enjoyed by people of all ages. There will be programs for people from four to ninety years of age with an emphasis on the youth of the area. Tennis is a very inexpensive sport to start up and with the YMCA's programs kids who can't afford to play will be eligible for scholarships.

The courts will be built on the land beside the main building of the YMCA. The courts will be lit for night play and at least two of the courts will be a clay surface. This surface is easier to learn on as well as being slower and softer for our senior players. The pro shop and lounge area will be a convenience to the entire tennis community as well as the people of the Y. The land will have to be raised and a ditch will have to be moved but it is the perfect spot for the courts because you will see them from the bypass. This will help draw attention to the Y and help to bring in new members. The cost of everything is two hundred and forty thousand dollars and must be raised by the end of February. We are just starting to ask the community for donations and with the flexibility of the payment plans we feel this goal is reachable.

We need your help to get us to our goal. If you could get the package to the President that would be a great service to the campaign. If I could talk to him directly I feel he would understand the importance of this to the community. I think he could help us get in the door of the people who have the resources to help out. When you are trying to get something like this done if you can get in the door that is all it takes because we know how important it is. Being able to get in those doors is the tough part but with your help maybe we can get these doors to swing wide and we can make this facility a reality. Please call Fred Leonard, executive director of the YMCA or myself at 623-8803.

Thank you for your consideration.

Jimbo Hobson

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YMCA mission: To put Christian principles into practice through programs that build healthy spirit, mind, and body for all.

A United Way Agency

HOT SPRINGS FAMILY YMCA
Tennis Program History and Project Description

HISTORY:

In mid-December, 1996, Jimbo Hobson contacted Fred Leonard, the Hot Springs Family YMCA Executive Director, to discuss the possibility of beginning a full-blown tennis program at the Hot Springs Family YMCA. Jimbo's relationship with the Belvidere Country Club was being changed to the point that he no longer thought it feasible to continue there and so was seeking other opportunities in the Hot Springs community to continue teaching and coaching tennis for all ages.

Preliminary discussions were held between Fred and Jimbo to see if there was any possibility of taking on the program.

The vision was to construct four lighted clay tennis courts on the playground east of the YMCA. Courts would be set running north-south from the edge of the cut near the parking lot to the drainage ditch adjacent to the St. Joe's ambulance barn. The site size required is 216 by 120 feet. Installing the courts in this manner would require moving the levee and the drainage ditch 7 feet to the south. All available land would be used. A small multi use building would be built on the upper level adjacent to or connected to the present building and steps and a handicapped ramp would be constructed to the lower level.

Programs offered would include open tennis, tennis leagues and tournaments and tennis instruction for persons of all ages with a particular emphasis on youth. Every effort would be made to offer the finest in instruction and facilities but costs would be kept at the most reasonable level possible. Tennis scholarships would be available for persons unable to pay the fees associated with the project.

Discussions finally progressed to the point that it was felt some additional guidance from the YMCA Executive Committee was needed. At a special meeting of the Executive Committee four questions were examined:

Does the program meet the goals of the YMCA and its members?
How much will the project cost?
Does the possibility of raising capital funds to build the courts and related facility exist?
If built, can the program sustain itself?

A consensus of the committee determined that the program was consistent with the goals and purposes of the YMCA and that it would be beneficial to the YMCA and the community.. The committee gave the go-ahead to try to develop adequate information to answer the remaining questions.

CAPITAL COSTS FOR THE PROJECT:

The project generally falls into four major capital expenditures: courts, groundwork and equipment, a maintenance reserve (endowment) and tennis lounge and pro-shop building.

Court construction:

The construction of four clay courts has been established at $26,500 (plus tax) per court

without any changes in fencing or equipment. The prices were submitted by The Herren Company of Birmingham, AL. This company constructed the courts at Belvedere and Diamante. The cost breaks down as follows:

$13,000 for basic court (Does not include preliminary grading work and compaction.)

$ 2,000 for sprinkler system that will flood court in 3 minutes - automatically timed for night watering. (Does not include bringing water to the courts)

$ 4,000 for fencing (includes high fence along end lines and low fence at each end of the court complex. Does not include screening. Some additional fencing cost may be necessary to increase low fence boundaries to full height for security.)

$ 7,500 for lighting - 8 lamps per court. (Note: $6500 can be saved by installing underground wiring and pole pads but not installing poles and lamps. Price does not include bringing electric service to the court area or switching devices.)

Groundwork and Equipment:

This component includes the preliminary grading, handicap access ramp, permits, electric and plumbing services necessary to construct the courts. Work is underway to identify possible inkind donors of at least a portion of the work.

Equipment costs include a roller for court maintenance and such additional tools as needed for daily maintenance. Costs for the self propelled roller is $5,500. An unpowered roller is $1,995 - 2,500 plus the lawn tractor. Other tools needed total less than $500. Total equipment cost is established at $6,000.

Maintenance Reserve:

Monies are included in the Capital effort to establish a maintenance reserve to help with ongoing maintenance costs, equipment and replacement of clay surface. Ideally, the YMCA would use only the earnings from the fund to offset a portion of the expenses. A level of $10 - 20,000 was suggested.

Pro-shop and tennis lounge building:

This facility would be approximately 800 square feet and would include five basic components - a rest room, pro-shop, equipment storage area, lounge and vending or snack bar area. This is necessary to provide a place for tennis players to gather before and after matches including simple snacks and soft drinks. The pro-shop would offer a place to purchase equipment as needed. Storage might be incorporated under a deck constructed off the main building for such items as the roller for the courts, other court maintenance supplies and teaching supplies (ball machine, etc). These facilities are necessary since the courts will most likely be open some hours the YMCA is not. Cost for this facility is estimated at $40 - $50 per square foot ... $32-40,000.

Summary - Construction costs - at highest projections

Total cost of the Project:	$240,000
Court construction:	$106,000
Tax	$ 7,000
Groundwork:	$ 55,000 (includes 900 cubic yards select fill @$20; 2100 cubic yards rough fill @ $10 cubic yard; access to water, power and sewer and permits.)
Equipment	$ 6,000
Building	$ 40,000 (600 - 800 square feet)
Maintenance Reserve & Contingency	$ 16,000
Design	$ 10,000 (already committed in-kind gift.)

CAN THE MONEY BE RAISED?

The board voted to support the Capital Campaign. Some general considerations regarding the campaign:

The campaign must be approved by the Garland County United Way Board per our agreement with them. A letter was submitted and the projected was adopted by the United Way Board of Directors.

The campaign should be a limited one, not a community-wide general effort. That kind of effort may need to be held when we need to expand facilities to accommodate the proposed Wellness Center. This means the campaign should concentrate on contributors from the tennis community who have an ability to give and and an interest in expanding tennis opportunities in the community or expanding youth tennis.

The campaign cannot significantly detract from ongoing YMCA operations so will most probably involve only the board, Fred, Jimbo and Angela within the 'Y' family and an additional number of solicitors from the tennis community.

The campaign chairman must be a layman with contacts within the tennis community.

The campaign has to be conducted in a top quality fashion following long established and successful campaign procedures. Gifts must be restricted to the tennis project. If enough is not raised to carry out the project, pledges and/or gifts should be returned in full to contributors. It must also be understood that the project shall not be undertaken unless adequate pledges (with reserve for potential unpaid pledges) is achieved.

CAN THE TENNIS PROGRAM SUPPORT ITSELF IF UNDERTAKEN:

Projections indicate that it can indeed support itself and provide a small subsidy to the

YMCA. See attachment for specific details.

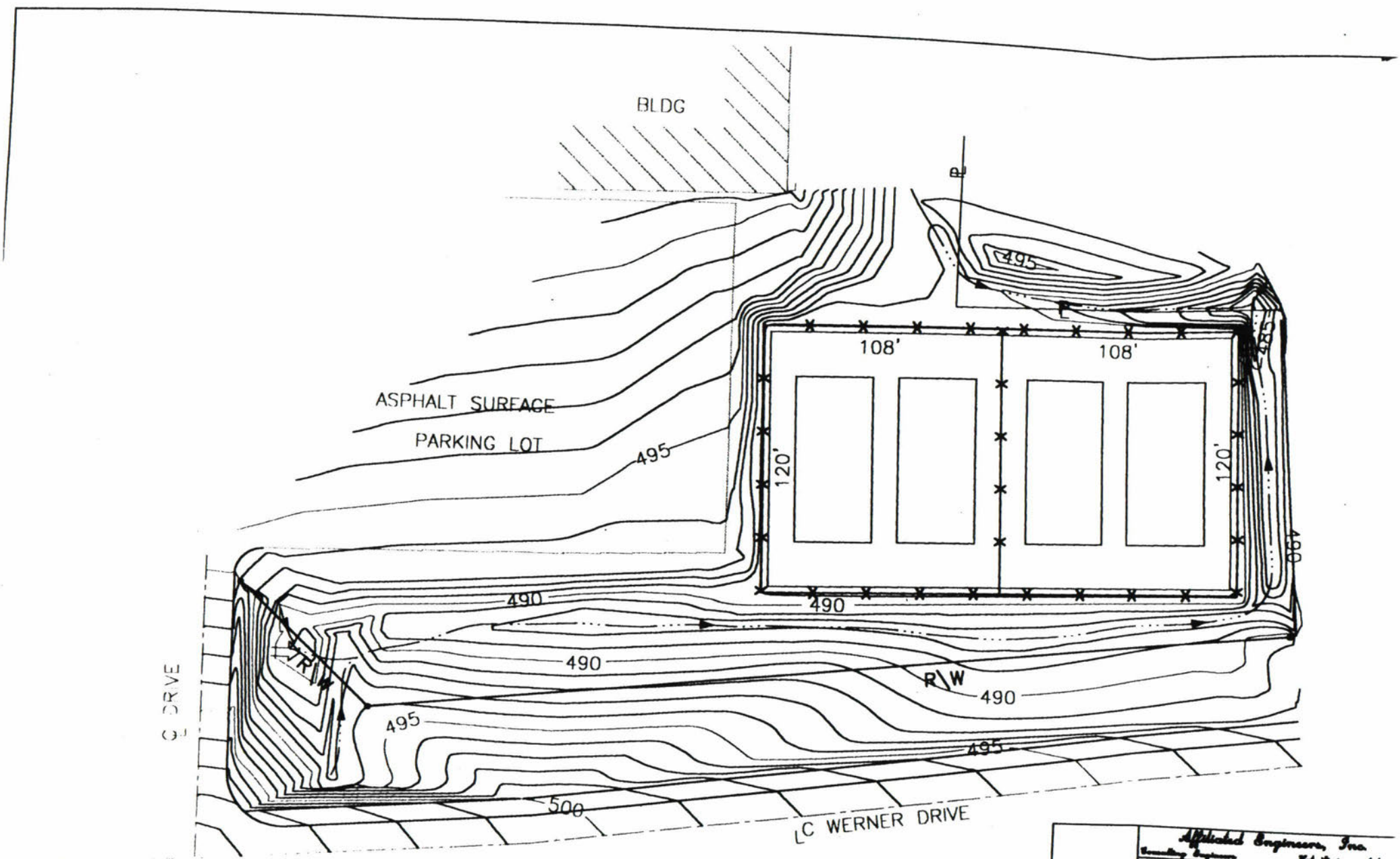
These projections are based on conservative income figures and realistic expense figures. The percentage of our current membership necessary to reach the projections is relatively small. We also anticipate membership growth as a result of the availability of reasonably priced tennis on top quality courts with a well known and respected tennis professional. We have not included any of that revenue and growth in projections.

Oversight for the conduct of the tennis program after completion of the campaign shall rest with the Program Committee of the Board and/or any subcommittees as designated by the board. Their responsibilities shall be to establish policies and practices for the program including assurance that courts and programs are accessible to all.

IN SUMMARY :

The Tennis Program has been adopted by the YMCA Board of Directors as a project of the Association. Leadership for the campaign has been recruited from among the tennis community and from YMCA volunteer leadership. The campaign is currently entering the solicitation stage at the highest level but general solicitation will be delayed until lateNovember until the United Way of Garland County's Annual Drive is completed. This action is in accordance with our agency agreement and the policy of supplemental fundraising. Solicitation of campaign leadership is also underway.

Plans have been made for continuation of the construction phase when the campaign is successful and for program operation practices and policies.



Applied Engineers, Inc.
Consulting Engineers
Hot Springs, Arkansas

HOT SPRINGS, ARKANSAS

HOT SPRINGS FAMILY YMCA

TENNIS COURTS

LAYOUT

TENNIS PROGRAM PROJECTIONS

Summary - Revised

Attachment #3

INCOME

Account Name		Annual Projection	
Court Fees with membership		$29,760	
Court Use Fees		$4,000	
Lesson Revenue (Net)		$3,200	
Total Income		$36,960	

EXPENSE

Account Name		Annual Projection	
Tennis Wages		$26,426	
Health Benefits		$2,127	
FICA		$1,627	
Medicare		$381	
W/C		$102	
Unemployment		$264	
Tennis Director Disability		$125	
Tennis Supplies		$1,000	
Office Supplies		$200	
Utility Cost (water, elec)		$2,734	
Promotion Costs		$900	
Maintenance Supplies		$480	
Total Expenses		$36,366	

INCOME OVER EXPENSE $594.00

Revenue figures were established conservatively. Jimbo said he generated $13,000 in lesson fees during 1996 and estimated he would generate $20,000 with the increased potential member base and location at the YMCA. We compromised at $16,000 ... 20% of which is $3200.

Also, some have suggested that the monthly fees added to the membership are too low.

On the expense side, we tried to be realistic in our estimate of costs. We did not include additional tennis staff to man the courts at this time. Some consideration might need to be given to this issue.

INCOME DETAILS

Description	*Month Amt.*	*Annual Amt.*
50 Family @ $15	$750	
Single Parent Family @ $12	$240	
60 Adults @ $10	$600	
10 Married Couples @ $12	$120	
50 Youth @ $5	$250	
40 Seniors @ 10	$400	
10 Senior Couples @ $12	$120	
Subtotal	$2,480	$29,760
Court Fees - drop-in		$4,000
Net Lesson Revenue		$3,200
Total Annual Projected Revenue		$36,960

EXPENSE DETAILS

Description		*Annual Amt.*
Tennis Director Salary	$20,000	
P/T Tennis Instructors @ $7/hr	$6,426	
FICA @6.2%	$1,627	
Medicare @ 1.45%	$381	
Worker's Comp @ 1.63%	$102	
Unemployment @ 1%	$264	
Tennis Director Health Insurance	$2,127	
Tennis Director Disability Ins.	$125	
Subtotal Personnel Costs		$31,052
Tennis Supplies - nets, balls etc		$1,000
Office Supplies		$200
Water	$940	
Electricity	$1,774	
Subtotal - Utilities		$2,734
Promotion Costs		$900
Maintenance Supplies		$480
Total Expenses		$36,366

HOT SPRINGS FAMILY YMCA
Recognition Opportunities

As a part of the campaign to 'MAKE A RACQUET AT THE YMCA' and to develop a tennis program at the Hot Springs Family YMCA, the following memorial or recognition opportunities are established:

NAMING OF THE TENNIS CENTER - $80,000 or more
DESIGNATION OF TENNIS LOUNGE BUILDING - $30,000
DESIGNATION OF INDIVIDUAL COURT NAME - $25,000
DESIGNATION OF LIGHT POLE PLAQUE FOR COURT LIGHTING - $8,000

In addition, a donor's wall will be created for the Tennis Lounge with all donors in excess of $360 total gift represented. The wall will use engraved plaques mounted on a oak wall with graphics and names placed in groupings reflecting pledge categories as follows:

Grand Slam Winner	$50,000 +
Davis Cupper	$10,000 - $49,999
Expert	$5,000 - $9,999
Pro	$1,000 - $4,999
Tour Player	$ 500 - $999
Player	$ 360 - $499

Being recognized for a charitable contribution that betters the world we live in is a frequent and acceptable practice. We do recognize, however, that some persons choose not to be recognized. The Hot Springs Family YMCA will follow the wishes of the donor with regards to recognition choices.

HOT SPRINGS FAMILY YMCA
Agency Profile

YMCA Mission: *To put Christian principles into practice through programs that build healthy spirit, mind and body for all.*

The Young Men's Christian Association of Hot Springs, Arkansas (a.k.a. Hot Springs Family YMCA) is a part of the largest human service organization in America, the YMCA of the USA. It is a 501c (3) organization. It is incorporated as a non-profit corporation in Arkansas.

The YMCA movement is something different and special. We are particularly relevant to today's society because we fill a void in the community. We put Christian principles into practice. We welcome and support children and families and help build the values of caring, honesty, respect and responsibility. We are for everyone -- people of all ages, races, religions, incomes and abilities. The YMCA builds community.

The YMCA is a private, non-profit, world-wide membership organization that works in the public interest. It was founded in 1844 in London, England and earliest records known indicate it was first formed in Hot Springs in 1888. The current YMCA was organized in 1947 and has been in continuous operation since then.

The Hot Springs Family YMCA is locally autonomous. It is an independent association with ties to other YMCAs through the YMCA of the USA. The Hot Springs Family YMCA is run by a local volunteer board of up to 40 members and it is their responsibility to establish program priorities and policies responsive to member and community needs. Our aspirations for our YMCA is that it be:

Governed by committed and enlightened volunteers.

Run by thoroughly trained and competent staff members.

Inclusive in its membership, embracing all abilities; all ages, and all incomes.

Fiscally sound and broadly supported.

A safe and wholesome place where there is a sense of belonging and where everyone can succeed.

Assertive in responding to community needs and in collaborating with other community groups for the common good.

Life-changing in offering experiences that nurture personal growth.

Expert in providing programs and services that meet the health and social service need of children, and

Dedicated to influencing the generations by exhibiting values and teaching which represent the Christian principles we hold in highest regard. These values are **HONESTY, RESPECT, CARING AND RESPONSIBILITY.**

As we develop programs to implement these goals, our nature has been to protect and prevent rather than reform. The following programs have been developed to respond to our member and community needs:

Y swim instruction that teach persons of all ages to swim and be safe around water,

Y physical fitness programs that promote a healthier lifestyle.

Y teenage programs that emphasize drug and substance-free activities. The YMCA has been providing transportation to the kids from the Housing Authority during the school year on alternate Friday nights.

Y physical rehabilitation programs that help those recovering from accidents, disease or ailments such as arthritis or bad backs.

Y programs serving youth and adults with special needs.

Y programs that serve low income families by providing financial assistance with membership and program fees.

Y Day Camp that meets summer child care needs for almost 200 different youngsters in a safe, supervised all-day summer program.

Y youth and adult sports programs that teach skills and values of fair play, respect for self and their opponent and that make it possible for all participants to be a winner whether they won or lost the game.

Y programs that appeal to senior citizens but also meet physical, social and spiritual needs.

YMCA programs are directed to boys and girls, men and women of all ages, faiths and economic background. Our membership dues are based on general community standards. No person will be denied membership in the YMCA or access to programs based an inability to pay the fees.

Need and potential impact -

As noted above, **no person is denied membership and access to programs because of the inability to pay the fees.** This statement is possible because of the support of private and corporate citizens and the United Way of Garland County.

Applications for sponsored memberships continue to grow. We attribute to an increased awareness of the sponsorship program (a situation we have actively promoted) and as a reflection of the general increase in use and membership the YMCA has experienced over the past two years.

As of October 22, 1997, the YMCA had 6,713 total individuals in the membership - 3,460 community members with the balance from St. Joseph's Regional Medical Center. **380 individuals, 11.9% of our community membership are sponsored in full or in part by the YMCA and the United Way. Current value of sponsored membership is $33,490.** Through the year, the total support for memberships and programs exceeds $55,000. Subsidy for Day Camp alone exceeded $11,500 this year. The YMCA sponsored 20 full-time campers in Day Camp.

Sponsored memberships are obtained by completing an application which includes family, financial and goal and objectives information, submitting supporting documents with the application and a personal interview with a YMCA staff member. Sponsored members with an income above the guidelines may pay a portion of the membership fee. Persons meeting income guidelines will complete a standard membership application and receive regular membership cards with no notation as to sponsorship status. Sponsored members have the same access to programs and member services, are expected to follow the same rules and guidelines established for all members and are not discriminated against in any way. Memberships last for a period of one year.

If sponsorship need continues, memberships may be renewed by going through the application process again. Information regarding sponsorship membership remains confidential and is seen only by those persons who have a "need to know".

In addition to financial guidelines, sponsored memberships are provided to persons identified by "people professionals" (IE teachers, pastors, counselors, other agency staff, etc.) who identify individuals who would benefit from a YMCA membership and programs. These persons still follow the application procedures, but financial need is not required to be demonstrated.

The sponsored membership program is an ongoing one with applications and interviews on an almost daily basis. Letters promoting this program have been sent to pastors, school personnel and others informing persons of the availability of this program. Membership and program services are also ongoing.

The sponsored membership program was established, adopted and is monitored by the YMCA Board of Directors and the Membership Committee. The program is administered primarily by Ivan Chambers Sr., YMCA Program Director and Liz Forbes, YMCA Membership Secretary.

Community Program Support Activities:

Finally, the YMCA provides facilities and services to a wide variety of community groups, individuals and organizations through rentals, free use of facilities and cooperative programs.

A partial listing of the groups using the YMCA during the past year include:

Abilities Unlimited
American Heart Association
Area 10 Special Olympics
ASMS Students
Associated Brotherhood of Christians
Boy Scouts
Bright Beginnings Childcare
Camp Ozarks
Church of God Regional Conference
Engineered Speciality Plastics
Fellowship of Christian Athletes
First Church of the Nazarene
First Baptist Church of Hot Springs Youth Group
Girl Scouts
Gospel Light School
Healthfest
Home School groups
Hot Springs Chamber of CommerceHot Springs
Housing Authority Basketball
Hot Springs/Garland County Youth Center
Hot Springs Gymnastics
Hot Springs Rehabilitation Center
Jr. Rollin' Razorback
KinderCare Childcare Center
Lake Hamilton High School Project Graduation
Levi Hospital - Osteoporosis Brown Bag Lunch
Mountain Pine High School - After Prom Party
National Park Medical Center
Oaklawn Race Track
On Your Own
Ouachita Children's Center
Noah's Ark
Pleasant Hill Assembly of God Church
Richard Street Church of Christ Youth Group
Salvation Army Youth Camp
Senior Olympics
St. Joseph's Medical Center
Teen Challenge
Up With People
United Pentecostal Church
United States Forest Service

In summary, the Hot Springs Family YMCA is a life changing and life saving organization that impacts the lives of thousands of people in the Hot Springs area. Registered uses of the facility are expected to exceed 110,000 this year. In addition, the YMCA is involved in numerous community activities including sports leagues and Family programs that are not counted in the above figure.

Internal Revenue Service Department of the Treasury

District Director

1100 Commerce St., Dallas, Texas 75242

Date November 24, 1980

Young Men's Christian Association
510 Quapaw Avenue
Hot Springs National Park, Ar 71901

EIN: 71-0236925

Gentlemen:

Our records show that Young Men's Christian Association is exempt from Federal Income Tax under section 501(c)(3) of the Internal Revenue Code. This exemption was granted January 1964 and remains in full force and effect.

We have classified your organization as one that is not a private foundation within the meaning of section 509(a) of the Internal Revenue because you are an organization described in section 509(a)(2).

If we may be of further assistance, please contact the person whose name and telephone number are shown above.

Sincerely yours,

Edna Ryan
EOMF Clerk

HOT SPRINGS FAMILY YMCA
130 WERNER STREET
HOT SPRINGS, AR 71913-6443

★ ★ ★ UNITED STATES POSTAGE
PB8649227
113
0960 $ 00.780 DEC 10 97
0523 HOT SPRINGS AR 71913

MR RICHARD W KELLEY
209 BAYSIDE ROAD
HOT SPRINGS AR 71913

ALTADENA UNITED METHODIST CHURCH

349 West Altadena Drive
Altadena, CA 91001
(818) 797-2065

'98 FEB 23 PM2

2/23/98
Send to Burkhardt
Yes ✓
no

Februa

President William Clinton
1600 Pennsylvania Avenue
Washington D.C.

Dear Mr. President:

Attached, you will find a copy of a letter addressed to J
response made by one of your volunteers was a generic card stating, thank you for
the generous gift", with your signature, leaving me to believe that the information
provided was not considered.

Mr. President, I do hope you will be able to locate the Fort Monmouth newspaper article and video tape. **The center named after my uncle is one of your Army Defense facilities.** My uncle's contributions were of such value that he became the **first civilian and African American** to have a military building named for him. The newspaper article and video were personal items sent to you as verification of the life changing contributions made to the world, by my uncle.

Feeling like the woman before the unjust judge according to the Synoptic Gospels, I feel compelled to seek again, from you, an acknowledgement that is congruent to the contributions made by my uncle. If you have any questions, please know that I may be reached at (626)398-8790 or (626) 797-2065.

Respectfully,

Yvonne Williams Boyd

Yvonne Williams Boyd

REVEREND YVONNE WILLIAMS BOYD
- Pastor -

ALTADENA UNITED METHODIST CHURCH

349 West Altadena Drive
Altadena, CA 91001
(818) 797-2065

'98 FEB 23 PM

February 17. 1998

President William Clinton
1600 Pennsylvania Avenue
Washington D.C.

Dear Mr. President:

Attached, you will find a copy of a letter addressed to you on January 28, 1998. The response made by one of your volunteers was a generic card stating,"thank you for the generous gift", with your signature, leaving me to believe that the information provided was not considered.

Mr. President, I do hope you will be able to locate the Fort Monmouth newspaper article and video tape. **The center named after my uncle is one of your Army Defense facilities.** My uncle's contributions were of such value that he became the **first civilian and African American** to have a military building named for him. The newspaper article and video were personal items sent to you as verification of the life changing contributions made to the world, by my uncle.

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Respectfully,

Yvonne Williams Boyd

Yvonne Williams Boyd

REVEREND YVONNE WILLIAMS BOYD
- Pastor -

ALTADENA UNITED METHODIST CHURCH
349 West Altadena Drive
Altadena, CA 91001
(818) 797-2065

January 28, 1998

President William Clinton
1600 Pennsylvania Avenue
Washington, D.C. 20012

Dear Mr. President:

Thank you for bringing to center the meaning and purpose of your role as President of the United States, as you gave that most inspiring and motivating State of the Union Address on last evening. Climbing to the "higher ground" is always the most effective method. May God continue to grant mercy, forgiveness that is transforming, and an abundance of love for you and your family.

As parents of a delightful four year old daughter, my husband Homer and I are in the stressful throes of seeking the best school to begin our daughter's educational journey. Your visions for the future of our nation's children and their education are ones with which we find commonality. We commit ourselves to doing our part to making real your visions.

I too was moved by Senator John Glenn's decision to return to space. His mission shall provide, indeed, opportunities and untold possibilities for medical and scientific inventions that will enhance our lives for the 21st Century. **His mission, furthermore is as a result of the scientific work of my uncle, Dr. Walter Samuel McAfee.** Enclosed you will find a video and article giving record to the contributions of my uncle. My uncle was one of nine "students" born to Luther Ford Sr. and Susie Ann McAfee, all of whom matriculated at Wiley College and one of eight who went on to obtain graduate degrees in the sciences and mathematics.

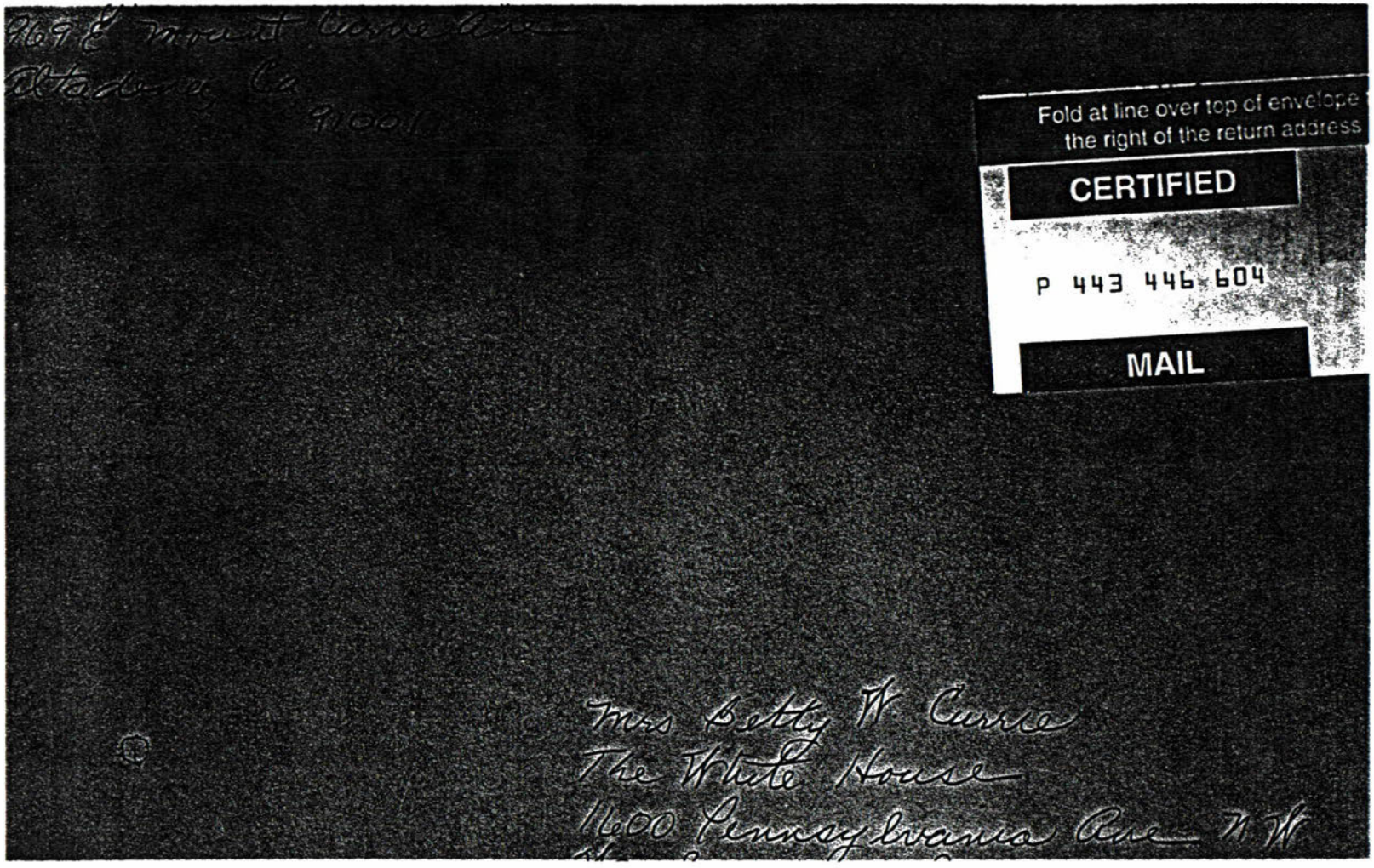
My uncle's widow, daughters (one whom you appointed as a member of The Department of Defense Retirement Board of Actuaries), siblings, nieces and nephews -representing a large contingency of professionals who too are Democrats - shall be most appreciative of your support in giving my Uncle his rightful respect and place in the world's history books.

With much support for your presidency,

Yvonne Williams Boyd

Reverend Yvonne Williams Boyd

REVEREND YVONNE WILLIAMS BOYD
- Pastor -


Fold at line over top of envelope to the right of the return address
CERTIFIED
P 443 446 604
MAIL

Council for Interna[tion], Inc.
Chennault Build
Tel: 202 333 59[2]
Washington, D.C., 20007

Staff Sec? not sure

A non-political, non-profit 501(c)(3) organization working out[reach] international goodwill.
ANNA C. CHENNAULT Chairman

'98 FEB 23 PM2:3

2123198

Send to Burkhardt?
Yes ✓
no

Coordinate w/ NSC
Yes ✓ C.
no

The Honorable William J. Clinton
The White House
Washington, DC 20500

Dear Mr. President:

I am the widow of the late Lt. Gen. Claire [Chennault], 14th Air Force "Flying Tigers" in World W[ar II]. At the FDR Memorial, I had the honor of [serving as Co-Chairman of the Memorial] Campaign. I am proud to have been a strong supporter of this great project, [and] which I had the wonderful opportunity of meeting with you and the First Lady. Last May, my committee colleagues and I had the pleasure of sharing the platform with you during the memorial's unveiling ceremonies.

Mr. President, I am writing to you on a matter which I think may be of interest to you. As you know, in 1995 this country celebrated the 50th Anniversary of the end of World War II. Many of these celebrations were held here in the U.S., as well as in other countries in conjunction with our allies. One such event was held in Nanjing, China, where a memorial was dedicated to commemorate the Allied air effort in the China Theatre. Carved into the granite walls of this memorial were several thousand names of individual American and Chinese aircrew who lost their lives during the war against Japan. Being one of the largest war memorials built in China in recent years, it represents a major effort on China's part to remember and perpetuate the great friendship that China and the United States built during that turbulent period of history.

During his recent visit to the U.S., China's Chairman Jiang Zemin's paid his respects to our war dead in a wreath-laying ceremony at the Punchbowl National Cemetery in Hawaii. It is fitting, therefore, in light of your upcoming State Visit to China, that you may consider reciprocating this honor by paying a visit to the Nanjing Anti-Japanese Airmen's Monument. As the American war effort in China consisted primarily of air elements, i.e. the 14th Air Force, the 20th Air Force, the

Council for International Cooperation, Inc.
Chennault Building 1049 30th Street, N.W. • Washington, D.C., 20007
Tel: 202 333 5921 • Fax: 202 347 0373

A non-political, non-profit 501(c)(3) organization working outside of governments to promote international goodwill.
ANNA C. CHENNAULT Chairman

'98 FEB 23 PM2:3

The Honorable William J. Clinton
The White House
Washington, DC 20500

February 20, 1998

Dear Mr. President:

I am the widow of the late Lt. Gen. Claire Chennault, who commanded the U.S. 14th Air Force "Flying Tigers" in World War II. Recently, during the building of the FDR Memorial, I had the honor of Co-Chairing the Commission's Capital Campaign. I am proud to have been a strong supporter of this great project, during which I had the wonderful opportunity of meeting with you and the First Lady. Last May, my committee colleagues and I had the pleasure of sharing the platform with you during the memorial's unveiling ceremonies.

Mr. President, I am writing to you on a matter which I think may be of interest to you. As you know, in 1995 this country celebrated the 50th Anniversary of the end of World War II. Many of these celebrations were held here in the U.S., as well as in other countries in conjunction with our allies. One such event was held in Nanjing, China, where a memorial was dedicated to commemorate the Allied air effort in the China Theatre. Carved into the granite walls of this memorial were several thousand names of individual American and Chinese aircrew who lost their lives during the war against Japan. Being one of the largest war memorials built in China in recent years, it represents a major effort on China's part to remember and perpetuate the great friendship that China and the United States built during that turbulent period of history.

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Air Transport Corps, and other related units, it is appropriate that the memorial you visit give emphasis to the contributions made by these selfless individuals who gave their "last full measure" towards the final defeat of Japan.

To honor the memory of these brave men and women who fought against aggression, many of whom now rest in that distant land of a former ally, will enhance and consolidate the ties of a close friendship between our two nations. I am looking forward to hearing from you.

Yours sincerely,

Anna C. Chennault

Anna C. Chennault

ACC:dyy

c: Hon. Madeleine Albright
Hon. William Cohen
Amb. James Sasser
Lt. Gen. Claude Kicklighter

Council for International Cooperation
Chennault Building
1049 30th Street, N.W.
Washington, D.C., 20007

President William J. Clinton
The White House
Washington DC 20500