

5-9-97

Todd Stern

Alexis Herman Confirmation

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SOUTH DAKOTA
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AGRICULTURE
FINANCE
INDIAN AFFAIRS
VETERANS' AFFAIRS
(202) 224-2321
TOLL FREE 1-800-424-98094



United States Senate
WASHINGTON, DC 20510-4103

January 8, 1993

My Résumé Is Enclosed

It may be a tad embarrassing to admit to writing letters of reference for people one barely knows, but nevertheless, that's the position taken by Senate minority leader Tom Daschle's staff when it comes to his hearty recommendation of one John Huang to the Clinton transition team in 1993. "I have known John Huang for four years, having worked with him on a number of economic development projects," Daschle wrote to transition-team head Richard Riley. "I can personally attest to John's strong background in trade and Pacific Rim issues." Huang, who has become the symbol of shady Democratic fund raising, was then an executive with the Indonesia-based Lippo Group conglomerate, and interested in positions at Commerce, Treasury and the office

of the U.S. Trade Representative. According to Daschle spokeswoman Ranit Schmelzer, the Senator says he doesn't remember how he met Huang, who became Deputy Assistant Secretary at Commerce, and has no recollection of any "economic development projects" the two of them collaborated on. But Huang did arrange an April 1991 fund-raising lunch in Los Angeles for the Senator. Daschle has returned the roughly \$3,000 raised at that lunch from Huang and his wife Jane; James Riady, who was Huang's boss at Lippo; Maria Hsia, who would later co-chair the infamous 1996 Buddhist-temple fund raiser attended by Al Gore; and several others. Daschle was not alone in recommending Huang; the businessman was also tipped for a job in a recently released 1992 Democratic National Committee memo. —By Viveca Novak

TERRY O'NEILL FOR TIME



The Longest Days

Newly confirmed Labor Secretary Alexis Herman discovered last week that it pays to tough it out through even the most protracted Senate confirmation battles. Below, a look at Cabinet-level nominees who cooled their heels the longest:

NOMINEE	POST	PRESIDENT	DAYS ON HOLD	OUTCOME
A. MITCHELL PALMER*	Attorney General	WILSON	183	Confirmed Aug. 29, 1919
LEWIS STRAUSS*	Commerce Secretary	EISENHOWER	152	Rejected June 18, 1959
RICHARD KLEINDIENST*	Attorney General	NIXON	113	Confirmed June 8, 1972
ALEXIS HERMAN	Labor Secretary	CLINTON	113	Confirmed April 30, 1997
ANTHONY LAKE	CIA Director	CLINTON	99	Withdrawn April 18, 1997
LAMAR ALEXANDER	Education Secretary	BUSH	87	Confirmed March 14, 1991

*Served as interim or acting appointee during part or all of waiting period.
Source: Senate Historical Office

HOLLYWOOD NOTES

Don't Step On My Weekend

It's been a trying couple of weeks for **Harrison Ford**. First, his leading lady in the upcoming *Six Days/Seven Nights*, Anne Heche, overnight became the



KEN REGAN—COLUMBIA/ATRISTAR

world's second most famous lesbian. Then he learned that Fox and Paramount want to open their joint \$200 million production, *Titanic*, on July 25—right up against his big summer picture, *Air Force One*, being released by Columbia.

Ford has generated a lot of loot for Paramount over the years, playing various Indiana Jones or Tom Clancy heroes. The star reminded Paramount of that in a *Forceful* call to studio boss Jonathan Dolgen, in which he requested that Dolgen kindly get *Titanic* the hell out of his way. The summer is already crowded with costly cinematic icebergs, including *Conspiracy Theory*, starring Mel Gibson and Julia Roberts, which is also supposed to open on July 25.

The studios have known for a while that *Titanic* simply wouldn't be shipshape in time for its July 2 release date. What's not clear is whether the film can be ready in time for any summer date. The unpalatable alternative is to hold it for November. Until then, Fox incurs more than \$5 million a month in interest charges.

Fox studio chief Bill Mechanic says the *Titanic* footage looks great and the decision to make the movie will seem a lot smarter once the public gets a look at it. But given the jam-packed season, there's no place to park this ocean liner. Meanwhile, *Air Force One* has been generating great buzz. Should the Ford flick be forced into a battle with *Titanic*, audiences will have to choose between the two, giving *Titanic* a chance to sink yet again. —By Kim Masters

Appearances can be deceiving, Herman says

By Edward T. Pound
USA TODAY

Alexis Herman, the former White House aide who was sworn in as Labor secretary Thursday, acknowledges she should have been more careful about appearances in her dealings with a friend and former business associate.

Herman's statement was her first public comment on reports suggesting that she may have used her White House office to benefit a friend, Vanessa Weaver, a Washington management consultant. As director of the Office of Public Liaison for the past four years, Herman provided extraordinary White House access to Weaver and some of her clients.

In response to a continuing USA TODAY inquiry, Herman said in a statement last week that public officials "must take special care to avoid actions that raise even the appearance of impropriety."

Herman acknowledged she "should have been more attentive to the fact that even social interactions might, without my knowledge, serve a commercial purpose for others." However, she said, she had "never used my position in the White House" to assist Weaver.

The White House said Thursday the statement addresses a number of meetings involving Herman, Weaver and others.

E. Lawrence Barcella, who is Weaver's lawyer, said she had not tried to exploit her friendship with Herman.

Weaver bought Herman's management consulting company in 1993. Despite questions about their ties, the Senate never explored their relationship during Herman's Labor confirmation hearings.

In several instances, Herman offered Weaver and business associates access to White House meetings or social functions.

In another case, Herman met with Weaver and a Singapore executive named Abdul Rahman. Rahman hired Weaver last spring, days after meeting with Herman, Weaver and her partner, Laurent Yene. Yene said Herman's presence helped land Rahman as a client.

Rahman was then promoting a \$1.1 billion global satellite-telephone project, which needed a federal license to

get off the ground. Weaver was hired to market the project in sub-Saharan Africa.

Last fall, in a move her lawyer said was unrelated to the project, Weaver became a major Democratic Party contributor. She and her sister gave \$150,000 to party organizations, state and federal campaign records show.

Weaver also took Rahman to a fund-raiser in suburban Washington where he spoke briefly with President Clinton. Herman attended the affair.

Rahman met Herman last May 22 at a hotel bar in Washington. Weaver and Yene, who have since fallen out, arranged the get-together. According to Yene, Rahman described the difficulties in getting a federal license for the project.

On May 28, according to banking records, Rahman began paying \$15,000-a-month to International Investments and Business Develop-

ments, the firm then owned by Weaver and Yene.

Weaver, Rahman and the White House strongly disputed Yene's account of the meeting. They said it was an innocuous social gathering of only a few minutes. The satellite project, they said, never came up. The White House also said Herman met Rahman "a few" more times but had "no recollection" of ever discussing the project with him.

The satellite system is the brainchild of a small Washington company named Mobile Communications Holdings, Inc., or MCHI. Last April, MCHI records show, Rahman agreed to help the company find overseas financing. But MCHI officials said he was not authorized to retain the Weaver-Yene firm.

Last year, MCHI campaigned to win license approval from the Federal Communications Commission. The company failed but has another request pending.

The White House said Herman was not involved in the FCC matter. However, her office did have some contact with the regulatory agency.

On July 2, several weeks after her first meeting with Rahman, Herman's office forwarded to the FCC a letter from a Rahman associate complaining that the FCC's financial standards were biased against MCHI and other small companies.

"I should have
been more
attentive."

— Alexis Herman

USA TODAY
FRIDAY, MAY 2, 1997

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Herman Confirmed for Cabinet After Concession by Clinton

By John F. Harris and Frank Swoboda
Washington Post Staff Writers

Alexis Herman won easy approval in the Senate yesterday to be secretary of labor, a successful end to a three-month confirmation battle that came only after President Clinton made a last-minute concession to Republicans.

For all the controversy and delay Herman's nomination generated, she was ultimately swept into office by a wide, bipartisan vote—85 to 13.

For the administration, however, Herman's passage came at a cost: The White House yesterday bowed to GOP demands that Clinton back off plans to issue an executive order that was designed to encourage union labor on federal construction contracts.

Vice President Gore had announced the planned executive order with a flourish in February, a move that was widely viewed in political circles as a bodquet to organized labor, given in exchange for its support in the 1996 elections.

Sen. Don Nickles (Okla.) had led a Republican charge against the executive order, threatening to block a vote on Herman unless Clinton dropped the plan. Democrats countered that they would bring Senate business to a standstill unless Republicans acted on Herman's nomination.

Senate and White House negotiators finessed an end to the stalemate late yesterday, in a deal that left both sides claiming victory. The White House said that, instead of an executive order, it would issue a "presidential memorandum" to federal agencies that would have the same effect of encouraging union labor on large contracts.

But a spokesman for Nickles boasted that the senator had forced the administration to back down, a view that was shared by the U.S. Chamber of Commerce and other groups that had been protesting the planned executive order.

White House officials said the bargain, which came together over the past two days, was clearly worth it. Herman's confirmation leaves only one person still to be confirmed among Clinton's Cabinet nominees—acting CIA director George Tenet.

And it ends what had amounted to a political high-wire act by Herman as she tried to win confirmation. Herman, who will be the only black woman in Clinton's Cabinet, had to answer questions about her business affairs and her role in providing the administration access to large Democratic contributors while serving as White House director of public liaison in the first term.

"I want to thank the Senate for its strong show of support for Alexis Herman," Clinton said in a statement. "There was never any question that she was highly qualified to be secretary of labor."

A veteran Democrat, Herman had also served as a chief of staff to then-Commerce Secretary Ronald H. Brown when he was chairman of the

Democratic National Committee between 1989 and 1992. Herman had served as head of the Woman's Bureau at the Labor Department in the Carter administration, but had only modest connections to organized labor in the intervening years. Prior to her selection, several union leaders let it be known privately that they preferred other candidates.

Moments before yesterday's vote, Nickles pronounced himself satisfied with the deal that was struck, participants said, following discussions he had with White House Deputy Chief of Staff John Podesta, White House congressional liaison John Hilley, and other administration officials.

"I didn't have a problem with Alexis Herman being secretary of labor," said Nickles. "My purpose was to make sure that the administration does not try to legislate by executive order."

"I'm delighted that this unconscionable delay has ended," said Sen. Edward M. Kennedy (D-Mass.). "It was a mistake for Republican leadership to hold her nomination hostage on a separate labor issue."

Clinton's proposed order would have urged agencies to sign "project agreements" stipulating that union labor would be used on certain contracts. Such agreements are typically signed for large, and long-term contracts such as the construction of dams. The executive order would not have been binding, and neither will be Clinton's memorandum. The main difference, White House officials said, was that a memorandum lapses when Clinton leaves office, while an executive order would stay in effect unless a successor formally rescinded it.

An AFL-CIO spokeswoman said her union was "thrilled" by the outcome of the negotiations. Some in Clinton's own party, however, accused him of capitulation.

A liberal Democratic official in the House, who asked not to be identified, called the deal that led to Herman's passage a "complete gift" by the White House.

Gore and House Minority Leader Richard Gephardt, whom some Democrats expect to be rivals for their party's nomination in 2000, have been engaged in something of a contest to win the affections of big labor. Both gave speeches yesterday praising labor yesterday at a gathering of American Federation of State, County and Municipal Employees.

"You're not ever going to see a proposal that undermines labor principles get past this White House," Gore said. "It's not going to happen."

An hour later, Gephardt told the group that last year's overhaul of welfare, signed by Clinton and supported by Gore, was a "cruel hoax" on the poor. "We have to have a set of policies in this country that help real people make it," Gephardt said.

The Washington Post

THURSDAY, MAY 1, 1997

Herman Is Confirmed as Labor Secretary After Clinton Alters Plan to Help Unions

By GLENN BURKINS

Staff Reporter of THE WALL STREET JOURNAL

WASHINGTON—After months of delay and partisan bickering, the Senate voted yesterday to confirm Alexis Herman as labor secretary, filling out the final spot in President Clinton's second-term cabinet.

The 85-13 vote came quickly after the White House agreed to drop plans for a labor-friendly executive order that many GOP senators opposed. The Republicans, led by Oklahoma Sen. Don Nickles and backed by business groups, had vowed to block Ms. Herman's nomination indefinitely unless Mr. Clinton backed down.

In the end, each side claimed victory.

The executive order would have required federal-agency heads to consider using unionlike labor agreements on all federally funded construction projects. Instead, Mr. Clinton said he would issue an "executive memorandum" on the matter, which, according to White House officials, carries much the same weight but would expire along with Mr. Clinton's presidency. An order, however, could stand indefinitely unless revoked or changed by a future chief executive.

"I don't think I would define this as a compromise," said Gerald W. McEntee, president of the American Federation of State, County and Municipal Employees union. The difference between an executive order and a memorandum, he said, "is a difference without distinction."

But on the Republican side, GOP senators and pro-business groups said the president backed down.

"The executive branch does not have the power to change laws, and this proposal would clearly have done that," said Sen. Nickles. "I have been assured by White House officials that they will not issue this order."

Critics say the proposed order would have shifted billions of dollars of federal



Alexis Herman

construction money to union-only contractors. They accuse the president of promising the deal to organized labor as payback for labor's support in last fall's elections.

Denise Mitchell, the AFL-CIO's spokeswoman, said labor was "just as tickled as can be" with yesterday's outcome. "I think the president helped the Republicans save face on this," she said.

With Ms. Herman's nomination locked in the Senate, both sides were eager to find a solution. Democrats were complaining that GOP delays were hurting the Labor Department, where there are several key jobs to be filled.

Ms. Herman, 49 years old and a native of Mobile, Ala., first came to Washington with the Carter administration and was appointed to head the Labor Department's women's bureau. She later formed her own business, advising employers on issues of racial and gender diversity. In the first Clinton term, Ms. Herman was director of the White House Office of Public Liaison, working to build grass-roots support for the president's policies.

Meanwhile, a much bigger issue may still be unresolved: the right of President Clinton to issue executive orders that Republicans don't like. Sen. Nickles had complained bitterly in recent weeks that Mr. Clinton was overstepping his bounds with executive proclamations. As an example, he pointed to Mr. Clinton's executive memorandum to the Food and Drug Administration requiring retailers to check picture identifications of tobacco buyers age 27 or younger.

"I feel very strongly that Congress needs to reassert itself as the legislative branch, and we can't allow the White House to legislate through executive order," Sen. Nickles said recently.

But with Republicans controlling both the House and Senate, the administration has become increasingly dependent on executive decrees to carry out the president's agenda.

Meanwhile, on Capitol Hill, some Democrats allied with labor complained privately that the White House had given up too much ground to Senate Republicans by abandoning the executive order.

—Michael K. Frisby
contributed to this article.

THE WALL STREET JOURNAL
THURSDAY, MAY 1, 1997

Herman wins confirmation for Labor job

By Jessica Lee
USA TODAY

WASHINGTON — The Senate confirmed Alexis Herman as the next secretary of Labor by an overwhelming 85-13 vote Wednesday.

The vote ended four months of wrangling that embroiled Herman's nomination in a partisan test of wills between the newly re-elected Democratic president and a Republican-led Congress. As White House director of public liaison with responsibility for building coalitions behind Clinton's policies, she became entangled in the White House campaign fund-raising scandal. Later, her nomination became enmeshed in a duel over the extent of presidential authority.

After a three-month investigation into Herman's background and qualifications, the Senate Labor Committee unanimously recommended on April 10 that she be confirmed. Herman, 45, is a native of Mobile, Ala., former Democratic Party executive and an expert on labor market diversity issues.

But Senate Republicans refused to schedule a vote after Vice President Gore announced that the administration would issue an executive order encouraging government agencies to award contracts to companies that bargain with workers — most often through unions — on pay and employment issues. Republicans say such an order would put non-union businesses at a disadvantage.

Sen. Don Nickles, R-Okla., assistant majority leader, also blasted Clinton's plan as an attempt to usurp Congress'



By Joe Marquetti, AP

Herman: Confirmed 85-13 by the Senate after federal hiring issue is settled

legislative power. He put a hold on Herman's nomination. Sen. Edward Kennedy, D-Mass., countered by halting Senate floor action Tuesday and threatening to bottle things up indefinitely.

The standoff ended in a draw Wednesday when Clinton announced he will issue an executive memorandum, not an order. An order would carry the force of law. A memo encourages agencies to take such action.

Republicans and construction industry representatives portrayed Clinton's change as a victory.

Herman's supporters cheered her long-sought confirmation. "She takes the helm at a time when the Department of Labor's role in the implementation of welfare reform and other important issues is greater than ever before," said Wade Henderson, director of the Leadership Conference on Civil Rights.

President Clinton, who chose Herman for the job Dec. 21, issued a statement thanking the Senate for its "strong show of support."

Negotiators near deal on \$100B net tax cut

By William M. Welch
and Bill Nichols
USA TODAY

WASHINGTON — White House and congressional negotiators edged closer to striking a budget deal Wednesday — possibly as soon as today — as they tried to finalize a package that would include a net tax cut of about \$100 billion.

White House and GOP congressional leaders said they remained hopeful of reaching a bipartisan agreement this week on a plan to balance the budget and end federal borrowing by 2002.

There were reports that negotiations had reached the stage of haggling over the way to stage the announcement of an agreement. But both sides continued to caution that a deal was not certain.

House Budget Chairman John Kasich, R-Ohio, compared the effort to climbing Mount Everest: "We've broken through the clouds, but we're not there yet."

GOP conservatives, who had been worried that the deal wouldn't cut taxes or spending as much as they want, seemed to be warming to the tax provisions under discussion by negotiators.

Rep. David McIntosh, R-Ind., said a net tax cut of \$100 billion over five years, with potentially larger tax reductions if offsetting revenue increases are found, has the potential to win conservatives' support.

"The work-in-progress that John (Kasich) has been showing us looks pretty good to conservatives," McIntosh said.

House Ways and Means Chairman Bill Archer, R-Texas, said he too would be happy with \$100 billion in net tax cuts.

The two sides were discussing cutting taxes over five years by \$135 billion to \$150 billion, but partially offsetting that by about \$50 billion in added revenue from renewing the airline ticket tax and other sources, participants said. But the exact figures remained unresolved.

Archer said the general elements of a tax-cut package were clear:

▶ A "broad-based" capital gains tax reduction "must be in the mix," he said. Clinton keeps hinting he's open to this.

▶ An estate tax reduction.
▶ A child tax credit, which both GOP leaders and President Clinton have proposed in different forms.

The White House, meanwhile, was trying to include sufficient increases in domestic spending to allow Democrats to claim victories on issues such as children's health care, education, worker training and the environment.

Congressional Democrats were not so sanguine. Many liberals were concerned that both the tax cut figure and spending reductions would be too high.

Emotions ran high at a closed-door caucus of House Democrats Tuesday night. Rep. George Miller, D-Calif., a liberal, said the tax cuts under discussion "could be catastrophic for the Democratic Party."

But White House officials are spending lots of time trying to shore up the Democratic base. Clinton has pledged to win a majority of Democrats in the House and Senate for any budget deal.

The administration believes it can win that majority, said spokesman Mike McCurry, but White House officials know "we'd have to work it."

USA TODAY
THURSDAY, MAY 1, 1997

After Impasse, Senate Confirms Clinton's Choice for Labor Post

2 Sides Claim Victory With Unions Compromise

A1

By JERRY GRAY

WASHINGTON, April 30 — After months of delay, the Senate today approved Alexis Herman as Secretary of Labor. Her nomination, held up initially over her role in campaign fund-raising, was cleared after a compromise with the White House ended an impasse over union labor on Federal contracts.

The confirmation vote was 85 to 13 and provided an anticlimactic postscript to the bitter partisan dispute that had whirled for months around Ms. Herman's nomination and had threatened to block Senate action on an array of unrelated measures.

The vote came after President Clinton backed away from his intention to issue an executive order that would have directed Federal agencies to consider awarding large Federal construction projects to companies with unionized labor.

The Senate majority leader, Trent Lott, said Mr. Clinton had agreed instead to achieve his aim by issuing a Presidential memorandum of understanding. Republicans had objected not only to the Government's encouraging unionized labor but also to the notion of Mr. Clinton governing by executive orders. Such orders remain in effect after the President who issued them leaves office. Memorandums do not.

In a brief statement that did not mention the labor agreement, President Clinton thanked the Senate "for its strong show of support" of Ms. Herman's nomination.

"There was never any question that she was highly qualified to be Secretary of Labor," he said.

Mr. Lott and Senator Don Nickles of Oklahoma, who had held up the vote on the nomination, were among 42 Republicans who voted with 43 Democrats in favor of Mrs. Herman's confirmation. The 13 votes against her all came from Republicans.

The deal that broke the legislative logjam provided a political face-saving for all the players involved, but each side was quick to claim outright victory.

"I didn't have a problem with Alexis Herman being Secretary of Labor as much as I had a real problem with what I perceived to be legislation by executive orders," said Mr. Nickles, the majority whip and second in rank to Mr. Lott.

Mr. Nickles said that the Administration's proposed memorandum was not legally binding. But White House aides and allies in the Senate argued that the memorandum would have the same effect as the proposed executive order.

"President Clinton gave up nothing substantial," said Senator Edward M. Kennedy of Massachusetts, the senior Democrat on the Labor Committee.

He said unionized labor "will be considered and given important new emphasis by all Federal agencies on appropriate Federal construction projects."

Off the Senate floor, powerful lobbying groups on both sides of the dispute continued their fight.

"The withdrawal of this proposed executive order is an outright victory for American taxpayers, con-

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struction workers and business, and a repudiation of big labor's attempt to buy with political contributions, a union monopoly of Government construction projects," said Bruce Josten, senior vice president for the United States Chamber of Commerce.

The chamber was one of the leaders in the lobbying effort against the proposed executive order.

On the other side, the A.F.L.-C.I.O. leveled its political broadside at the Republicans.

"By dragging their feet with one partisan excuse after another, the Republican Senate leadership has kept the Labor Department without a new leader for four months," John J. Sweeney, the president of the huge labor federation, said in a statement. "The delays in this process have been totally outrageous."

Today's vote all but completes Mr. Clinton's second-term Cabinet, leaving only the job of Director of Central

Intelligence unfilled. The President's first choice for the job, Anthony Lake, withdrew his nomination under a barrage of political questions and the White House then nominated George Tenet, a career employee of the C.I.A.

President Clinton nominated Ms. Herman, the director of the White House Office of Public Liaison, for Labor Secretary on Jan. 7.

While members on both sides of the aisle initially spoke favorably of the choice, the nomination quickly ran into a storm of political problems as Senate Republicans investigated whether Ms. Herman had improperly

ly mixed her White House job with politics. She was able to convince Republicans on the Labor Committee that she had not crossed the line.

But no sooner had she put those questions and problems to rest than her nomination became a political pawn in the fight over the Federal contract guidelines.

A senior aide to one of the Republican leaders said that negotiations between Mr. Nickles' office and the White House on a deal began nearly two weeks ago, shortly after Mr. Nickles put a hold on the nomination.

After a series of meetings involving senior staff members and lasting about five hours all together, the two sides finally reached agreement on Tuesday night.

The deal was sealed this afternoon when the Administration delivered a letter to Mr. Nickles signed by Erskine B. Bowles, the White House chief of staff, promising to drop the executive order and to issue a memorandum instead.

After the deal is made, each side is quick to claim an outright victory.

The New York Times

THURSDAY, MAY 1, 1997

Clinton backs down on unions

Senate then OKs Herman 85-13

By Laurie Kellman
THE WASHINGTON TIMES

A1

President Clinton backed down from issuing an executive order favoring union shops in federal contract bids, resolving a "hostage" situation on Capitol Hill and clearing the way for Alexis Herman's confirmation as labor secretary.

The Senate approved her confirmation 85-13 about an hour after Mr. Clinton issued a less-binding "memorandum," thus meeting the demand of Republicans who until then had refused to bring up the vote on Miss Herman.

"The majority leader and I are pleased the White House understands the Senate's concerns that this executive order far exceeds the constitutional authority of the executive branch," said Sen. Don Nickles, who had placed a "hold" on Miss Herman's nomination until the White House backed off.

"The executive branch does not have the power to change laws, and this proposal would clearly have done that," he said.

The White House insisted yesterday that the president gave up nothing substantive because even the executive order was intended only to "encourage" agencies to hire union shops for government contracts, according to White House spokesman Barry Tziv.

"This was always intended to be a directive, it was never intended to be mandatory," Mr. Tziv said.

In a statement, Mr. Clinton

see HERMAN, page A20

HERMAN

From page A1

thanked the Senate for its "strong show of support for Alexis Herman. There was never any question that she was highly qualified to be secretary of labor."

Senate Democrats applauded the deal that ended a four-month lag between her approval by a Senate committee and yesterday's vote.

"It was a mistake for the Republican leadership to hold her nomination hostage on a separate labor

issue," said Sen. Edward M. Kennedy of Massachusetts, ranking Democrat on the Labor Committee.

But Republicans say the executive order would have required federal agencies to heavily favor union bids on construction contracts. Mr. Nickles placed a hold on Miss Herman's nomination until the president backed off.

"My purpose was to make sure that the administration does not try to legislate by executive order," Mr. Nickles said.

An executive order sometimes carries the rule of law but always

extends beyond the current president's term, a White House official said. A memorandum expires at the end of his term.

Senate Majority Leader Trent Lott earlier yesterday said he was trying to teach the White House it can't dictate to the Republican-controlled Congress.

"They're saying, 'Do it our way or we're not going to do it at all.' That's not the way it works," Mr. Lott told reporters at an afternoon briefing.

"We are in the majority. We do have a right to have some of our issues considered," he added. "The way you unravel a Gordian knot like that is one strand at a time. Once you start, once you quit saying what you're not going to do and start saying what you can do, you can unravel the whole thing."

The deal struck yesterday ends one of two "hostage" situations, and is likely to loosen up the second standoff that by early yesterday had brought Senate business to a halt.

Earlier this week, Senate Democrats threatened to block virtually all legislative action until Republicans brought the Herman nomination to the floor. Twice this week,

they prevented a vote on relief funding for flood victims for that reason.

But though Democrats' demands were met with Miss Herman's confirmation, the relief funding faces a tough road. Republicans insist on attaching an amendment that would prohibit future government shutdowns, a measure Mr. Clinton has threatened to veto.

Mr. Nickles said negotiations on the deal began around 2 p.m. Tuesday, when administration officials sent over a revised executive order they said would not carry the rule

of law, "but would be suggestive."

He said the aides, White House Director of Legislative Affairs John Hilley and Deputy Chief of Staff John Podesta, called back around 12:30 p.m. yesterday to say they would send over a memorandum instead. Mr. Nickles received it just before 4 p.m., and Miss Herman was confirmed just after 5.

Her easy confirmation was no surprise, although her early road to the Cabinet was rough as Republican senators grilled her on whether she crossed the line between her official duties and Democratic fund raising.

The Washington Times
THURSDAY, MAY 1, 1997

Then again, the Clintons will be leaving Washington themselves in a little less than four years, and odds are they aren't going back to Arkansas.

California, here they come?

Herman Wins Senate Confirmation to Labor Secretary Post (Wash) By Edwin Chen and Jon Peterson (c) 1997, Los Angeles Times

WASHINGTON Alexis Herman, whose nomination to be Labor secretary had been long-delayed, finally won Senate confirmation Wednesday after President Clinton abandoned plans to issue a strongly pro-labor executive order telling federal agencies to hire union workers in construction projects.

The president's strategic retreat may have resolved a political standoff with Senate Republicans, but it could antagonize labor groups. Just last February in Los Angeles, Vice President Al Gore had promised a gathering of union chieftains that the administration would issue the new rules to strengthen organized labor's hand in dealings with the hundreds of thousands of firms that do business with the federal government.

Instead of an executive order, Clinton now will issue a memorandum to the same effect—a change that the White House and its Democratic allies in the Senate insisted bears no substantive difference.

Traditionally, an executive order is viewed as more permanent than a presidential memorandum.

But White House spokesman Barry Toiv, while declining to describe the quid-pro-quo as a victory, said that "because the directive is essentially intended to encourage agencies, rather than have a mandatory effect, there's really not a lot of difference."

Republicans and business interests, for their part, rousingly hailed the change as a victory. The GOP-dominated Senate proceeded to approve Herman's nomination by a vote of 85-13. She was the last of Clinton's Cabinet-level appointees whose confirmation was pending.

Afterward, AFL-CIO President John J. Sweeney issued a three-paragraph statement that lavishly praised Herman but was silent on the underlying controversy, which was the reason that Republicans held up her nomination.

During the impasse, Senate Republicans, led by Don Nickles, R-Okla., the assistant majority leader, held firm against an executive order even after the White House offered to rewrite it, Senate GOP sources said.

"We held fast on a memo," said one top aide.

The breakthrough was reached Tuesday night during a telephone conversation between the president and Senate Majority Leader Trent Lott, D-Miss., sources said.

"Lott floated the memo idea and the White House bit," one top GOP staffer said.

Looming over the controversy has been the early jockeying between Gore and House Minority Leader Richard Gephardt, D-Mo., for the Democratic presidential nomination in 2000. Gore has been wooing big labor, in part because Gephardt is believed to have the inside track with this traditionally Democratic constituency.

"We're very pleased with the outcome," Ginny Terzano, Gore's spokeswoman, said Wednesday. "There is no substantive difference between an executive order and a memo."

But Nickles argued there is "a significant difference" between the two, saying Clinton would have been "legislating by executive order" under the president original plan. Unlike an executive order, Nickles said, "a memo doesn't have the effect of law."

Reno Tells Senate She Won't Be Pressured in Donation Probe (Wash) By Robert L. Jackson (c) 1997, Los Angeles Times

WASHINGTON Attorney General Janet Reno faced off Wednesday against Senate Republicans who accused her of conflict of interest, telling a Senate committee she will not give in to pressure "from Congress nor anyone else" to seek an independent counsel to investigate Democratic fund-raising practices.

Clashing with members of the Senate Judiciary Committee, Reno insisted "I've got to go by the facts" in her oft-stated decision to keep the probe in the hands of career prosecutors and the FBI.

Panel chairman Orrin G. Hatch, R-Utah, and other GOP members said Reno was misreading the law and ignoring a clear conflict of interest on her part in maintaining control over the inquiry.

Reno also was pressed on what she has told the White House about allegations that China sought to influence last year's presidential and

congressional elections with an infusion of cash. She replied that to protect the integrity of the ongoing investigation, she and FBI Director Louis Freeh have given the White House only limited details of what investigators have found.

But Freeh met earlier this week with Samuel R. "Sandy" Berger, the president's national security adviser, Reno said, to make sure "he was fully informed consistent with the needs of the criminal investigation."

Hatch and others expressed dismay at Reno's insistence that she lacks "specific and credible evidence" of wrongdoing by high administration officials, a standard she said was necessary before she could seek appointment of a special counsel.

Hatch said "deeply troubling revelations" about millions of dollars in foreign-tainted money from friends and supporters of President Clinton should mandate an outside investigation.

Citing public opinion polls that show nearly 60 percent approval for appointment of an independent counsel, Hatch said: "The time has come for Attorney General Reno to consider the public's skepticism regarding her decision."

But Reno replied, "I'm not going to do things based on polls. I'm going to do them based on evidence."

And, she said, if evidence emerged of an actual conflict of interest rather than just the appearance of one she would change her mind.

"I am not going to violate my oath in this matter because of pressure from any quarter—not from the media, not from Congress nor from anywhere else," she testified.

Sen. Fred D. Thompson, R-Tenn., who will conduct congressional hearings this summer on political fund-raising allegations, said Reno was wrong.

He called campaign finance "an area of murky law where they may be a criminal violation," a standard sufficient to warrant an outside counsel.

Democrats on the panel generally praised Reno for "sticking to your guns," in the words of Sen. Dianne Feinstein, D-Calif. And Sen. Patrick J. Leahy, D-Vt., said "no matter how sound her legal judgment and appraisal of the facts, if she refuses to do what the Republican majority in Congress wants, she will be called on the carpet."

Among the Democrats, only Sen. Russell D. Feingold, D-Wis., a leading proponent of campaign finance reform, urged Reno to change her mind.

"It's important for the American people to feel confident that this investigation will be free from any political influence," Feingold said.

Shutdown Plan Puts Clinton, Congress on Collision Course (Wash) By Janet Hook (c) 1997, Los Angeles Times

WASHINGTON President Clinton and Congress are on a collision course over a Republican effort to avoid a repeat of the 1995-96 government shutdown that became a political disaster for the GOP. At stake is the fate of a mid-year emergency appropriations bill that provides about \$8 billion for a hodgepodge of high-priority items, including funding for U.S. peacekeeping forces in Bosnia and disaster relief for 23 states.

The Senate Appropriations Committee Wednesday approved that must-pass bill, after tacking on a far-reaching amendment to keep the government operating if there is another budget impasse this fall. It would do so by automatically extending funding after the end of this fiscal year on Sept. 30, but at reduced levels that Democrats deem unacceptable.

Clinton has threatened to veto the disaster relief bill if it includes the budget-cutting amendment. Senate Democrats accused Republicans of holding the disaster relief measure hostage to their partisan agenda on the budget and other areas.

"The people in these 23 states need help and need it now, and it is grossly unfair to them to use this instrument of disaster relief as a vehicle for political gain," said Sen. Robert C. Byrd, D-W.Va.

The dispute comes as a bipartisan team of congressional and administration officials continue efforts to reach a budget compromise for the coming fiscal year. Sources say an agreement is near, as negotiators have narrowed differences on tax cuts, defense spending, Medicare savings and other domestic programs.

But Senate Minority Leader Tom Daschle, D-S.D., warned it would be a "death blow" to the budget talks if Republicans press ahead with their controversial anti-shutdown bill.

At the center of dispute is the appropriations bill that includes funding for the Bosnia operation, a nutrition program for women and children and disaster aid.

The money bill, because of the certainty it will eventually be

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Divider Title: April 30, 1997

Senate Democrats Block GOP Bill in Dispute Over Herman Nomination

By Helen Dewar
Washington Post Staff Writer

Senate Democrats yesterday blocked one Republican bill and threatened to stymie others in a test of wills aimed at forcing action on the stalled nomination of Labor Secretary-designate Alexis M. Herman.

Voting 53 to 46, mostly along party lines, the Senate fell seven votes short of the 60 needed to cut off a Democratic filibuster against a bill sponsored by Sen. Paul Coverdell (R-Ga.) to give volunteers immunity from all but the most serious liability lawsuits.

Behind arguments over the legislation itself was a power struggle—complete with hostage-taking on both sides—that threatens to bring the Senate's already slow pace to a complete halt.

Republicans are holding Herman hostage to force President Clinton to back off a proposed executive order they contend would result in excluding nonunionized companies from winning federal construction contracts. They describe the order as "payback" for union support of Clinton in last year's election and argue that it should be submitted as a bill for approval by the GOP-controlled Congress.

Democrats, accusing Republicans of what Sen. Edward M. Kennedy (D-Mass.) called "an exercise of political extortion that discredits the Senate," have responded by blocking the volunteer bill and threatening to block others until Republicans agree to vote on Herman's nomination.

Republicans have said they have no quarrel with Herman and will approve her nomination as soon as the contracts dispute is resolved.

Until Republicans are ready to act on Herman, "I don't think there's much opportunity for us to move ahead on other legislation," said Minority Leader Thomas A. Daschle (D-S.D.).

Republicans will try again today and Thursday to break the Democratic filibuster, and Democrats said the result will be the same. In yesterday's vote, all 45 Democrats voted to block the volunteerism bill and were joined by one Republican, Sen. Richard C. Shelby (Ala.), who opposes the bill as a "federal intrusion on state laws," according to his staff.

White House officials were in contact with Senate Majority Whip Don Nickles (R-Okla.), who is leading the fight against the executive order on federal contracts, but neither side reported any major progress toward a compromise.

"The president feels pretty strongly about his executive authorities, but we certainly are willing to discuss the issue" with Nickles, said presidential spokesman Michael McCurry. The dispute should not delay action on Herman's nomination, he added.

Debate over the volunteerism bill also took on a partisan focus, with Republicans arguing it would encourage volunteerism by reducing the threat of unreasonable lawsuits while Democrats accused them of hastily throwing together a flawed bill to capitalize on Clinton's volunteerism summit that concluded yesterday in Philadelphia.

Sen. Patrick J. Leahy (D-Vt.) contended that the bill was drawn so broadly that it would protect the Ku Klux Klan from liability lawsuits. Coverdell heatedly denied Leahy's charge, ac-

cusing foes of the bill of "resorting to distortions and falsehoods" to defeat it. Leahy said he was standing by his claim, insisting that the Klan fit the bill's definition of a nonprofit, volunteer organization that would be shielded from lawsuits.

Meanwhile, Senate Republicans went on record endorsing Judiciary Committee moves to tighten its judicial confirmation process and opposing "judicial activism," while rejecting a more stringent proposal from Sen. Phil Gramm (R-Tex.) that would have given Republicans new powers to block appellate court nominees. Also rejected was a proposal from Sen. Slade Gorton (R-Wash.) that would have required "good faith, prenomination consultation" with senators from the nominee's home state in order for the president to win GOP support for his judicial choices.

The Washington Post

WEDNESDAY, APRIL 30, 1997

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Divider Title: April 28, 1997

Alexis Herman Is Pawn in Feud Over Executive Order

By GLENN BURKINS
And GERALD F. SEIB

Staff Reporters of THE WALL STREET JOURNAL

WASHINGTON — Within minutes after the Senate ratified the international treaty to ban chemical weapons, a smiling President Clinton strode into the White House press room to thank the many Democrats and Republicans who supported the pact.

"This vote is vivid proof that we are stronger as a nation when we work together," he said.

Happy bipartisanship, though, is about to give way to raw power politics. And Alexis Herman is caught in the pincer.

Ms. Herman is the president's nominee to run the Labor Department, and she is the lone nominee still unconfirmed in Mr. Clinton's second cabinet. She is frozen in place this week while Democrats and Republicans try to resolve a bitter impasse of unsettled political scores. Flood aid for the Midwest, bipartisan comity and the Senate itself all may become hostages of the struggle before it is over. Among the ironies is that the same union leaders who initially resisted the choice of Ms. Herman now find themselves fighting hard to save her embattled nomination.

GOP Challenge

Senate Republicans, led by Oklahoma Sen. Don Nickles, have vowed to delay Ms. Herman's confirmation until Mr. Clinton backs down from a labor-friendly executive order his administration promised the AFL-CIO. Under that proposal, government agencies would be told to look more kindly on union companies in deciding on construction contracts. Billions of dollars in federally funded construction projects could effectively be reserved for union-only contractors.

Republicans argue that the executive order is an attempt to declare through executive fiat something that should be legislated. They say it also is a reward by the White House to labor unions for the millions the unions spent helping Democrats in the 1996 election.

"It's a payoff," declares GOP Sen. Judd Gregg of New Hampshire, a member of the Senate Labor Committee. "There's a very strong feeling on our side. There's a willingness to go to the mat. . . It's an attempt to tell agencies to either run union contracts through or not to contract." GOP

Collision or Cooperation?

In addition to the Alexis Herman nomination, here are the other big issues President Clinton and Congress now confront:

■ **THE BUDGET:** Talks between the White House and Congress have been sputtering along for several weeks, hung up on fundamental questions of spending cuts and Medicare funding. Is something happening behind the scenes between President Clinton and Senate Leader Trent Lott?

■ **CHINA:** President Clinton must ask for an extension of China's Most Favored Nation trade status by June 3. National security and religious conservatives increasingly oppose an extension. Will they now put extra pressure on senators who crossed them by voting for the chemical weapons treaty?

■ **CHILD HEALTH:** Sens. Edward Kennedy and Orrin Hatch propose a tobacco tax to generate funds to give the states to give health coverage to uninsured children. Can Sen. Hatch win over skeptical Republicans?



Alexis Herman

senators have shot down talks of a compromise in which the executive order would simply be delayed for 45 days while the Herman nomination proceeds.

White House officials so far refuse to back down, saying they might discuss the timing or wording of the order but won't agree to shelve it. And labor leaders aren't inclined to let Mr. Clinton off the hook. At a news conference last week, AFL-CIO President John Sweeney refused to even discuss a link between Ms. Herman's confirmation and the president's proposed order. "It's really beyond insult," he said.

The White House is still trying to strike bipartisan poses, in part by strongly suggesting it is about to name Republican Gov. William Weld of Massachusetts as its next ambassador to Mexico. Still, the list of those caught in the union dispute this week may grow beyond Ms. Herman, who had been approved by the Labor Committee before this spat erupted. Senate Democratic Leader Thomas Daschle has threatened to shut down the Senate until Republicans relent and allow Ms. Herman's nomination to proceed.

Disaster Relief Bill

Now Senate Republicans are quietly maneuvering to use that threat to paint Sen. Daschle into an uncomfortable corner. One of the items of importance to head for the Senate floor this week, they note,

may well be a spending bill that includes billions of dollars in disaster relief. That would include money for Sen. Daschle's own South Dakota, as well as for victims of the heavily publicized recent floods in neighboring North Dakota.

That means, Republicans say, that Sen. Daschle may be in the awkward position of holding up disaster relief for his home region. Alternately, if he brings the spending bill to the Senate floor, Sen. Gregg says he or some other GOP lawmaker may attach an amendment ordering Mr. Clinton to drop his plans for the executive order on union contracting. That, too, could put Sen. Daschle in the awkward position of maneuvering to stop movement on the bill or acquiescing to Republican demands.

Oddly, the dispute now has grown to the point that it has little to do with Ms.

Herman, who once loomed as one of the president's most controversial nominees. And, ironically, it has forced people into positions on her nomination far different than those they originally held.

Ms. Herman, an aide in Mr. Clinton's White House, was never organized labor's top choice to head the Labor Department. Now labor is rallying behind her.

Republicans in the Senate, meanwhile, find themselves torpedoed — or at least delaying — a nomination they don't dislike all that much. Some pro-GOP business groups quietly endorse Ms. Herman, who showed in her job as head of White House liaison an ability to work with the business community. Moreover, business lobbyists view her as being far less pro-union than her outspoken predecessor, Robert Reich.

What's more, some Republicans suspect that Ms. Herman won't be as formidable a foe as some other labor secretary candidates might be because of ethical questions that have swirled around her. Before she was quietly approved by the Labor panel earlier this month, Republican investigators looked hard into accusations that she used her close relationship with the late Commerce Secretary Ron Brown to profit in her own business dealings and to win favors for former business associates. But lawmakers decided there were no serious ethical problems.

Still, even business groups that don't feel as strongly about the executive order as do construction businesses are standing together in the fight. The reason, some say, is a belief that businesses have to better unite to offset the kind of political power unions displayed in last year's election. "The implications are fairly high," says Nicholas Calio, a former GOP White House aide who now represents business interests in Washington.

THE WALL STREET JOURNAL
MONDAY, APRIL 28, 1997

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Divider Title: April 25, 1997



CAPLAN_P @ A1
04/24/97 09:29:00 AM

Record Type: Record

To: Todd Stern

cc:

Subject: FYI - AP story

Date: 04/24/97 Time: 08:29

CWALTER MEARS: Herman stalled by labor dispute she didn't start

WASHINGTON (AP) This time, the hangup in the Senate doesn't involve the qualifications of President Clinton's Cabinet nominee, or her past, or the household help, or the controversy over Democratic fund raising. Alexis Herman's confirmation is stalled in a dispute over a labor issue she didn't start and can't settle.

So Clinton is once again embroiled in a major confirmation dispute, the eighth of his presidency, in a process he has said should be disciplined and moderated.

The other cases ended with withdrawals, one with Senate rejection. That won't happen to Herman, who already has the unanimous endorsement of the Senate Education and Labor Committee to become secretary of labor.

Her nomination is hostage to Republicans bent on blocking an executive order that Clinton plans to issue to change federal contracting guidelines and promote labor agreements on construction projects.

Clinton pledged that action to the AFL-CIO, saying his order will "encourage federal agencies to consider using project labor agreements for any construction contracts they manage."

To GOP opponents, the Herman nomination was a target of opportunity to stop him. "All of a sudden, they decide that maybe they can get me to change some of the executive actions I have taken to try to prevent anti-union activities when it comes to government contracts by saying we just won't give you a secretary of labor," Clinton told a United Auto Workers conference Sunday.

There are other avenues for opposition: a bill, which Clinton, of course, could veto, or an appropriations amendment to bar spending to implement such an order, or a court challenge like the one that reversed an earlier executive order on labor rules.

But the nomination is the easiest and most immediate way to challenge the president. "I want to use whatever tools are available to get their attention and make sure they quit attempting to legislate by executive order," said Sen. Don Nickles of Oklahoma, the deputy GOP leader. He also said he won't let the nomination go to a vote unless Clinton relents.

Under the confirmation system, any senator can put a hold on a nomination and keep it in limbo.

A private foundation panel recommended in 1996 that the practice be ended, confirmation filibusters barred and the whole process

streamlined. "It often disables the government as key appointments languish and federal agencies and departments go without leadership," the Twentieth Century Fund report said. Clinton praised those recommendations on the day he nominated the new appointees, including Herman, to his second-term Cabinet.

That was more than four months ago. Questions involving fund raising and her role as head of the White House office of public liaison were raised and answered in writing before she finally got a four-hour confirmation hearing on March 18. There was no controversy, and the committee approved her for final Senate confirmation. Then the nomination collided with the disputed executive order.

Under it, labor agreements covering wages, hours and work rules would be weighed in the awarding of contracts for federal construction projects. That would favor unionized contractors.

Opponents contend that it is a political payoff to organized labor and would increase construction costs. Democrats counter that it already is widely used in state projects and can save money by setting rules in advance and avoiding work stoppages.

Beyond that, there's the dispute over Clinton's authority to set contract guidelines by executive order. Republicans contend that improperly intrudes on congressional authority and would allow him to legislate by fiat.

No matter that it has happened before, by order of a Republican president, on the other side of the same labor issue. On Oct. 23, 1992, nearing the end of his unsuccessful campaign for a second term, Bush issued an executive order seeking to open federal construction work to nonunion contractors by forbidding the use of project agreements to keep them out. That weighed in on the side of nonunion contractors, who then endorsed Bush.

There was no similar outcry about usurping powers then, Sen. Christopher Dodd, D-Conn., reminded GOP critics.

EDITOR'S NOTE Walter R. Mears, vice president and columnist for The Associated Press, has reported on Washington and national politics for more than 30 years.
APNP-04-24-97 0842EDT

White House spurns GOP offer on Herman

Senate Democrats threaten legislative logjam

By Patrice Hill
THE WASHINGTON TIMES

The White House turned a deaf ear yesterday to a GOP compromise offer to break the logjam over the Alexis Herman nomination as Democrats threatened to tie up the Senate until she is confirmed as labor secretary.

Several conservative senators are holding up the confirmation until Mr. Clinton withdraws an executive order he is drafting that would promote unionization of federal construction projects. The White House has been insisting that the two issues be decoupled.

In talks with the White House, Sen. Don Nickles, Oklahoma Republican, said he suggested that President Clinton turn the executive order into legislation and present it to Congress, enabling the nomination to go through.

"This is the way to resolve it. ... We'll consider it in the legislative process," he said. Republicans contend that Mr. Clinton does not have the legal authority to impose new pro-union requirements on federal contractors without congressional action.

The Senate Labor and Human Resources Committee has asked the administration to explain and defend the executive order in a hearing Wednesday.

Mr. Nickles said the White House "wasn't too responsive" to his offer and appears to have every intention of going through with plans to issue the order, which could affect \$200 billion of federal and state construction projects.

Business groups are threatening to block the order in court. But Democrats say it is within the president's legal authority because it offers guidance rather than a mandate for federal contractors to follow.

"He'd be giving up his prerogative. I think it'd be foolish" for the president to kill the executive order and submit legislation, said Gerald W. McEntee, president of the American Federation of State, County and Municipal Employees, an AFL-CIO affil-

Democrats may start blocking Senate action on nonessential bills until the nomination is freed.

iate, in a briefing with reporters.

"He's got to be able to use the veto — to be in control," he said. "It's obvious that the nomination is being held captive by the leadership of the Republican Party to get the president to back off. ... That's a disgrace."

Mr. McEntee said the AFL-CIO would "raise the level of the problem" by trying to whip up public opposition to the Herman roadblock. "This should be resolved in the court of public opinion," he said.

Labor groups staged a rally in front of the Capitol yesterday along with civil rights and women's organizations who are pushing the Herman nomination.

AFL-CIO President John Sweeney called the Republican roadblock "the most offensive kind of politicking." He said the union has contacted more than 105,000 of its members, and nearly 60 percent have agreed to phone their senators in protest.

Sen. Carol Moseley-Braun, Illinois Democrat, said holding up the nomination was like "beating your wife. ... We've had it with the violence that has been visited upon Alexis Herman."

Even as they spoke, Senate Minority Leader Tom Daschle told reporters that Democrats may start blocking Senate action on nonessential bills until the nomination is freed. But he said he would allow urgent items to go through, such as disaster relief for flood victims in the Midwest.

Separately, Sens. Edward M. Kennedy of Massachusetts, Chris Dodd of Connecticut and Paul Wellstone of Minnesota told labor and civil rights leaders that they would step up their fight for the nomination.

The Washington Times
FRIDAY, APRIL 25, 1997

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Divider Title: **April 23, 1997**

WASHINGTON

PACs gave \$215 million in congressional elections

Political action committees contributed more than \$214.7 million to House and Senate candidates in the last election cycle, and for the first time Republicans in each chamber got more PAC money than Democrats, the Federal Election Commission said Tuesday. FEC records go back to 1978. GOP candidates for Congress got \$115.8 million; Democrats, \$98.9 million. Another \$2.5 million went to presidential candidates. PAC contributions rose 15% from the 1993-94 cycle.

BUDGET TALKS: Budget talks that resume today between the Clinton administration and the Republican Congress could be complicated by 10 conservative Republican senators who say they will oppose a compromise budget if it violates any of five "fundamental principles."



Brownback: Meet 'thresholds'

The "reasonable thresholds" that the senators say a budget accord must include are no growth in domestic spending; a \$500-per-child tax credit and cuts in the capital gains and estate taxes; steadily declining annual deficits; no changes by Congress in the way inflation adjustments are made in federal benefits; and no use of White House economic assumptions, which are more optimistic than the ones lawmakers use.

"Now is not the time to have the administration force us off these principles," said Sen. Sam Brownback of Kansas, one of the 10. The others are Phil Gramm of Texas, John Ashcroft of Missouri, Larry Craig of Idaho, Lauch Faircloth and Jesse Helms of North Carolina, Rod Grams of Minnesota, James Inhofe of Oklahoma, Richard Shelby of Alabama and Bob Smith of New Hampshire.

HERMAN NOMINATION: Sen. Edward Kennedy, D-Mass., accused Senate Republican leaders of "political extortion" in holding Labor secretary nominee Alexis Herman "hostage to their anti-worker bias." GOP leaders say they won't allow a vote on Herman until President Clinton drops plans for executive orders to steer more federal contracts to unionized companies. Republicans say Clinton is exceeding his authority by circumventing Congress. "It's legislating by executive order. It's illegal, it's unconstitutional," says Susan Irtby, spokeswoman for Majority Leader Trent Lott. The GOP cites Clinton's executive order on striker replacement, which courts struck down as illegal.

CAMPAIGN FINANCE: Common Cause said the 1996 campaigns of President Clinton and Bob Dole broke campaign finance laws and should be investigated by a special counsel. Common Cause president Ann McBride and the group's lawyer, Fred Wertheimer, said Attorney General Janet Reno is wrong in saying many TV ads were financed with "soft money" not subject to restrictions. Parties can raise unlimited amounts of such money for general party building. But Common Cause says the Democratic and Republican national parties were merely conduits used by the presidential campaigns to break the law. Common Cause lobbies for stricter campaign laws.

ESPY INVESTIGATION: Ron Blackley was indicted on charges that he lied about accepting \$22,000 from private businesses while he was chief of staff to then-Agriculture Secretary Mike Espy. Blackley is innocent, his lawyer said. A special prosecutor is investigating accusations that Espy got illegal gifts from interests he regulated. He quit in 1994 and has denied any wrongdoing.

GOP FAVORITES: Retired general Colin Powell continues to be the presidential choice of Republican voters, supported by 37% of 411 respondents in a USA TODAY/CNN/Gallup Poll. Texas Gov. George W. Bush, son of the former president, is tied with 1996 vice presidential nominee Jack Kemp for second at 14%. Next are former vice president Dan Quayle, 11%; former Transportation and Labor secretary Elizabeth Dole, 7%; publisher Steve Forbes, 6%; New Jersey Gov. Christie Whitman, 3%; and former Tennessee governor Lamar Alexander, 2%. Bush and Quayle are favored by more women than men, a plus in a party that had trouble attracting female voters in the '96 election.



Powell: Still the presidential choice

Richard Benedetto

Written by Paul F. Davitt with staff and wire reports

Ads aim to snuff out tobacco lawsuit settlement

By Doug Levy
USA TODAY

The American Lung Association is launching an ad campaign against any wide-ranging settlement of lawsuits against the tobacco industry. "Big Tobacco... is poised to slip into the 21st century immune from damages and largely unregulated," says the

ad, set to run in two Washington newspapers Thursday. Nearly two dozen states want tobacco companies to reimburse them for smoking-related health costs, and thousands of individuals who claim smoking-related injuries also are suing. The tobacco firms, in talks over the past three weeks, are seeking to head off litigation by

accepting new federal regulations, curtailing advertising and paying billions to settle health claims. Such a deal would require Congress' OK. The ad, which urges Congress to reject any settlement, appears to reflect a split within the health community about the merits of the talks. "Over the last 30 years, (the tobacco companies) always

find a loophole in every agreement they make," says the lung association's Fran Du Meile. The American Cancer Society and American Heart Association both oppose immunity from liability as well, although they did not endorse the lung association ads. But Matthew Myers of the National Center for Tobacco-Free Kids, who has been in the

talks representing the health community, says there is no fissure among health groups. "No one who has participated in the discussions is prepared to provide the tobacco industry with broad-scale immunity," Myers says. Lance Morgan, a spokesman for the tobacco companies, declined to comment. Talks are expected to resume next week.

LIFELINE

A QUICK READ ON WHAT PEOPLE ARE TALKING ABOUT

SCHOOL FUNDS: Federal money to help poor children learn math and reading will rise 7% next school year, from \$8.7 billion to \$7.1 billion, the Department of Education said Tuesday. Sixteen states will get double-digit boosts from the Title I funds. Most dramatic increases: Connecticut, 29% more and Massachusetts, 20% more. The changes reflect greater support by Congress for targeting aid to poverty areas and an increase in the estimate of how many children live in poverty, officials said.

USA TODAY
WEDNESDAY, APRIL 23, 1997

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Divider Title: April 22, 1997

ALSO IN WASHINGTON

Clinton lobbies hard for chemical arms pact

President Clinton is lobbying hard for passage of the chemical weapons treaty that the Senate votes on Thursday. "He's making progress, but we're not there yet," White House spokesman Mike McCurry said Monday. Debate begins Wednesday. Democrats favor the treaty but need at least 22 Republicans to get the two-thirds vote required for ratification. The pact, approved by 72 nations, takes effect April 29 with or without U.S. participation. Foreign Relations Chairman Jesse Helms, R-N.C., is strongly opposed. He says there's no verification and it will hurt U.S. companies. Majority Leader Trent Lott, R-Miss., is uncommitted.

HERMAN NOMINATION: Senate Minority Leader Tom Daschle urged Republicans to vote on the nomination of Alexis Herman to be Labor secretary, but conceded the chance of a vote this week "looks absolutely nil."



Herman: 'Hostage' to contract issue

Herman was to be voted on last week, but Senate Majority Leader Trent Lott, R-Miss., nixed it because of GOP anger over President Clinton's pending executive orders to make federal contracting friendlier to labor unions. Republicans say Clinton is trying to circumvent Congress on labor issues, and they don't want to vote on Herman until Clinton clarifies his planned executive orders.

"They are holding her hostage to this federal contract matter," said Daschle, D-S.D. Clinton appealed to union members Sunday to lobby senators to confirm Herman.

Her nomination initially was stalled over questions about her role in the Democratic fund-raising scandal when she was White House director of public liaison.

ANOTHER DELAY: President Clinton's nomination of Ellen Seidman to head the Office of Thrift Supervision, which regulates federally insured savings and loans, was delayed by questions over the extent of her role in organizing a White House fund-raising event with top bankers, The Associated Press said. Seidman, a special White House assistant for economic policy, has been meeting with Senate banking committee members to discuss the May 1996 coffee klatch, which she didn't attend.

BOMB INVESTIGATION: Iran has not been positively linked to the June 25 bombing that killed 19 U.S. servicemen at a military housing complex in Saudi Arabia, Defense Secretary William Cohen said. "The evidence concerning the Khobar Towers bombing thus far is fragmentary, incomplete and very circumstantial," Cohen said. "We do not have any concrete evidence of any country being directly linked to the bombing." News reports have said there is increasing evidence of Iran's involvement, but Cohen said the FBI has not completed its investigation. "More evidence is to be gathered and it would be premature and speculative to try and lay the responsibility at the feet of any country or any particular group," he said.

BASE CLOSINGS: The Army said it is now saving more from base closures and realignments than it is spending in the program that affects 803 bases worldwide. The Army, in its ninth year of a 13-year program, expects to save \$996 million a year. In mid-April, savings overtook the \$5.3 billion cost of the realignment, the Army said.

TRUMAN SUITE: It's been 52 years since Missouri haberdasher Harry Truman vacated suite No. 274 of the Russell Senate Office Building to become President Franklin Roosevelt's vice president. Monday, another Missourian showed off the new digs to which he had moved. "I'm not sure I'm Trumanesque," said the new occupant, Republican Sen. Christopher Bond. "I'm just from Missouri." The 10-room suite is coveted office space and, since Truman's days, had been occupied at various times by Sens. Barry Goldwater, R-Ariz.; Edmund S. Muskie, D-Maine; Lloyd Bentsen, D-Texas; and David Pryor, D-Ark.

Written by Paul Leavitt with staff and wire reports

Starr to seek extensions of Whitewater grand juries

By Tom Squitieri
USA TODAY

Whitewater independent counsel Kenneth Starr will ask for an extension of the two special grand juries probing the failed Whitewater land deal and related activities.

Starr is expected to ask the court this week to keep the grand jury in Little Rock active for at least an additional six months. That panel's 12-month term expires on May 7. The term for another grand jury in Washington reviewing Whitewater testimony expires in mid-May.

When an independent counsel is appointed to lead a probe, a grand jury is called to hear testimony and evidence to determine whether indictments in a criminal case should be issued. Such grand juries are appointed for a year, but prosecutors can ask for two six-month extensions. The current grand jury is the second on the probe in Little Rock; the first heard testimony for two years.

Starr wants the Little Rock grand jury extended because he believes he has new information provided by convicted Whitewater felon James McDougal and others.

McDougal was sentenced to three years in prison last week on charges of loan fraud. Starr said then that McDougal was providing new details on what President Clinton knew about the Whitewater land deals.

McDougal had regularly appeared before the Little Rock jury. But in an interview Monday, he said he had



Starr: Says that James McDougal has provided new information on the case

lied earlier about Clinton's involvement "to save my own skin."

Also last week, White House chief of staff Erskine Bowles and presidential counselor Mack McLarty testified before the Little Rock panel.

That grand jury has expanded its focus to examine the circumstances surrounding jobs given to Webster Hubbell between his resignation from his Justice Department post in March 1994 and his guilty plea to fraud and tax evasion in December.

Hubbell, a former partner at the Rose Law Firm with first lady Hillary Rodham Clinton, was paid more than \$400,000 in 1994 in various jobs arranged for him, in part, by senior

White House officials. Starr is investigating whether those jobs were intended as "hush money" to limit Hubbell's cooperation with prosecutors.

Meanwhile, the Clintons' Whitewater lawyer, David Kendall, has become a potential witness in the grand jury probe of payments to Hubbell.

The White House confirmed Monday that Kendall attended a March 1994 meeting in the White House with the Clintons and some staff members. That meeting is being investigated by Starr. Because White House aides attended, that could preclude the Clintons from claiming attorney-client privilege of matters discussed with Kendall that day.

USA TODAY
TUESDAY, APRIL 22, 1997

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Divider Title: **April 21, 1997**

Dispute may have bearing on Herman nomination

By Edward T. Pound
USA TODAY

Two former partners in a consulting firm whose ties to White House aide Alexis Herman may have clouded her nomination to be secretary of Labor traded charges Sunday in a bitter dispute linked to their dealings with a Singapore business executive.

At the center of the dispute: Vanessa Weaver, a former business associate of Herman, the director of the White House Office of Public Liaison; Laurent Yene, a former partner of Weaver's in a Washington consulting firm; and Abdul Rahman, a Singapore executive.

The dispute among the former business associates is noteworthy because of the potential damage their activities could have on Herman's Labor nomination. She faces a confirmation vote in the Senate.

In interviews, Yene, a Cameroon native, maintains he and Weaver were hired by Rahman because of their "White House connections." Yene said he introduced Rahman to Herman in May at the Four Seasons Hotel in Washington. Yene's credibility has been under heavy attack by Weaver and the White House.

Yene said he and Weaver were hired by Rahman to promote a proposed \$1.1 billion satellite project. A license application is pending at the Federal Communications Commission (FCC). The White House acknowledges that Herman and Weaver are friends. However, a White House spokesman said Herman did no significant favors for Weaver.

The dispute Sunday centered on whether a written contract had actually been executed between Rahman and the Weaver-Yene firm. Rahman has not responded to a dozen messages seeking comment on his dealings with Herman,



Herman: No special favors for friend, White House says.

Weaver and Yene.

Yene said a contract was signed, in late May 1996. "I have the signed contract," Yene said. "I do not lie."

Weaver's lawyer Jeffrey Fried, in questioning Yene's credibility, said no written agreement ever existed. In the past week, moreover, Fried has said in letters to USA TODAY that Yene had disseminated "false documents."

Fried acknowledged the Weaver-Yene firm was paid for "approximately three months" by Rahman's firm, Global Aero Design Centre. But, he said, "the only agreement that existed was an oral understanding" between Rahman and the Weaver-Yene firm in late June.

Rahman worked with a Washington firm named Mobile Communications Holdings to help it find overseas financing for its proposed \$1.1 billion satellite project. The company said he was of little use, and was not authorized to enter into any agreement with Weaver and Yene. Mobile has been seeking an FCC license for its proposed global satellite telephone system.

Mobile Communications Chief Executive David Castiel has said his company never paid any money to Rahman, Weaver or Yene. Last month, he described both Rahman and Yene as self-promoters.

USA TODAY revealed last week that Herman gave Weaver unusual access to the White House. Sometimes, Weaver brought along high-powered corporate clients.

Yene agreed recently to answer questions from USA TODAY about his firm's dealings, including its efforts with Rahman and, separately, to sign up Congo as a client. USA TODAY had uncovered documents from others relating to the Weaver-Yene firm's effort to win business from Congo.

MONEYLINE

A QUICK READ ON THE TOP MONEY NEWS OF THE DAY

MARKETS

		FRIDAY	
Dow Jones Industrial average	6703.55	▲	44.95
Dow for the week		▲	311.86
Nasdaq composite	1222.57	▲	5.50
S&P 500	766.34	▲	4.57
T-bond, 30-year yield	7.05%	▼	0.01
T-bill, 3-mo. discount rate	5.14%	▼	0.01
Gold, oz. Comex	\$341.50	▼	\$0.60
Lt. sweet crude oil, N.Y. Merc.	\$19.91	▲	\$0.49

FED NOMINEE: President Clinton plans to name Roger Ferguson, a partner with consulting firm McKinsey & Co., to the Federal Reserve Board if he passes background checks, Reuters reported Sunday, attributing the information to an unnamed U.S. official. Ferguson, 45, has a law degree and doctorate in economics from Harvard University. The official said Ferguson, who is black, was expected to be proposed as a nominee to the central bank board along with University of Michigan economist Edward Gramlich. Gramlich's candidacy was disclosed by another official Thursday.

ON HOLD? AirTouch Communications agreed to buy US West's domestic mobile-phone business, but the deal is threatened by a drive in Washington to eliminate a tax break key to the merger. The sale would make San Francisco-based AirTouch second only to AT&T in the wireless business. AirTouch plans to issue stock, worth about \$2.3 billion at Friday's close, to US West stockholders and assume \$2.2 billion in US West debt. The deal assumes that AirTouch stock will be distributed tax-free to shareholders of US West Media Group, a unit of US West. But a bill introduced in Congress on Wednesday would eliminate the tax break for deals announced after that date. The companies said if the legislation passes, they would seek an exemption because they have been in talks for months.

USA TODAY
MONDAY, APRIL 21, 1997

Monday
7/21/97

Dispute may have bearing on Herman nomination



Reuters
Herman: No special favors for friend, White House says.

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USA TODAY

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Divider Title: **April 18, 1997**

Herman's Cabinet Nomination on Hold (Washn)

By William Douglas (c) 1997, Newsday

WASHINGTON Alexis Herman's confirmation as labor secretary remained in limbo Thursday as White House officials and Senate Republicans failed to resolve a labor issue that is blocking the vote.

"Both sides presented their views and we didn't come away with any conclusion or progress," said Joe Lockhart, a White House spokesman. "We'll have to continue to work for some sort of agreement."

But some senators said Herman's confirmation will remain in limbo until President Clinton backs away from a proposed executive order to change federal contracting rules regarding labor agreements.

"Alexis Herman's nomination is not going anywhere in the Senate until we have assurances that the administration is not going to continue to try to legislate by executive order," said Gayle Osterberg, a spokeswoman for Sen. Don Nickles, R-Okla., who attended Thursday's meeting.

Herman seemed headed for confirmation after the Senate Labor Committee unanimously approved her nomination last week. But Senate Majority Leader Trent Lott, R-Miss., postponed a full Senate vote to protest Clinton's proposed changes in federal contracting rules.

The changes, outlined by Vice President Al Gore in February, would encourage federal agencies to consider making coordinated agreements with labor, including unions, on government-funded projects. Wednesday, Clinton restated his intention to sign the order.

Lott and other Republicans say Clinton is trying to circumvent Congress with the order. Ten Republican members of the Senate Labor Committee backed Lott and urged Clinton "in the strongest terms to reconsider this initiative, and not promulgate this or any similar executive order."

Another potential problem for Herman surfaced when published reports this week said she had used her position as head of the White House Public Liaison Office to help a businesswoman friend.

The reports say Herman invited Vanessa Weaver, who heads a Maryland-based management consulting firm, to the White House nearly 30 times. Weaver sometimes brought business associates to the White House with her to meet Herman or attend briefings or ceremonies, the reports said.

Herman has said that she did not use her position to help friends or business associates.

GOP Lawmakers Glad to Have Gingrich Ethics Mess Behind Them (Washn) By Charles V. Zehren (c) 1997, Newsday

WASHINGTON What retired Senate Majority Leader Bob Dole dubbed a "long-term investment" in the future of the Republican Party yielded immediate dividends Thursday as relieved members of the fractious majority rallied around unbowed House Speaker Newt Gingrich, R-Ga.

"There's a lot of happiness. It's obviously coming to a conclusion," said Rep. Mark Foley, R-Fla., after Gingrich took the floor and explained his plan to borrow \$300,000 from Dole to personally pay his ethics penalty.

Congressional Republicans expressed the hope that Gingrich's decision will shift the focus in the 105th Congress to issues related to the budget, taxes, deregulation and tort reform that have languished amid the preoccupation with scandal. "We have a clean slate," said Republican strategist Eddie Mahe. "Let's move on."

Still, Republicans, Democrats and independent analysts Thursday asserted that Gingrich's action would do little to defuse the bitter political atmosphere that has made Capitol Hill compromise on nagging policy questions difficult if not impossible.

Gingrich's announcement also enforced widespread public cynicism, said Paul Hendrie of the Center for Responsive Politics, a non-partisan Washington, D.C.-based government watchdog group.

"All of this clearly illustrates how the political and campaign finance systems we have in the United States are effectively damaging the ability of elected officials to govern. Both sides of government the Hill and the White House are not functioning effectively," Hendrie said.

The speaker helped his standing among Republicans, said Rep. Michael Forbes, R-N.Y., the first Republican to oppose publicly his re-election as speaker for this session. Nevertheless, Forbes agreed the underlying problem remains. "The American people look at the White House and Congress and still say, 'You're both in the cesspool.'"

The way the loan is structured, Gingrich will not owe his first payments until 2005, three years after he has said he would quit as speaker. Citing the long client lineup at the Washington law firm Dole said he would join, Charles Lewis of the Center for Public Integrity asked whether corporate interests would be carrying Gingrich financially for four years. "This entire thing is very unsettling," Lewis said.

Such an arrangement may worsen the public's already considerable cynicism toward its institutions in Washington, said Mark Rozell, an associate professor of political science at American University in Washington. "And one member of Congress paying one penalty is not going to change that," Rozell said.

As Gingrich delayed his decision on how to pay the penalty, he faced a growing revolt from within his own ranks, fueled further by past heavy handedness toward other Republicans and his flip-flop on if and when Congress should consider a tax cut.

But Gingrich's speech Thursday appeared to salve the wounds and should aid his political recovery within his own party, said Joe Terrana of the Hotline political news service. "Newt has made a lot of people on his side of the aisle a lot more comfortable," Terrana said.

"This gives Gingrich uphill momentum," said Suzanne Garment, an expert on political scandals for the American Enterprise Institute, a Washington, D.C., think tank.

Gingrich's announcement seemed to catch Democrats flat-footed. But by late Thursday they marshaled a virulent response, accepting the speaker's decision to pay personally the \$300,000 fine, but questioning whether he would actually abide by the terms of Dole's loan.

"Gingrich is never ever, ever, ever, ever, ever, ever, ever, ever going to pay that money back to Dole," said Rep. Gary Ackerman, D-N.Y. "So are we going to let up? Let up! Let up! What could be worse? Newt hasn't reached into his pocket for a dusty dime!"

Senate votes next week on chemical arms treaty

The Senate agreed Thursday to vote on the chemical weapons treaty next week, but also passed a separate bill that some view as an alternative to the international pact. The Clinton administration has pushed hard for ratification of the treaty to ban chemical weapons, which has been approved by 72 nations.



Biden: Bill is no substitute for treaty

But Foreign Relations Chairman Jesse Helms, R-N.C., an opponent, has slowed progress on it. Under a new agreement, the Senate will open 16 hours of debate on the treaty Wednesday with a vote Thursday. Separate votes will be held on several amendments that could kill the treaty.

A separate bill that the Senate passed on a party-line vote would ban chemical and biological weapons within the USA, impose penalties on violators and require sanctions against other countries that use such weapons. "Clearly, it is not a substitute" for the treaty, said Sen. Joseph Biden of Delaware, senior Democrat on the foreign relations panel.

FEC SEEKS RECORDS: The Federal Election Commission has subpoenaed the 1992 campaign of former president George Bush to provide documents the FEC wants for its lawsuit that charges the Christian Coalition illegally promoted a number of Republican candidates in the early 1990s. The 1990 campaign of Sen. Jesse Helms, R-N.C., also was subpoenaed, said Christian Coalition lawyer Jim Bopp. — Chuck Raasch

AGENCY CHANGES: A reorganization of Cold War foreign policy agencies would put the Arms Control and Disarmament Agency and the U.S. Information Agency into the State Department. The Agency for International Development, which distributes foreign aid, would remain independent. — Lee Michael Katz

WHITEWATER: Former White House chief of staff Thomas "Mack" McLarty appeared before a Little Rock federal grand jury investigating payments to Whitewater witness Webster Hubbell. McLarty, now an adviser to President Clinton, tried to find private jobs for Hubbell in 1994 before he resigned from the Justice Department while under investigation for bilking his former law partners. Hubbell pleaded guilty and agreed to cooperate with Whitewater prosecutors investigating Clinton's Arkansas business dealings. Prosecutors want to know if the attempts to find work for Hubbell were intended to keep him from cooperating.

In St. Louis, Whitewater independent counsel Kenneth Starr urged a federal appeals court to uphold the convictions of Susan McDougal and former Arkansas governor Jim Guy Tucker for Whitewater crimes. "The evidence is not slim, in fact it is overwhelming," Starr told the judges. McDougal and Tucker say their convictions are tainted by various errors during the trial.

N.Y. POLITICS: Gov. George Pataki said he's dumping Lt. Gov. Betsy McCaughey Ross from his re-election ticket next year, citing her "outright refusal to work as part of our united team." The two have disagreed on a number of issues, including health care and education financing. Possible replacements, Pataki said, include state Supreme Court Justice Mary Donohue and Parks Commissioner Bernadette Castro. McCaughey Ross had no immediate comment, but there has been speculation she might launch a primary challenge to Sen. Alfonse D'Amato, who pushed Pataki to run four years ago.

Democratic Rep. Charles Schumer entered his party's race to challenge D'Amato, a three-term Republican incumbent. Several other Democrats also are running. Schumer has about \$5 million in his war chest; D'Amato has about \$6.8 million.

BUDGET TALKS: Senate Democrats, in what one described as a near revolt, told White House officials to stop making concessions in budget talks with Repub-



McCaughey Ross: Cut from ticket

cans until GOP lawmakers make new offers. Many want to force Republicans to write their own balanced budget, which could be used against them in elections because it likely would have deeper spending cuts than a bipartisan plan. Budget talks resume Wednesday.

CHILD CARE: President Clinton and first lady Hillary Rodham Clinton joined researchers and child-care experts at the White House Conference on Early Child Development and Learning to highlight the benefits of early nurturing of children by parents. The Clintons also used the occasion to push for more spending on early education, child care and health care.

FUND-RAISING PROBE:

Attorney General Janet Reno rejected Republican criticism of her decision not to seek an independent counsel to investigate accusations of illegal fund-raising by the Clinton-Gore campaign and the Democratic Party. She said a Justice Department task force is continuing its investigation. "At this point, we can't find specific and credible evidence that any covered person... has violated a federal law," Reno said. "I'm damned if I do and damned if I don't, and so the best thing I can do is ignore the politics, ignore the pressures." — Gary Fields



Reno: Says she is ignoring politics

PAPER WAR: The Defense Department, which uses nearly two-thirds of the 20 billion sheets of office paper the federal government buys each year, will save a few trees and a few bucks by using recycled paper for copying and printing. The Pentagon's Sherri Goodman says the move will save about a nickel per 5,000-sheet pack. Over a year, that's 150,000 trees. — Steve Komarow

HERMAN NOMINATION: President Clinton and Senate Republicans remain deadlocked on Clinton's nomination of Alexis Herman to be Labor secretary. GOP lawmakers won't allow a vote on her until they get some answers to objections they have about a Clinton plan to implement executive orders to make federal

contract-guidelines friendlier to labor unions. No further meetings are planned.

CORRECTION: Among political contributors in a list Thursday from Mother Jones, Jon Corzine says he did not go on a Commerce Department trade mission.

Powell: No warning of chemicals

Retired general Colin Powell, the top U.S. military leader during the Persian Gulf war, told the Senate veterans committee that he never got a CIA warning that chemical weapons might be present when U.S. troops blew up an Iraqi arms dump after the 1991 victory.

"None of us," Powell said, "had any reason to believe that the blowing up of these bunkers was exposing our troops to a hazard for which they were not prepared."

Strikes by U.S. and allied warplanes on Iraqi chemical and biological weapons sites are part of a broader inquiry into what may be causing the chronic illnesses afflicting thousands of Gulf War veterans.

Powell, who was chairman of the Joint Chiefs of Staff, said he was frustrated at how long it took to get information about chemical exposure incidents.

"If I was still in office I would be raping and pillaging throughout the intelligence community to get to the bottom of this," Powell said.

Written by Paul Leavitt with staff and wire reports.



Powell: No reason to believe troops were exposed to hazard

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Divider Title: April 16, 1997

Records Show Favors for Nominee's Friend

By CHRISTOPHER DREW
and MICHAEL WINES

WASHINGTON, April 15 — In the last four years, Alexis M. Herman, President Clinton's nominee to be Secretary of Labor, and her aides at the White House have done several personal and business favors for a close friend of Ms. Herman who bought her management-consulting firm in 1993, interviews and Government records show.

Ms. Herman, who directs the White House Office of Public Liaison, has invited the friend, Vanessa J. Weaver, to the White House more than two dozen times and taken Ms. Weaver's sister on a trade mission, the records show. On several occasions, Ms. Weaver took business associates to the White House to meet with Ms. Herman or attend policy briefings and ceremonial events.

Ms. Herman's assistance has provided a high-level entrée for Ms. Weaver, a former Procter & Gamble manager who moved to the Washington area from Los Angeles a few years ago.

With the Senate expected to vote soon on Ms. Herman's nomination, the new information raises questions about whether she and her aides helped supply Ms. Weaver with access and prestige to expand her consulting business. Ms. Weaver's company, Alignment Strategies Inc., advises large corporations on racial diversity and other issues, including some that could come under the Labor Department's purview.

The White House issued a two-sentence statement by Ms. Herman today rejecting the notion that any of the visits had been improper. It read: "I am not aware of and have not participated in any effort by anyone I know to profit commercially from their relationship to me or from my position in the White House. Further, I would not condone any such activity if it had occurred."

But former associates contend that Ms. Weaver sought to benefit from her ties to Ms. Herman in seeking various types of business. For instance, in October 1995, Ms. Herman had lunch at the White House with Ms. Weaver and Mireille Lisouba, the daughter of the President of Congo, at a time when Ms. Weaver was trying to put together business deals in Africa.

Last year, one of Ms. Herman's aides forwarded to the Federal Communications Commission a letter from an Arizona satellite executive who complained to the White House about the agency's licensing process. White House officials maintained

that Ms. Weaver, who did not return calls for comment, was not involved in the satellite project at that time. But they acknowledged that shortly after the letter was passed to the F.C.C., Ms. Weaver began working with a Singapore businessman involved in the same \$500 million project. Ms. Weaver and her sister, Caryliss Weaver, paid at least \$50,000 to attend a Democratic Party fund-raiser in a Virginia suburb of Washington last October, where the Singapore businessman, Abdul Rahman, briefly met President Clinton.

Ms. Herman also attended the fund-raiser.

A White House spokesman, Joseph Lockhart, said Ms. Herman had talked to Ms. Weaver about riding to the fund-raiser with her and Mr. Rahman but had not ended up going with them.

Ms. Herman has declined to grant interviews while her nomination is under consideration. But Mr. Lockhart said that the lunch concerning Congo and other contacts between Ms. Herman and Ms. Weaver were innocuous and that Ms. Herman had not done any substantial favors for Ms. Weaver. He said that while Ms. Weaver might have sought to benefit from the relationship, "there's nothing that shows that Alexis was actively assisting in this."

Mr. Lockhart and other Federal officials, including some at the F.C.C., said Ms. Herman had never personally intervened in the satellite-licensing process, which is still pending.

The new questions are the latest in a series of issues that have arisen in Ms. Herman's nomination process. The Senate Labor and Human Resources Committee delayed voting for several months amid questions about her political campaign activities and her personal finances.

But the committee unanimously approved her nomination last week. The Senate majority leader, Trent Lott of Mississippi, has said he will like to bring it to a vote by the full Senate soon.

By all accounts, Ms. Herman and Ms. Weaver, a 43-year-old psychologist with a doctorate, have been friends since the mid- to late-1980's, when Ms. Weaver worked for Procter & Gamble in Cincinnati and it hired Ms. Herman's company, A. M. Herman & Associates, as a consultant on diversity issues.

Ms. Weaver later moved to California, leaving Procter & Gamble in 1991 and focusing on building business for her own firm, Alignment Strategies. Mr. Lockhart said Ms. Herman had lent Ms. Weaver money to buy a house in California and had also hired her to help with consulting projects.

Ms. Weaver's company also got major contracts on its own, with companies like Procter & Gamble and Quaker Oats. Randy Jackson, a former vice president at Quaker Oats, said that Ms. Herman had nothing to do with Ms. Weaver's contract there and that the company was pleased with her work.

Ms. Herman, then a top official at the Democratic National Committee, also hired Ms. Weaver to help with the 1992 Democratic National Convention in New York. After Mr. Clinton was elected that year, Mr. Lockhart said, Ms. Weaver, as a volunteer, helped Ms. Herman set goals for the Clinton-Gore transition and for the Office of Public Liaison.

In October 1993, nine months after Ms. Herman took the White House job, she sold what was left of her business to Ms. Weaver for \$23,000. And in early 1994, Ms. Weaver bought a \$1 million house in Pottomac, Md., and blended Ms. Herman's old business into Alignment Strategies, records show.

Ms. Weaver's reputation within industry circles was also growing; in 1994, she and a co-author published a book about workplace issues called "Smart Women, Smart Moves."

One of her promotional biographies emphasized her White House ties, listing her work for the Clinton-Gore transition and the White House Office of Public Liaison under "client services."

All told, Ms. Weaver has visited the White House at least 29 times in the last four years, according to Secret Service records.

Several visits, particularly in 1993 and 1994, appear to have been social occasions — lunch with Ms. Herman, quick visits with relatives in tow and the White House tours that Administration officials routinely arrange for friends.

The visits took on a more professional cast in late 1994 and in 1995, the year in which Ms. Weaver opened a second consulting business, designed to appeal to foreigners who sought American investment and political access. Customers of her two consulting firms began to appear with Ms. Weaver at the White House.

In September 1994, for example, Ms. Weaver and her sister took Mr. Jackson, the Quaker Oats executive, to the White House for a ceremony marking the President's signing of a crime bill. Also that month, Ms. Herman and Ms. Weaver had lunch at the White House with two Procter & Gamble officials. Mr. Lockhart described the session as a meeting of old friends because Ms. Herman also had known them from her consulting days.

In October 1994, Ms. Weaver took a partner in her international business

A White House connection gives a consultant a high-level entrée.

venture to the White House twice, for a briefing on business opportunities on Haiti and, the next day, to see a ceremony honoring President Jean-Bertrand Aristide of Haiti.

That December, Ms. Herman invited Ms. Weaver to a Christmas dinner attended by President Clinton and his wife, Hillary. And in early 1995, she invited Ms. Weaver to participate in White House conferences and events with various business and political leaders involving affirmative action and women's work issues.

In October 1995, Ms. Herman had lunch in the White House mess with Ms. Weaver, one of her business partners and two senior officials of the Congo Government, including Ms. Lissouba. Ms. Lissouba was in charge of her country's successful program of selling off state-owned businesses.

The White House said the lunch had come about because Ms. Herman had met Ms. Lissouba several months before at a dinner party at Ms. Weaver's house, had found her engaging and had invited her to visit the White House should she return to the United States.

At the time, Ms. Weaver, who had done field work for her dissertation in Zaire, was trying to expand her business in Africa. Mr. Lockhart said she was representing an American company that wanted to build a manufacturing plant in Africa and was considering Congo. He said Ms. Lissouba hoped that the plant would be built in Congo, though the company later decided on another location.

Mr. Lockhart said Ms. Herman had not been aware at the time of the issue of the manufacturing plant.

"There is no evidence that the lunch was in any way related to any official business," he said.

Mr. Lockhart said Ms. Herman had also sometimes tapped Ms. Weaver for help. In early 1996, Ms. Herman asked Ms. Weaver to bring representatives from several client companies to the White House to discuss issues of corporate responsibility.

Ms. Herman took Ms. Weaver's sister on a trade mission to Mexico in April 1996, and she invited Ms. Weaver to go on a similar mission to London and Amsterdam, though Ms. Weaver did not go.

Labor nominee's friend got White House access

Former Herman business associate courted clients, major corporations

By Edward T. POUND
USA TODAY

Secretary of Labor nominee Alexis Herman, while serving in a top administration job, provided extraordinary access to the White House for a former business associate who bought her consulting company.

USA TODAY has learned that Herman, while the director of the White House Office of Public Liaison, repeatedly opened the doors of the White House to Vanessa Weaver, a close friend. In some cases, Weaver brought along clients or others she was trying to sign up, or she arranged through Herman for them to participate in prestigious White House events.

The companies included major corporations, according to interviews with companies and White House officials, and records obtained by this newspaper.

In one case, Herman met in the White House with Congo officials and Weaver while the consultant and an associate, Laurent Yene, were seeking to sign up the Central African country as a client.

In interviews, Yene alleged that Herman allowed Weaver to use the White House to showcase her connections. Yene and Weaver had a bitter falling-out last September.

Separately, Herman intervened in behalf of a company seeking a license from a federal agency to deploy a global satellite telephone sys-

tem. Administration officials acknowledged she helped arrange for the company to meet with the top telecommunications official in the White House. The company said it had been mistreated by the Federal Communications Commission (FCC).

The company, Mobile Communications Holdings, later contributed \$20,000 to the Democratic Party. It also hooked up with Weaver, who began promoting its satellite idea in Africa. Weaver and her sister gave \$50,000 to the DNC in November.

There is no indication that Herman and Vanessa Weaver acted illegally. However, their relationship is a classic example of how the White House might be used to benefit a business friend.

Herman and Weaver declined to be interviewed. But a White House spokesman, Joseph Lockhart, said, "There is absolutely no evidence that Alexis Herman used her position here at the White House to promote the personal interests or business interests of anyone."

The Senate has yet to vote on Herman's nomination. A close associate of the late Commerce Secretary Ron Brown, she joined the White House in January 1993, after running her own consulting company for years. Weaver worked as a consultant to the firm, and bought the company in the fall of 1993 for about \$50,000. Weaver set up a consulting firm, Alignment Strategies, which special-



By Ron Edmonds, AP

Herman: Provided access to the White House for a former business associate while director of the White House Office of Public Liaison (Labor nomination, 4A)

izes in diversity training and public relations.

Herman has included Weaver and her sister, Caryllis, in prestigious White House events. Caryllis Weaver joined Herman and a group of busi-

nesswomen on a trade mission to Mexico last April.

Last spring, Herman asked Vanessa Weaver to bring in some of her corporate clients for a private luncheon to plan a business confer-

ence. Weaver brought along officials from Hughes Aircraft and Pforcer and Gamble, among other companies. The White House said Herman was just keeping in touch with business leaders.

Two matters involving Weaver's consulting work stand out. Both involve Yene, a native of Cameroon. Yene and Weaver were partners in a Washington consulting firm, International Investments and Business Developments.

They severed their business ties last September. Last week, Yene agreed to answer questions after, he said, he learned of White House efforts to discredit him.

Yene claims Herman allowed Weaver to show off her White House connections to clients. In the case of Congo, he alleged Herman promised to help Weaver and him win a public relations contract. His charges were heatedly denied by the White House.

Yene said that on Aug. 28, 1993, he sent a letter proposing to represent Congo to Mireille Lissouba, a Congo official and daughter of President Pascal Lissouba. Within seven weeks, Lissouba and another Congo official were sitting in the White House dining room, eating lunch with Herman, Weaver and Yene.

In early December 1993, Yene said, the Congo government signed a contract agreeing to pay \$700,000 to him and Weaver for public relations services. Later, Yene said, Congo officials did an about-face and decided not to hire them.

Weaver's lawyer said she was unaware of the "purported" contract.

Congo's ambassador, Dieudonne Antoine-Ganga, confirmed his gov-

ernment talked with Yene about representing the country.

The White House denounced Yene. "He's lying," Lockhart, the White House spokesman, said. Lockhart said the White House luncheon with President Lissouba's daughter was a social affair.

Weaver and Yene also promoted Mobile Communications Holdings' plan to deploy a satellite phone system, though they worked for another firm.

David Castiel, the head of Mobile Communications, said Yene bragged about his connections.

Castiel had his own connection to Herman: Weldon Latham, a Clinton fund-raiser and a prominent Washington lawyer whose firm represents Castiel's company.

Castiel, another company official, and Latham met in the White House last May with Greg Simon, who was then Vice President Gore's top domestic policy adviser, to discuss Castiel's efforts to get an FCC license.

Herman helped arrange the meeting after she was contacted by Latham. Simon said Herman asked him, "Could you meet with this company?" Simon said the company's officials subsequently told him they were concerned the FCC might not be treating them fairly. The firm's application is pending. Simon said he made a "routine" inquiry at the FCC.

Castiel said he did not know Herman but attended a small business seminar she hosted at the White House last September. And on that same day, he contributed \$10,000 to the Democratic National Committee. Castiel said he made an earlier \$10,000 contribution to the DNC.

ADDENDUM

to 4/16/97 CLIPS

USA TODAY
WEDNESDAY, APRIL 16, 1997

By CHRISTOPHER DREW
and MICHAEL WINES

WASHINGTON, April 15 — In the last four years, Alexis M. Herman, President Clinton's nominee to be Secretary of Labor, and her aides at the White House have done several personal and business favors for a close friend of Ms. Herman who bought her management-consulting firm in 1993, interviews and Government records show.

Ms. Herman, who directs the White House Office of Public Liaison, has invited the friend, Vanessa J. Weaver, to the White House more than two-dozen times and taken Ms. Weaver's sister on a trade mission, the records show. On several occasions, Ms. Weaver took business associates to the White House to meet with Ms. Herman or attend policy briefings and ceremonial events.

Ms. Herman's assistance has provided a high-level entrée for Ms. Weaver, a former Procter & Gamble manager who moved to the Washington area from Los Angeles a few years ago.

With the Senate expected to vote soon on Ms. Herman's nomination, the new information raises questions about whether she and her aides helped supply Ms. Weaver with access and prestige to expand her consulting business. Ms. Weaver's company, Alignment Strategies Inc., advises large corporations on racial diversity and other issues, including some that could come under the Labor Department's purview.

The White House issued a two-sentence statement by Ms. Herman today rejecting the notion that any of the visits had been improper. It read: "I am not aware of and have not participated in any effort by anyone I know to profit commercially from their relationship to me or from my position in the White House. Further, I would not condone any such activity if it had occurred."

But former associates contend that Ms. Weaver sought to benefit from her ties to Ms. Herman in seeking various types of business. For instance, in October 1995, Ms. Herman had lunch at the White House with Ms. Weaver and Mireille Lissouba, the daughter of the President of Congo, at a time when Ms. Weaver was trying to put together business deals in Africa.

Last year, one of Ms. Herman's aides forwarded to the Federal Communications Commission a letter from an Arizona satellite executive who complained to the White House about the agency's licensing process.

White House officials maintained that Ms. Weaver, who did not return calls for comment, was not involved in the satellite project at that time. But they acknowledged that shortly after the letter was passed to the F.C.C., Ms. Weaver began working with a Singapore businessman involved in the same \$500 million project. Ms. Weaver and her sister, Carylls Weaver, paid at least \$50,000 to attend a Democratic Party fund-raiser in a Virginia suburb of Washington last October, where the Singapore businessman, Abdul Rahman, briefly met President Clinton.

Ms. Herman also attended the fund-raiser.

A White House spokesman, Joseph Lockhart, said Ms. Herman had talked to Ms. Weaver about riding to the fund-raiser with her and Mr. Rahman but had not ended up going with them.

Ms. Herman has declined to grant interviews while her nomination is under consideration. But Mr. Lockhart said that the lunch concerning Congo and other contacts between Ms. Herman and Ms. Weaver were innocuous and that Ms. Herman had not done any substantial favors for Ms. Weaver. He said that while Ms. Weaver might have sought to benefit from the relationship, "there's nothing that shows that Alexis was actively assisting in this."

Mr. Lockhart and other Federal officials, including some at the F.C.C., said Ms. Herman had never personally intervened in the satellite-licensing process, which is still pending.

The new questions are the latest in a series of issues that have arisen in Ms. Herman's nomination process. The Senate Labor and Human Resources Committee delayed voting for several months amid questions about her political campaign activities and her personal finances.

But the committee unanimously approved her nomination last week. The Senate majority leader, Trent Lott of Mississippi, has said he will like to bring it to a vote by the full Senate soon.

By all accounts, Ms. Herman and Ms. Weaver, a 43-year-old psychologist with a doctorate, have been friends since the mid-to-late-1980's, when Ms. Weaver worked for Procter & Gamble in Cincinnati and it hired Ms. Herman's company, A. M. Herman & Associates, as a consultant on diversity issues.

Ms. Weaver later moved to California, leaving Procter & Gamble in 1991 and focusing on building business for her own firm, Alignment Strategies. Mr. Lockhart said Ms. Herman had lent Ms. Weaver money to buy a house in California and had also hired her to help with consulting projects.

Ms. Weaver's company also got major contracts on its own, with companies like Procter & Gamble and Quaker Oats. Randy Jackson, a former vice president at Quaker Oats, said that Ms. Herman had nothing to do with Ms. Weaver's contract there and that the company was pleased with her work.

Ms. Herman, then a top official at the Democratic National Committee, also hired Ms. Weaver to help with the 1992 Democratic National Convention in New York. After Mr. Clinton was elected that year, Mr. Lockhart said, Ms. Weaver, as a volunteer, helped Ms. Herman set goals for the Clinton-Gore transition and for the Office of Public Liaison.

In October 1993, nine months after Ms. Herman took the White House job, she sold what was left of her business to Ms. Weaver for \$88,000. And in early 1994, Ms. Weaver bought a \$1 million house in Potomac, Md., and blended Ms. Herman's old business into Alignment Strategies, records show.

Ms. Weaver's reputation within industry circles was also growing; in 1994, she and a co-author published a book about workplace issues called "Smart Women, Smart Moves."

One of her promotional biographies emphasized her White House ties, listing her work for the Clinton-Gore transition and the White House Office of Public Liaison under "client services."

All told, Ms. Weaver has visited the White House at least 29 times in the last four years, according to Secret Service records.

Several visits, particularly in 1993 and 1994, appear to have been social occasions — lunch with Ms. Herman, quick visits with relatives in tow and the White House tours that Administration officials routinely arrange for friends.

The visits took on a more professional cast in late 1994 and in 1995, the year in which Ms. Weaver opened a second consulting business, designed to appeal to foreigners who sought American investment and political access. Customers of her two consulting firms began to appear with Ms. Weaver at the White House.

In September 1994, for example, Ms. Weaver and her sister took Mr. Jackson, the Quaker Oats executive, to the White House for a ceremony marking the President's signing of a crime bill. Also that month, Ms. Herman and Ms. Weaver had lunch at

the White House with two Procter & Gamble officials. Mr. Lockhart described the session as a meeting of old friends because Ms. Herman also had known them from her consulting days.

In October 1994, Ms. Weaver took a partner in her international business

A White House connection gives a consultant a high-level entrée.

venture to the White House twice, for a briefing on business opportunities on Haiti and, the next day, to see a ceremony honoring President Jean-Bertrand Aristide of Haiti.

That December, Ms. Herman invited Ms. Weaver to a Christmas dinner attended by President Clinton and his wife, Hillary. And in early 1995, she invited Ms. Weaver to participate in White House conferences and events with various business and political leaders involving affirmative action and women's work issues.

In October 1995, Ms. Herman had lunch in the White House mess with Ms. Weaver, one of her business partners and two senior officials of the Congo Government, including Ms. Lissouba. Ms. Lissouba was in charge of her country's successful program of selling off state-owned businesses.

The White House said the lunch had come about because Ms. Herman had met Ms. Lissouba several months before at a dinner party at Ms. Weaver's house, had found her engaging and had invited her to visit the White House should she return to the United States.

At the time, Ms. Weaver, who had done field work for her dissertation in Zaire, was trying to expand her business in Africa. Mr. Lockhart said she was representing an American company that wanted to build a manufacturing plant in Africa and was considering Congo. He said Ms. Lissouba hoped that the plant would be built in Congo, though the company later decided on another location.

Mr. Lockhart said Ms. Herman had not been aware at the time of the issue of the manufacturing plant.

"There is no evidence that the lunch was in any way related to any official business," he said.

Mr. Lockhart said Ms. Herman had also sometimes tapped Ms. Weaver for help. In early 1996, Ms. Herman asked Ms. Weaver to bring representatives from several client companies to the White House to discuss issues of corporate responsibility.

Ms. Herman took Ms. Weaver's sister on a trade mission to Mexico in April 1996, and she invited Ms. Weaver to go on a similar mission to London and Amsterdam, though Ms. Weaver did not go.

Herman Vote Is Delayed

WASHINGTON, April 15 (AP) — Angry that the Clinton Administration has promised organized labor changes in Federal contract guidelines, Senate Republicans today once again delayed action on Alexis Herman's nomination to be Labor Secretary.

A Senate vote on the nomination had been scheduled for Wednesday, but Senator Trent Lott of Mississippi, the majority leader, said today that the nomination and the Labor Department's budget were "in doubt" because of the promised contract changes.

"There is big concern developing" that Mr. Clinton is again trying to use executive orders to circumvent the Republican-controlled Congress, Mr. Lott said.

In February Vice President Al Gore told the executive council of the A.F.L.-C.I.O. that the changes would encourage Federal agencies to consider labor agreements for Government-financed projects and to bar contracts to companies that do not have "satisfactory labor and employment practices."

Mr. Gore repeated the promises on Monday at a conference of A.F.L.-C.I.O. building and construction trade unions. He also said on Monday that both changes would be made through executive order.

The United States Chamber of Commerce and other business groups oppose the plan, which they say would increase costs to taxpayers.

Republicans and business organizations have called the changes a payoff for labor's support of Democrats in the 1996 elections.

"This blatant political payback cannot, and will not, be tolerated," said Representative John A. Boehner, Republican of Ohio.

Ms. Herman's nomination had already been delayed for months while Republicans investigated whether she used her position as director of the White House Office of Public Liaison for political gain. But her nomination hearing went smoothly as Ms. Herman artfully dodged queries from Republicans concerned about the contract accusations.

Dole Promotes His Wife as a Candidate

By RICHARD L. BERKE

CAMBRIDGE, Mass., April 15 — Bob Dole stepped back into public view today to promote his wife, Elizabeth Hanford Dole, as a contender for the White House and to polish his legacy after his own failed bid last year.

In his first major address since his defeat by President Clinton nearly six months ago, Mr. Dole told students and faculty at Harvard University that while his days in politics were over, that was not the case for "the Dole who yet may reside at 1600 Pennsylvania Avenue." Repeatedly, he trumpeted Mrs. Dole's credentials as a two-time Cabinet member and now head of the Red Cross.

Mr. Dole also reminded the audience of his record on behalf of the disadvantaged — something that often was obscured as he sought to appeal to conservatives last year. He noted that he was often castigated during the campaign for not having much "in the V word — vision," and sought to erase that impression.

"I believe in a Government that is neither intrusive nor cold-hearted," Mr. Dole declared to a crowd of more than 800. "I voted for civil rights

laws because I know that no first-class democracy can tolerate second-class citizens. And I spoke up for the disabled because if a mind is a terrible thing to waste, so is a spirit."

Mr. Dole was greeted with the kind of warm response that his aides longed for during the campaign: four standing ovations and mostly respectful questions.

Mr. Dole, 73, seemed more relaxed than he did during much of the campaign, and his sharp humor came through, as when he quipped that he should have picked Tiger Woods as his running mate instead of Jack Kemp.

Mr. Dole, who was Senate majority leader before he retired last year, showed no signs of regret. Citing Jill Hanson, his political director last year who is on a Harvard fellowship this semester, Mr. Dole allowed as to how she was "sharing our insights on how we almost won."

A few times today Mr. Dole accused the press of being tougher on him than on Mr. Clinton. But he resisted attacking Mr. Clinton, and remarked only obliquely on the Democratic fund-raising controversy, insisting that he never made calls to

solicit donations for himself. "I would never call somebody — it's demeaning," he said, referring to revelations about fund-raising solicitations from the White House.

Only in jest did Mr. Dole speak of Mr. Clinton's political problems. Referring to his fall off a podium in Chico, Calif., last year, Mr. Dole said: "I fell down during the election. Clinton waited till afterwards."

Mr. Dole's visit here today was something of a reunion with his former friends and advisers. In addition to Ms. Hanson, Mr. Dole's longtime chief of staff, Sheila Burke, is the executive dean at the Kennedy School. Mr. Dole also appeared here this afternoon at a class taught by former Senator Alan Simpson of Wyoming, once No. 2 in the leadership.

Mr. Dole announced last week that he was joining the Washington law firm of Verner, Lipfert, Bernhard, McPherson & Hand.

Despite a few questions challenging his position on gay rights, Mr. Dole was mostly welcomed today as a victor, not a loser. As Michael Passante, a sophomore, told him, "I'm vice president of the college Democrats. But I like you anyway."

The New York Times

WEDNESDAY, APRIL 16, 1997

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Divider Title: **April 11, 1997**

Clinton to hire 10,000 off welfare

Entry-level positions could be short term for many

By Richard Wolf
and Susan Page
USA TODAY

President Clinton pledged Thursday to hire at least 10,000 welfare recipients in an effort to move 2 million people off welfare in the next four years.

If carried out the plan would put the federal government ahead of any private company in hiring those affected by last year's reform legislation,

which ended the nation's 61-year guarantee of welfare.

"These will not be make-work jobs," Clinton said. "These will be jobs that actually need to be fulfilled and work that needs to be done."

But the plan raised concerns among business, labor and welfare officials, who fear that the jobs could be short-lived, that support services could be lacking and other job applicants could be passed over.

Administration officials acknowledged many of the entry-level, low-skill jobs would be temporary, but said that they could offer valuable experience. "Do not underestimate the value of a temporary job if you've never had a job," said Elaine Kamarck, domestic policy adviser to Vice President Gore, who is leading the effort.

Among the 10,000 jobs, more than 4,000 would be at the Commerce Department, which is preparing to conduct the Census for the year 2000. The agency will hire about 40,000 people in the next two years, mostly to check addresses. Those jobs could last from six

months to two years. Another 1,600 jobs would be at the Defense Department; 800 others would be at the Veterans Administration; six would be at the White House.

The federal government, with 1.9 million jobs, is the nation's largest employer. More than 85% of the jobs are outside the Washington metropolitan area. The government hired 190,000 employees in fiscal year 1996, but 71% of those were for temporary jobs.

The hiring plan would provide jobs for one-fourth of 1% of the estimated 4 million adults on welfare. But while House officials did their math:

10,494 jobs represent 1.5% of the 700,000 needed to move 2 million adults and children off welfare. The government employs 1.5% of U.S. workers.

The first 2,000 welfare recipients are to be placed in federal jobs by Oct. 1. That would dwarf private efforts: Marriott Corp., a leader in placing and training welfare recipients, has hired 600 in the last few years.

No additional federal money will be spent on the hiring program, but agencies will be allowed to exceed staffing limits.

The workers will not receive formal preference over other applicants but will be recruited through state welfare systems.

WASHINGTON

House committee declines to widen fund-raising probe

The House Government Reform and Oversight Committee voted Thursday to focus its investigation of campaign finance on accusations that China and other interests tried to illegally contribute to the 1996 presidential election.



Burton: Receives authority he sought

Republicans rejected Democratic attempts to broaden the inquiry and to prohibit Chairman Dan Burton, R-Ind., from issuing subpoenas himself.

Burton said the panel would investigate Republicans if there's "strong indication of illegal activity," but the focus will be on "well-publicized allegations of possible attempts to corrupt the American political process or compromise national security." Democrats were furious.

"If you are continuing down the road of this witch hunt, then grab your brooms and keep going," said

Rep. Thomas Barrett, D-Wis.

CHEMICAL WEAPONS: Senate Minority Leader Tom Daschle, D-S.C., predicted the chemical weapons treaty has enough support to be passed by the Foreign Relations Committee and to be approved by the full Senate. Majority Leader Trent Lott, R-Miss., plans a Senate vote on the pact the week of April 21, but Committee Chairman Jesse Helms, R-N.C., has indicated he might want more hearings on it. Helms says the proposed ban on chemical weapons is unverifiable and could harm American companies. The Senate must ratify the pact by April 29, when it takes effect, if U.S. officials are to have any role in its enforcement.

ARTS MONEY: House Speaker Newt Gingrich, who met last month with Hollywood stars seeking renewed funding for the National Endowment for the Arts, joined other GOP leaders Thursday in urging an end to the endowment. They portrayed the endowment as an elitist bureaucracy that promotes obscene and blasphemous works. If the celebrities gave just 1% of their income to the arts, Gingrich said, the endowment would have more than it does now. President Clinton is seeking \$136 million for the endowment.

ALSO ...

► **SUICIDE MONEY:** The House voted to ban federal funds for physician-assisted suicide, although no state allows the practice and no federal programs pay for it. Proponents, including President Clinton, want it to stay that way.

► **HERMAN APPOINTMENT:** The Senate Labor panel unanimously recommended approval of Alexis Herman as Labor secretary after a lengthy delay to investigate her role in Democratic fund-raising while director of the White House Office of Public Liaison.

► **POPULARITY CONTEST:** A Pew Research Center survey of 1,200 people found two-thirds rated Secretary of State Madeleine Albright favorably, topping President Clinton at 61% and Vice President Gore at 57%. The most commonly used words to describe Gore, the poll found, were "intelligent," "OK" and "boring."

► **NO SHUTDOWN:** Senate Republican leaders introduced legislation to guarantee the federal government will remain open if President Clinton and Congress fail to reach a budget agreement by the Oct. 1 start of the new fiscal year. The GOP was widely blamed for the 1995 shutdown during a budget stalemate.

► **GLENN DEBT:** The Federal Election Commission has rejected most of a proposed settlement of a \$3 million debt by Sen. John Glenn's 1984 presidential campaign. The plan would have wiped out years of interest on millions of dollars banks loaned to the Ohio Democrat's campaign.

► **FOLEY JOB:** President Clinton will nominate former House speaker Thomas Foley, 68, to be ambassador to Japan, The Associated Press reported.

Written by Paul Leavitt with staff and wire reports.

USA TODAY

FRIDAY, APRIL 11, 1997

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Divider Title: **March 31, 1997**

ational Security Council staff, in a meeting on the 2, 1995. The United States wants to see an oil pipeline built from the Caspian region, but it prefers a multinational consortium as the sponsor. So Tamraz was bucking U.S. policy, which he says is too heavily influenced by Big Oil. But Heslin had a CIA background memo on Tamraz and didn't like what she saw—for he is a controversial figure even in the Middle East. Those who know him at the CIA say that he has been a valued intelligence source for years—he was even assigned his own “handler” at the

agency—and that he more than once put his own life in danger to help CIA operatives in Lebanon. The dark side is that Tamraz, in the view of one State Department official, has a “used-car salesman’s mentality” and has had at least some brushes with the law. In 1989 a Lebanese court charged him with embezzling \$200 million from a bank. In 1992 a Jordanian court convicted Tamraz in absentia for the same fraud and sentenced him to two years in prison. A French court has ordered him to pay \$56 million in connection with a financial dispute, and there is

an outstanding Interpol warrant for his arrest. All of this—“the good, the bad and the ugly,” as he puts it—is just politics, according to Tamraz, and was readily available to everyone he dealt with in Washington. But Heslin not only decided against his pipeline—she and the NSC staff recommended that he should no longer attend White House functions.

Having tried and failed to interest the NSC in his pipeline project, Tamraz took his case to the DNC. Like other potential donors, he wanted a chance to schmooze

The Democrats' Charity Shuffle

THE PITCH WAS HARD TO RESIST. LAST FALL a Democratic National Committee official called Michael St. Martin, a Louisiana trial lawyer and big party donor, with a swell idea: there was a way St. Martin could help the Clinton campaign and get a nice tax break at the same time. How? By giving money to Vote Now '96, a Miami-based nonprofit. So, two weeks before the election, St. Martin wrote a tax-deductible check for \$5,000. “I wish I could have given *all* my money to that group,” St. Martin told NEWSWEEK. A generous thought, but Vote Now was doing just fine: it took in more than \$3 million to turn out voters in largely Democratic neighborhoods. It is illegal for any charity to raise money for a partisan purpose—or to work in tandem with a political party. The Justice Department wants to know if Vote Now was doing just that.

Last July, Bill and Hillary Clinton hosted a dinner for Gary Barron and Hugh Westbrook, Vote Now's two top officers and former party fund raisers. One of the guests was Alexis Herman, now Clinton's nominee for labor secretary, who has admitted that her staff may have talked to the two men about cooperating on voter-registration drives. Later, NEWSWEEK has learned, DNC Chair Don Fowler ordered his staff to raise \$500,000 for Vote Now. When the funds didn't come in immediately, Barron “would call up 10 times a day,” one fund raiser says, demanding to know where his money was. At least one White House official also tried the hard sell: Harold Ickes directed a supporter to wire \$250,000 into Vote Now's bank account. The DNC told donors that their gifts would be tax-deductible—and promised that Vote Now would not have to disclose the names of its contributors.

It still hasn't. But sources say the list includes a Canadian energy company that would have been barred from donating to any U.S. campaign. Where did the money go? Sources say a sizable chunk went to an offshoot of Jesse Jackson's Rainbow Coalition. A Vote Now lawyer insists the Miami group knows nothing about any “inappropriate” fund raising. But FBI agents want to question Vote Now officials, and Justice is expected to issue subpoenas.

DANIEL KLAIDMAN and MICHAEL ISIKOFF



BILL CLINTON:
In the race to raise cash, his
patrons may
have gone too
far to take care
of big givers

DON FOWLER:
The DNC chair
loved asking the
government for
favors—and
face time—for
big donors

JOE MARQUETTE/AP

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Divider Title: **March 26, 1997**

Business Daily

People Who Choose To Succeed™

Wednesday, March 26, 1997

Los Angeles, California
Volume 13, No. 244 ©1997

\$1.00

NATIONAL ISSUE

HERMAN TIED TO ALL TRADE TRIPS Labor Nominee Set Up Briefings, Brown Aide Says

By Paul Sperry
Investor's Business Daily

When Ron Brown left his post as chairman of the Democratic National Committee in '93 to become head of the Commerce Department, he took several fund-raisers with him.

Brown tapped DNC finance chief Melissa Moss to head Commerce's Office of Business Liaison. He made DNC executive Rob Stein his chief of staff and Melanie Long his special assistant.

Brown didn't stop there. He named Melinda Yee a senior adviser and John Huang deputy assistant secretary. Both led Asian fund-raising in California during the DNC's '92 campaign.

The DNC alumni all had a role in Commerce's foreign trade missions — trips that critics charge were illegally used to raise cash for President Clinton's re-election campaign.

But one alumna — Alexis Herman, Brown's closest aide and protege at the DNC — didn't follow him to Commerce. She instead took a top White House post.

That didn't stop Herman, though, from staying in close touch with Brown and her former DNC colleagues at

“ ———— ”
In order to reach our very aggressive goal of \$40 million this year, it would be helpful if we could coordinate the following activities (including) official delegation trips abroad.

*Democratic National Committee
memo, 1994*

”
Commerce.

As director of White House public liaison, she was in charge of “outreach” to the business community. That duty included working directly with Brown's office and Moss' Office of Business Liaison on the controversial trade missions.

As Clinton's pending nominee for Labor secretary, Herman has done a good job of distancing herself from the Commerce activity. She breezed through her confirmation hearing in five hours last week, despite questions about her role in Democratic Party

fund-raising.

Two Republicans asked Herman whether executives who went on Commerce trade missions were picked because they were big Democratic donors. Herman said only that she led two trade missions for businesswomen — in October '95 and April '96 — and didn't even know their politics, let alone their giving habits.

“To this day, I can't tell you who was a Republican and who was a Democrat on those trade missions,” she said.

But Herman is a political pro, critics point out. She served as Brown's chief of staff at the DNC from '89 to '91. And her role in the Commerce junkets wasn't limited to just two trips. She helped arrange briefings for several others. The White House denies that Herman was involved.

In fact, she worked on “all of them,” including a '94 China trip that's coming under increasing scrutiny, according to a deposition from Brown's top adviser at Commerce, James Hackney.

Hackney, who left Commerce in '95, was subpoenaed by U.S. District Judge Royce Lamberth to testify in a civil case brought by Judicial Watch Inc. The public-interest law firm is suing Commerce for trade mission documents that the agency refused to release despite Freedom of Information Act requests.

Judicial Watch charges that spots on trade trips were sold to fat-cat Democratic donors.

Continued on Page A36

LEADERS & SUCCESS

Campbell Soup's Johnson: Always 'Raising The Bar' To Keep Firm Up To Potential

By Marilyn Much
Investor's Business Daily

It's show time. And Campbell

“People want a boss who can show them business can be fun,” said Johnson, who thinks his peers are often too serious. “If we can laugh at ourselves,

“Many times in the past few years, we've said we've done it,” he said. “But I say, we have to raise the bar; we have to go at it again. The aim is to be the

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as the Clinton crew leads the debate over America's "vital center" will be re than a sad joke.

t proof of that comes from (With one American in ate is a fair sampling of the whole.)

NATIONAL ISSUE: Herman Tied To All Trade Trips

Continued from Page A1

In his testimony Jan. 21, Hackney said he routinely called Herman to arrange White House briefings for U.S. business executives going on the trips.

"We arranged for businesses that were going on a particular trade mission to be briefed by the White House or to see the president before the mission got under way ... or to see the vice president," Hackney said.

Which trade missions?

"All of them," Hackney said.

In fact, Herman shepherded the executives through the briefings.

"She brought them in for meetings at the White House to talk to the president about their concerns and their issues," Hackney said.

The briefings were held one or two days before the mission, Hackney said. Meeting the executives along with Clinton and Brown at each briefing were Vice President Al Gore, then-Secretary of State Warren Christopher, then-Secretary of Defense William Perry, then-National Security Adviser Anthony Lake and his deputy, Sandy Berger, who now has Lake's job. Other officials also attended.

Hackney, who attended the briefings, said administration officials mainly just discussed the country where the executives were heading so that they had "a sense of what they were getting into."

Brown's trade missions did produce a reported \$20 billion in overseas contracts. But documents show there was more to the trips than just generating business. Raising campaign cash was also a goal.

■ One '94 DNC memo to the White House reads: "In order to reach our very aggressive goal of \$40 million this year, it would be helpful if we could coordinate the following activities: ... 4. official delegation trips abroad."

■ Another memo, found among former Clinton aide Harold Ickes' subpoe-

naed files, lists perks awarded to DNC managing trustees. "Annual trade missions" is fifth from the top. A managing trustee is a donor who gives \$100,000 or more a year.

■ Also, a DNC brochure obtained by the Chicago Sun-Times in '95 lists events big donors qualify for. Again, the trade junkets show up: "Managing trustees are invited to participate in foreign trade missions, which affords opportunities to join party leaders in meeting with business leaders abroad."

Though DNC officials went on trade missions, the party never financed any of them. Commerce did — with tax money.

Herman has denied that political giving was a factor in picking who got to go on the trips. Hackney, who served on Brown's 10-member committee that picked trip participants, also denied any political favoritism, adding that donor data "would have been irrelevant."

But the executives knew that political money talked — according to their letters to Brown and other Commerce officials and their notes of meetings with those officials.

■ One executive made no bones about why he should get to go on a trip to India. In a September '94 letter to Stein, Brown's chief of staff, the executive's lawyer stressed his client "was an early financial supporter of the Clinton-Gore campaign and a very generous donor to the party's 1992 election effort."

■ Another executive angling for a seat on the India trip wrote a letter to Commerce's Moss. "You can be assured of our continued support of the Democratic National Committee," he said.

■ After a businesswoman was picked to go on a '94 trip to Russia, she wrote Brown to thank him. "I look forward to repaying the generosity of the Department of Commerce in the months ahead," she said. "Melissa (Moss) and I are keeping in touch about the latter."

Of all the trips, the August '94 junket

to China looks the most suspicious. Brown took a delegation of 24 executives there on Commerce's plane. DNC records show that 15 of them gave to the Democrats either on their own or through their firms.

One firm was Entergy Corp., which owns Arkansas Power & Light. A June '94 memo from Entergy business manager Chris Brown records a meeting with Commerce official Jude Kearney.

"Met with Jude Kearney regarding Secretary Brown's upcoming trip to China. Indicated competitive nature of being selected to ride on the plane with the Secretary," Chris Brown wrote. "Also indicated that politics of the situation were important and he as a political appointee would push those that were politically connected."

Kearney, a former Clinton staffer in Arkansas, denies making such comments.

Executives weren't the only ones who thought donations were a criterion for winning a seat on Brown's trips. Apparently so did some White House officials.

In a '94 memo to Commerce's Office of Business Liaison, White House aide Reta Lewis recommended a Washington lawyer, Gerald McGowan, for trips to Indonesia and India. In the first paragraph, she noted he's a "fellow Clinton classmate, early Clinton campaign supporter and DNC managing trustee."

Charles Lewis of the liberal Center for Public Integrity says he's troubled by such documents. He said they "support the notion that favorable treatment was given to friends of Ron Brown, Bill Clinton and the Democratic Party."

Herman's office coordinated with OBL on the White House briefings. "Those were the two points of contact," Hackney testified.

"And Alexis Herman was in charge from the White House end?" Judicial Watch Counsel Larry Klayman asked during the deposition.

"Yes," Hackney replied.

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Divider Title: **March 19, 1997**

Senators Go Easy On Labor Nominee

Herman Appears Headed for Confirmation

By Frank Swoboda
Washington Post Staff Writer

With support from powerful Republicans, Alexis Herman appeared headed for easy Senate approval as secretary of labor yesterday after a brief and gentle confirmation hearing that barely touched on her possible White House role in last year's fund-raising efforts by the Democratic Party.

Herman, who would be the highest-ranking black woman in the Clinton administration, is the only member of the Cabinet yet to be confirmed. Senate Labor Committee Chairman James M. Jeffords (R-Vt.) said the committee would vote on Herman's nomination shortly after the two-week Easter recess.

Jeffords had put off Herman's confirmation hearing for three months while the committee looked into allegations that she improperly had used her position as White House director of public liaison during the first four years of the Clinton administration to help raise money for the president's reelection campaign. The hearing took place after Herman had given the panel lengthy written responses and discussed with its members their concerns.

Herman's nomination appeared assured when Sen. John W. Warner (Va.), who was one of the few Republicans to question her about her possible fund-raising role, told the nominee yesterday that "from what I've seen today you're up to handling" the Cabinet job.

Perhaps the biggest indication of Herman's confirmation chances came at the start of the hearing when Herman, a native of Mobile, Ala., was introduced

by Sen. Richard C. Shelby and Rep. Sonny Callahan, two powerful conservative Republicans from her home state. Callahan produced a letter of support for Herman from the entire Alabama congressional delegation.

Shelby, who presided over the contentious confirmation hearings of Anthony Lake to be director of the Central Intelligence Agency, said it was time to move Herman's nomination to the full Senate. He called Herman's nomination a "signal accomplishment" and said "she's earned her way the hard way. She's done her work."

Herman also received a strong show of solidarity from black leaders in Congress and in the Washington community. The overflow crowd in the hearing room was a who's who of prominent blacks, from Reps. Charles B. Rangel and Jesse Jackson Jr. to Transportation Secretary Rodney E. Slater and Washington Mayor Marion Barry.

Warner asked her about her role in setting campaign policy that would demonize Republicans. She disassociated herself from that description.

Aside from Warner, the only other questioning about the fund-raising activities came from Sens. Susan Collins (R-Maine) and Tim Hutchinson (R-Ark.), who briefly asked Herman whether participants in trade missions at the Commerce Department were selected because of campaign contributions and party affiliation.

Herman only said that she led two trade missions in October 1995 and April 1996 and had no idea whether the business people on the trip were Demo-

See HERMAN, C11, Col. 1

HERMAN, From C9

crats or Republicans. One of the trips, she said, was for women entrepreneurs, and the government had to advertise for participants.

During most of the hearing, Republican members of the committee asked her views on a laundry list of labor items such as the use of work teams, laws to allow flexible compensation and enforcement of the Occupational Safety and Health Act. In almost all cases, Herman deftly avoided making any commitment for action other than agreeing to study the situation and discuss it with them if she was confirmed.

Sen. Christopher J. Dodd (D-Conn.), who served as chairman of the Democratic National Committee during much of the fund-raising controversy involving the White House, praised Herman for standing up to the public scrutiny of the lengthy confirmation process.

In an obvious reference to Lake's withdrawal of his nomination Monday as CIA director, Dodd said, "It's getting harder and harder to get good people to serve in government. Advise and consent does not have to be abuse."

The Washington Post

WEDNESDAY, MARCH 19, 1997

ANOTHER HEARING

Senators Quiz Labor Nominee on Labor Issues, Not on Her Political Activity

By MICHAEL WINES

WASHINGTON, March 18 — The Senate Labor Committee questioned Alexis M. Herman for four and one-half hours today in a long-awaited hearing on her nomination as Labor Secretary. But to the surprise of some, the committee touched but briefly and lightly in its prolonged inquiry on her past political activities.

Instead, the senators mostly questioned Ms. Herman about her views on labor issues and the task of moving the poor off welfare and into decent-paying jobs; about workplace safety and the calculation of minimum wages for workers on Federal construction projects, and about a score of other big and small matters unrelated to politics.

Then they quit, giving every indication that most of them would vote to send Ms. Herman's nomination to the Senate floor when they return from a spring recess next month.

"From what I've been able to follow this afternoon, you're up to handling it," Senator John W. Warner, Republican of Virginia, told Ms. Herman near the end of the session.

That drew a huge round of applause from the gallery, supporters that included Ms. Herman's 92-year-old grandmother, her high-school homeroom teacher and black civil rights and political figures, including Transportation Secretary Rodney Slater and the Mayor of Washington, Marion S. Barry Jr.

The hearing was something of an anticlimax to the three months of melodrama that followed President Clinton's choice last December of Ms. Herman, then the head of the White House's outreach program to citizens and business.

Critics raised doubts almost immediately about many of Ms. Herman's past dealings in and out of Government: whether she had helped steer contracts to friends in the last days of the Carter Administration, where she was a mid-level Labor Department official; whether any of those friends had steered business to a private consulting firm she later established; whether she had traded on her Democratic political clout to secure a lucrative share in a downtown Washington building project, and whether she improperly mixed her job in the Clinton White House with politics.

The Labor Committee investigated those issues until early this month. Today the panel released a thick stack of questions it had asked Ms. Herman, along with her replies. Nothing in the documents appeared to indicate that Ms. Herman had committed any serious improprieties in her private and Government careers.

Potentially the most serious allegations involved Ms. Herman's work in the Clinton White House.

Documents made public this winter as part of Congressional inquiries into Democratic fund-raising showed Ms. Herman was intimately involved in planning Mr. Clinton's re-election.

Documents also showed that Ms. Herman had attended some of the White House coffees that Mr. Clinton gave for major Democratic Party donors and their friends.

All those efforts drew on Ms. Herman's White House experience, which more or less amounted to reaching out to many of the same groups. But the Administration argued that she had performed her political duties in off-hours and that, in any case, none of her actions were improper.

The chairman of the Labor Committee, Senator James M. Jeffords of Vermont, disputed that today, saying that the political mindset that seemed to permeate the White House and Ms. Herman's outreach office last year was troubling.

"I think the nominee made some mistakes," Mr. Jeffords said. "Fortunately for all of us, the standard for public office is not perfection. But neither is it sufficient to say 'everybody does it.' They don't."

Ms. Herman later conceded that, saying: "I believe the President himself has said certain activities took place that were not appropriate and should not have happened. I certainly associate myself with the comments."

Ms. Herman followed standard form for Cabinet nominees. She said as little as possible, tried to agree even with her ideological opposites, and made no promises, even to her most avid supporters.

Her resolve drew belly laughs when she sidestepped Senator Paul Wellstone, a liberal Democrat from Minnesota. Mr. Wellstone tried several times to extract a pledge for a study of whether programs that move welfare recipients into paying jobs end up displacing the working poor, only to hear Ms. Herman repeatedly say she would "consider" the suggestion and have a "conversation" later if the need arose.

Frustrated, in an amiable sort of way, Mr. Wellstone finally gave up. "All I can say is," he said, "you're going to be good."

to crack down on money laundering and improve extradition procedures against suspected drug dealers.

But Mrs. Feinstein and Mr. Coverdale pressed for tougher and more specific language.

Under the law, the President must certify each year that nations receiving foreign aid from Washington to combat drugs are cooperating; otherwise they risk economic sanctions.

The Administration decided on Feb. 28 to certify Mexico, despite evidence suggesting that the Mexican Government was not making an all-out effort in the war on drugs. But President Clinton was faced with an even less appealing political prospect: decertifying a close political and trading partner.

President Clinton sent some of his senior aides and advisers to Capitol Hill on Monday to try to win over the Senators. The White House team included Treasury Secretary Robert E. Rubin; Samuel Berger, the national security adviser; Gen. Barry R. McCaffrey, the White House drug czar, and John Hillely, the Administration's chief Capitol Hill lobbyist.

Both sides said this morning that they felt they were near an agreement, but the deal fell apart by late afternoon over "specifics."

Mrs. Hutchinson and others involved in the negotiations said that both sides had agreed that Mexico should be certified and that the Mexican Government should be pressed

Deal With Senators on Mexico and Drugs Eludes White House

By JERRY GRAY

WASHINGTON, March 18 — An effort by the White House and a group of Senators to reach a deal over the certification of Mexico as an ally in the war on drugs fell apart late this afternoon over how tough the conditions placed on Mexico should be.

But both sides said they would keep working to try to reach a compromise that would forestall a Senate vote to decertify Mexico — a move that the Administration says would strain relations with the Mexican Government, destabilize the

Senator Kay Bailey Hutchinson, a Republican from Texas, said this evening. "It has been very difficult to come up with something that everybody believes will work."

The House of Representatives voted 251 to 175 last Thursday to impose sanctions on Mexico for not fully cooperating with the United States in the war on drugs. And although the House bill delayed action for 90 days to give Mexican officials time to show improvement in their drug-fighting effort, the White House vowed to veto the legislation and there are not enough votes to override a veto. Still, the White House

wants to avoid the embarrassment of having to veto such a bill to certify a close trading partner. Hoping to mute the House action, the White House began lobbying members of the Senate immediately in an effort to soften the legislation. That lobbying effort has centered on three Senators who staked out the extreme positions on the issue: Mrs. Hutchinson, who supported certification and advocated a nonbinding resolution wagging a finger at Mexico, and Senator Paul D. Coverdale, a Republican from Georgia, and Senator Dianne Feinstein, a Democrat from California, who co-sponsored

the bill to decertify Mexico.

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Both sides said this morning that they felt they were near an agreement, but the deal fell apart by late afternoon over "specifics."

Mrs. Hutchinson and others involved in the negotiations said that both sides had agreed that Mexico should be certified and that the Mexican Government should be pressed

Herman's Senate Hearing Has Very Few Rough Spots

By a WALL STREET JOURNAL Staff Reporter

WASHINGTON — After a two-month delay marked by partisan wrangling, labor-secretary nominee Alexis Herman faced few tough questions in her confirmation hearing before a Senate panel.

Senate Labor Committee members mainly wanted to know her views on various labor laws, welfare reform, job training and the Occupational Safety and Health Administration. But some grilled Ms. Herman about her role in the Clinton White House, where, as director of the Office of Public Liaison, she had a hand in a few coffee meetings between Mr. Clinton and Democratic donors.

One of the hearing's tensest moments occurred when GOP Sen. John Warner of Virginia questioned Ms. Herman about her onetime association with a political group made up of black businesspeople that allegedly characterized Republicans as "enemies of civil rights."

"Those certainly were not my words or words I have been known to use," Ms. Herman said. In the end, Sen. Warner praised the nominee.

The panel is expected to forward Ms. Herman's nomination to the full Senate when Congress returns after Easter, and she is expected to be confirmed.

LABOR: HERMAN CONFIRMATION IS ON TRACK

One day after the Senate confirmation process "claimed a victim" in Tony Lake, Labor Sec.-designate Alexis Herman "appeared headed toward congressional approval" after her Senate hearing that "trod lightly on allegations that she mixed politics and policy" as WH Public Liaison dir. The confirmation hearing came after weeks of delay as GOPers "sifted through information pertaining to her business dealings as a consultant in the early 1980s and her conduct" in the WH. Some GOP senators "suggested that Herman may have used her position to drum up campaign contributions" for Pres. Clinton's reelection. But "in a sign Herman may have overcome concerns previously raised about her nomination," by the end of her four-hour hearing she "won accolades" from Sens. Tim Hutchinson (R-AR) and John Warner (R-VA), "who had earlier signaled they had doubts about her fitness for the job" (Healy, L.A. TIMES, 3/19). MSNBC's Reid: "No grilling going on up here today. ... [Herman] has gotten nothing but softballs and she has had no trouble swatting them out of the park" (3/18). In a "gentle chastising," Senate Labor and Human Resources chair Jim Jeffords contended, "I am troubled by the culture which gives rise to so many missteps" (Kasindorf, L.I. NEWSDAY, 3/19). More Jeffords: "I think the nominee made some mistakes. ... Fortunately for all of us, the standard for public office is not perfection. But neither is it to say 'Everybody does it.' They don't." Herman later "conceded": "I believe the president himself has said certain activities took place that were not appropriate and should not have happened. I certainly associate myself with the comments" (Wines, N.Y. TIMES, 3/19).

PROSPECTS: After the hearing senators "gave every indication that most of them would vote to send" Herman's nomination to the Senate floor. Warner: "From what I've been able to follow this afternoon, you're up to handling it" (N.Y. TIMES, 3/19). With the support of "powerful" GOPers, Herman "appeared headed for easy Senate approval." Perhaps the "biggest indication" of Herman's chances came at the start of the hearing when she was introduced by Sen. Richard Shelby (R-AL), a fellow Alabaman, who produced a letter of support for Herman by the entire AL cong. delegation (Swoboda, W. POST, 3/19). W. TIMES' Blomquist: "Though her nomination once seemed in doubt, Alexis Herman breezed through her only Senate hearing ... and appears to be a shoo-in for labor secretary" (3/19). NEWSDAY's Kasindorf writes Herman "appeared headed toward a long-delayed Senate confirmation" (3/19). If confirmed, Herman would be the highest ranking black woman in the Clinton admin. and the first black woman to become Sec. of Labor (L.A. TIMES, 3/19).

LAKE EFFECT: Sen. Jim Inhofe (R-OK), asked about the impact Lake's withdrawal would have on Herman's nomination: "If anything, it ought to help it a little bit. ... [It] may work in her favor" (MSNBC, 3/18). In an "obvious reference to Lake's withdrawal," Sen. Chris Dodd (D-CT) argued, "It's getting harder and harder to get good people to serve in government. Advise and consent does not have to be abuse" (W. POST, 3/19).

3-19-97

WASHINGTON

Labor nominee finally has her day in Senate

Alexis Herman, lifted by strong bipartisan support, sailed through a four-hour confirmation hearing Tuesday on her nomination to be secretary of Labor.

Introductions by three Alabama Republicans set the tone for what became a lovefest for the once-embattled Herman, a longtime Democratic Party official and White House director of public liaison. Scores of African-Americans and civil rights, labor and feminist leaders packed the hearing room.

"I believe she will do a good job," Sen. Richard Shelby, R-Ala., said of the Mobile native. "I hope [the committee] will expedite the hearing and move on to the floor."



By Ron Edmonds, AP
Herman: Avoided any reference to delay of her Senate hearings

Seven-term Rep. Sonny Callahan of Mobile dismissed criticism that "she's too partisan and too well-connected" to be confirmed by a Republican majority. He said the same point could be made of most lawmakers in Congress.

Sitting alone at a wide table, Herman, 49, enumerated the goals she'd set if confirmed: prepare workers for "lifelong learning," help people make the transition from welfare to work, assure workers "retirement security," guarantee "safe and equal opportunity workplaces" and help workers balance work and family demands.

Herman's hearing was long in coming. The committee waited 10 weeks after President Clinton nominated her to set a hearing date while it investigated what role she played in the White House fund-raising scandal. Her office has been identified as a coordinating point for a coffee with President Clinton that brought together bank regulators and bankers who contributed to the Democratic Party.

Sen. Susan Collins, R-Maine, sought and received written responses to more than 30 questions involving White House fund-raising. After the hearing, she said of Herman: "She performed well. I plan to vote for her. I think she'll be easily confirmed." The committee is expected to vote on her nomination sometime in mid-April.

— Jessica Lee

PRESIDENT'S KNEE: Three of President Clinton's more mundane worries now that he's stuck sitting out recovery from knee surgery: keeping his bum leg strong, fitting into his trousers and maneuvering around the bathtub. "It's been an interesting learning experience, rather humbling," Clinton said Tuesday of his convalescence after knee surgery last weekend. "Some of it's sort of embarrassing," he added. "I had to learn how to get in and out of a shower again, you know, with a walker and all that kind of stuff."

Clinton, who had surgery to repair a torn tendon, said he was doing two one-hour sessions of physical therapy each day to keep his leg muscles from deteriorating. He also joked that gaining weight while off his feet is a big concern.

At a brief news appearance with Vice President Gore in the White House Red Room, Clinton sat with his right leg stiffly propped on an embroidered footstool. For congruence, and a chuckle, Gore similarly propped up his left leg.

"His sympathy leg," Clinton said.

SPENDING AMENDMENT REJECTED: As expected, the Senate soundly rejected a proposed constitutional amendment that would have let Congress set spending and contribution limits on campaigns for federal office. The vote was 61-38 against the proposal, which also would have allowed states to set contribution and spending limits for state and local elections. Amendment supporters argued that money has overwhelmed the election process and that limits are needed to prevent a repeat of improprieties like those of last year. Opponents focused on the plan's potential to limit free speech.

GULF WAR FALLOUT: CIA officials said Tuesday that the poison gas fallout from U.S. Army demolition of an Iraqi chemical weapons stockpile after the 1991 gulf war may have been less widespread than previously believed.

The CIA has determined that demolition of about 650 Iraqi rockets containing chemical agents in a shallow "pit" south of Khamisiyah took place on two days, March 10 and 12, rather than on March 10 alone, said CIA spokeswoman Carolyn Osborn. That raises the possibility that the cloud of gases created by the explosions was smaller and covered a narrower area, because not all 650 rockets were demolished at once.

The Pentagon has acknowledged that the demolition work could have led to inadvertent exposure of U.S. troops to poison gases. Although there is no proof, some believe these exposures explain the mysterious gulf war illnesses suffered by thousands of veterans.

GOOLEY CONVICTED: Former representative Wes Cooley's habit of stretching the truth caught up with him Tuesday when he was convicted of falsely claiming in the state Voters' Pamphlet that he served with the Army in the Korean War. Cooley, 64, was placed on two years' probation and ordered to perform 100 hours of community service. He also must pay \$7,110 in fines and prosecution costs.



AP
Cooley: False claim in voter guide

Cooley, who dropped his re-election bid last year under pressure from GOP leaders, had listed "Army, Special Forces, Korea" among his qualifications in 1994 pamphlets for the primary and general elections. However, documents and witnesses showed Cooley never

served in Korea.

CHINA TRADE STATUS: A coalition of conservative groups, activists and leaders launched a campaign Tuesday for Congress to suspend China's most-favored-nation status. And a number of Republican congressmen who have supported trade privileges for China are now reconsidering their position. Rep. Bill Paxon, R-N.Y., chairman of House Republican leadership, is among them. The anti-MFN movement is being led by Rep. Gerald Solomon, R-N.Y.; commentators Pat Buchanan and Fred Barnes; Gary Bauer of the Family Research Council; and Terry Jeffrey, editor of *Human Events*. They offered a list of reasons for taking away China's privileges: its human rights record, its ballooning trade surplus with the United States, an accelerating military buildup, its sale of weapons to terrorist nations and recent allegations that it tried to buy influence with illegal contributions to U.S. campaigns in 1996. Congress must vote in June on whether to renew or suspend China's trade status. That status means tariffs on Chinese goods shipped to the USA are no higher than those levied on other nations.

— Richard Benedetto

USA TODAY
WEDNESDAY, MARCH 19, 1997

The Washington Times

WEDNESDAY, MARCH 19, 1997

Herman avoids fall in hearing

Labor nominee seems assured of Senate confirmation

By Brian Blomquist
THE WASHINGTON TIMES

Though her nomination once seemed in doubt, Alexis M. Herman breezed through her only Senate hearing yesterday and appears to be a shoo-in for labor secretary.

Miss Herman avoided traps set by Republicans about her role in Democratic fund-raisers, her business dealings and her suggestion that the Commerce Department take the woman who bought her company on a trade mission to Mexico.

She also avoided Democratic senators' attempts to pin her down on problems with the new welfare law and to get the Clinton administration to officially support extending the Family and Medical Leave Act to small businesses.

One senator sounded exasperated after Miss Herman said she could not commit to studying whether former welfare recipients are replacing poor workers.

"A study. I'm not asking for conclusions," said Sen. Paul Wellstone, Minnesota Democrat.

"I'm not ducking the question,"

Miss Herman replied.

After the four-hour hearing, Sen. James M. Jeffords, Vermont Republican and chairman of the Labor and Human Resources Committee, said she "survived" the hardest part of the confirmation process.

Senate Democrats and White House officials had criticized Mr. Jeffords for the three-month delay in Miss Herman's hearing — it was the last this year on a Cabinet-level nominee — but Mr. Jeffords said the Herman nomination "certainly has progressed very well."

He said the committee will vote on her nomination shortly after the two-week Easter recess. The ranking Democrat on the committee, Sen. Edward M. Kennedy of Massachusetts, predicted an "overwhelming" victory.

Participants in the easygoing hearing were mindful that Anthony Lake withdrew Monday, as the president's nominee for CIA director, citing the grueling confirmation hearings before the Senate Intelligence Committee.

"I don't want the record of what transpired in another committee, however it may be interpreted, to influence what happens here," said Sen. John W. Warner, Virginia Republican.

The chairman of the Intelligence Committee, Sen. Richard C. Shelby, Alabama Republican, introduced Miss Herman, a native of Mobile, Ala., to the committee. "I believe she will do a good job," he said. "I hope we give her every consideration to expedite this hearing and move it on to the floor."

In her response to written questions from the committee, Miss Herman, formerly the director of White House public liaison, explained:

• How, while she was chief of staff at the Democratic National Committee, she earned about \$600,000 in affirmative-action consulting fees from developers of a \$700 million federal office building.

GOP backs off 'deal' to eliminate NEA

By Julia Dulin
THE WASHINGTON TIMES

Republican House leaders, who promised two years ago the National Endowment for the Arts would be zeroed out, have suddenly gotten cold feet.

"The way you live up to the deal is to get 218 votes," House Majority Leader Dick Army told this week's Congressional Quarterly. "I'm not sure the most ardent supporters [of phasing out the NEA] believe we can get that."

Mr. Army's office has since beaten a retreat from those remarks by issuing a statement that his comments "were meant to sound the alarm to those who wish to eliminate the NEA."

"I remain opposed to funding the NEA and I believe that aim can be achieved — but only with a lot of hard work by a lot of people," he said.

"The fundamental issue is free expression. In my view, the government should have no role in trying to place an official imprimatur on works of art through

Votes aren't there, Arney suggests

publican, who heads the House Appropriations subcommittee overseeing the agency. "You can't deliver any vote but your own and the Senate has made it clear from the outset they felt in no way bound by what the House decided."

"There's a pretty substantial number of [House] Republicans who favor keeping it going. They weren't party to any deal."

He added, "I'm for defunding individual grants and some of the atrocious things they've done, but if you're talking about education or outreach and funding institutions like [New York's] Metropolitan Opera that a lot of people in my district listen to [on the radio] on Saturday afternoons, then, no, it has a broad audience."

This indicates a "growing pool of bipartisan support on the Hill and it's clearly representative of the support around the country," NEA spokeswoman Cherie Simon said.

"There is a substantial group of moderate Republicans, particu-

larly in the House, who understand what the NEA does in their community."

Nevertheless, Rep. Peter Hoekstra, Michigan Republican, who has charged the NEA with funding films with lesbian themes, films encouraging child sex and highly erotic literature rife with obscenities, "isn't backing off at all," said his spokesman Jon Brandt.

His oversight and investigations subcommittee plans hearings on the NEA this spring.

"Neither is Rep. Steve Largent, Oklahoma Republican. He is committed to the deal and fully expects other House members to adhere as well," his spokesman said.

"If the Republican Party will retreat on this issue, where will they find the nerve for the more difficult fights ahead?"

"Indeed, beating a retreat from such obviously favorable political terrain paves the way for further demoralization."

• That she had no active role in a fund-raiser attended by President Clinton, Democratic National Committee officials, 17 bankers and the comptroller of the currency, whose invitation came through Miss Herman's office.

• That she had little recollection of inappropriately accepting consulting fees from recipients of grants and contracts that she and a fellow high-ranking official in the Labor Department sent out in the final days of President Carter's administration.

• That she did not violate the Hatch Act by directing a White House working group aimed at getting blacks to vote for Democrats by, in part, labeling Republicans "enemies of civil rights."

HERMAN: WH WILLING TO TALK WITH GOP ABOUT NOMINATION

"A jittery" WH 4/16 sent "let's talk signals to Republicans who are threatening to derail" Alexis Herman's confirmation as labor secretary. GOPers are putting off the confirmation to protest Clinton's "pro-union changes in federal contract guidelines" (see HOTLINE, 4/16). A "conciliatory" WH Press Sec. Mike McCurry: "We're working hard to un snag the snag. ... We're trying to get her confirmed." McCurry said while Clinton still intends to "proceed" with his executive order the WH is working with senators and it is "impossible to say what the final shape of the order might be." Senate Min. Leader Tom Daschle accused GOPers of holding Herman "hostage," but said he'd consider some legislative clarification on the labor-union order. GOP aides said the "administration is seeking a meeting with their leaders to discuss the Herman debacle." Asked why GOPers "would hold up confirmation of a black woman to the Cabinet," an aide replied: "She's caught in the cross fire -- nobody's targeting her. But there is the potential of more questions arising about her" (Rauber, NEW YORK POST, 4/17).

POTENTIAL QUESTIONS: USA TODAY's Pound reports a DC consulting firm headed by Herman's close friend & ex-business assoc. Vanessa Weaver "prepared a detailed plan of services it wanted to provide to the Congo government two weeks before Herman met with" officials from that nation. A draft of the three-page plan "raises new questions about the account given by Herman ... concerning her dealings with the Congo officials and the consulting firm." Herman has maintained through a spokesperson that her WH luncheon meeting with Congo president's daughter Nireille Lissouba and a 10/12/95 meeting with another Congo official were "social in nature." The meeting was arranged by Weaver and her then-partner Laurent Yene of the consulting firm International Investments & Business Developments. "Although there is no indication of illegality, the lunch meeting raises questions about whether Herman was attempting to use" her WH position "to assist Weaver." Yene, who has had a falling out with Weaver, "alleged that Herman promised to help him and Weaver with a public relations contract" with Congo. He said Lissouba's proposed trip to the U.S was discussed at the October 1995 luncheon with Herman." And he said Herman gave Weaver "advance word" of VP Gore's plans to stop in Congo for a brief meeting with Pres. Lissouba 12/95. WH spokesperson Joe Lockhart "denounced Yene as a liar," saying no business was discussed at the luncheon, and Herman did not provide advance info on Gore's trip (4/17). N.Y. TIMES' Drew & Wines report Weaver and her sister Caryliss gave \$150,000 to Dems last fall, three times the amount the sisters had previously reported (4/17).

Firm with ties to Herman had business agenda

New questions are being raised about Labor nominee Alexis Herman's dealings with Congo officials and a consulting firm

By Edward T. Pound
USA TODAY

A Washington consulting firm with close ties to Secretary of Labor nominee Alexis Herman prepared a detailed plan of the services it wanted to provide to the Congo government two weeks before Herman met with officials of the central African nation.

A draft of the three-page plan, which was obtained by USA TODAY, raises new questions about the account given by Herman, who directs the White House Office of Public Liaison, concerning her dealings with Congo officials and the consulting firm.

The plan was prepared for Mireille Lissouba, the daughter of Congo's president, Pascal Lissouba, before her visit to Washington in the fall of 1995.

Herman has said through an administration spokesman that her luncheon meeting in the White House with Mireille Lissouba and a second Congo official on Oct. 12, 1995, was social in nature.

The meeting was arranged by Vanessa Weaver, a close friend and former business associate of Herman's, and Laurent Yene, who was then Weaver's partner in a consulting firm, International Investments and Business Developments.

Although there is no indication of illegality, the lunch meeting raises questions about whether Herman was attempting to use her White House position to assist Weaver.

On Sept. 28, two weeks before the meeting with Herman and the Congo officials, the Weaver-Yene firm prepared its ambitious plan to represent the Congo government, according to people familiar with international investments operations. The plan focused on a proposed visit to the United States by President Lissouba

between December 1995 and February 1996.

An important part of President Lissouba's visit, the draft said, would be to "establish collegial relationships with the key political leadership in the United States." Efforts would be made, the draft said, to set up "private meetings" for President Lissouba with President Clinton, Vice President Gore and key leaders in Congress.

It also envisioned extensive media coverage, contacts with business leaders and meetings with prominent African-American leaders, including Jesse Jackson and former ambassador to the United Nations Andrew Young.

As things turned out, President Lissouba did not visit the USA and Congo officials decided against hiring International Investments, although, according to Yene, it had signed a \$700,000 contract with the consulting company. Weaver's lawyer said his client had no knowledge of the "purported" contract.

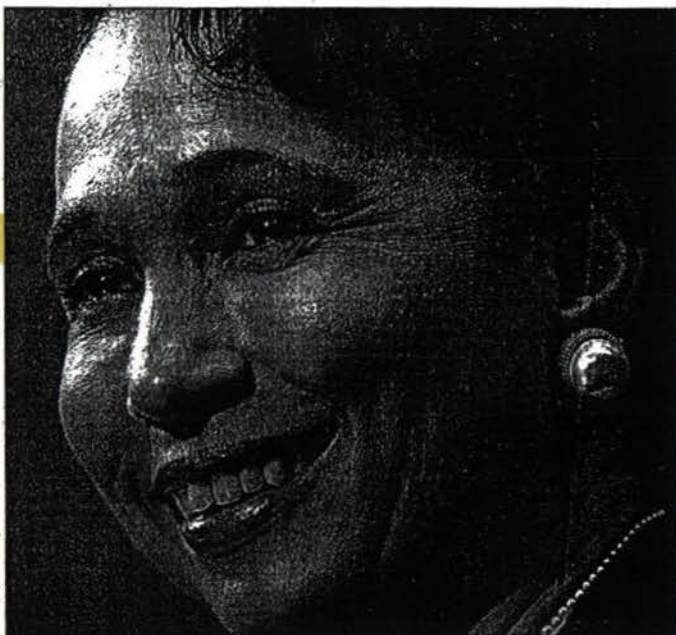
The White House said Wednesday that Herman "wasn't aware of the specific dealings between the Congo" and International Investments.

The Congo government declined to answer questions about the plan.

Yene declined to make available a copy of the plan to USA TODAY. After weeks of refusing to return phone calls, Yene agreed to answer questions last week after, he said, he learned his name was being disparaged by the White House.

Dispute over luncheon

Yene, a native of Cameroon, has alleged that Herman promised to help him and Weaver win a public relations contract with Congo. He said President Lissouba's proposed trip to the U.S. was discussed at the Octo-



Spotlight on luncheon meeting: Labor nominee Alexis Herman has said that her luncheon in the White House with the daughter of Congo's president in October 1995 was a social meeting.



Lissouba: Plans for U.S. visit canceled



Jackson: Mentioned in proposal



Young: Draft sought his involvement, too

ber 1995 luncheon with Herman. He also asserted that Herman had provided Weaver with advance word of Vice President Gore's decision to stop in Congo for a brief meeting with President Lissouba while on an overseas trip in December 1995.

Herman has declined to be interviewed. But Joseph Lock-

hart, a White House spokesman, denounced Yene as a liar. He said that Herman remembers clearly that no business was discussed at the lunch with the Congo officials. Further, he said, Herman "provided no advance" information to Weaver on Gore's trip. He said Herman had never discussed the Congo stopover with Gore

and his staff.

Herman operated her own consulting firm before joining the White House in January 1993, as director of the Office of Public Liaison. Weaver, who had worked as a consultant for Herman, bought her friend's company in the fall of 1993 for between \$50,000 and \$100,000, according to the White House.

Since then, Weaver has enjoyed extraordinary access to the White House for herself and her clients. Her easy access to the White House, arranged by Herman, was detailed in USA TODAY in Wednesday editions. The White House said Herman acted properly and had done no significant favors for Weaver.

Weaver is a management consultant and specializes in racial diversity training for companies, business develop-

Nomination remains in limbo

From wire reports

Alexis Herman's nomination to be Labor secretary remained stalled Wednesday over Republican objections to changes in federal contract guidelines that President Clinton has promised unions. Clinton, meanwhile, repeated his pledge.

"We're taking steps to ensure that every company that contracts with the government maintains excellent labor relations and employment practices," he said in a videotaped address

to AFL-CIO construction union officials. "And soon I'll issue an executive order that will encourage federal agencies to consider using project labor agreements for any construction contracts they manage."

Republican lawmakers accuse Clinton of trying to circumvent Congress through executive orders.

Senate Majority Leader Trent Lott, R-Miss., wants the executive orders to "go away," spokeswoman Kirsten Shaw said. "It is unconstitutional."

ment and public relations. She operates this business through a firm known as Alignment Strategies.

Global strategies

Court records show that Alignment Strategies provided a \$100,000 line of credit to start up the second firm, International Investments, formed by Weaver and Yene. She and Yene fell out bitterly last September. Weaver has not returned messages seeking comment.

Apart from their efforts to represent Congo, Weaver and Yene promoted a global satellite telephone system proposed by a small Washington firm known as Mobile Communications Holdings, Inc. The Weaver-Yene team was hired by a Singapore executive, Abdul Rahman, who had a separate arrangement to find financing for Mobile Communications.

Mobile Communications has been trying for seven years to get a license from the Federal Communications Commission. Last September, on the same day the company participated in a small business conference at the White House, the firm contributed \$10,000 to the Democratic National Committee, records show.

The donation was sought by Weldon Latham, a Clinton fund-raiser, whose law firm re-

prents Mobile Communications, according to a company official. Earlier, in May, Latham had arranged with the help of Herman for Mobile Communications to take its complaints about alleged mistreatment by the FCC to Gore's top domestic policy adviser.

During this period, Mobile Communications also complained to the Small Business Administration, which wrote a letter in its behalf to the FCC. The White House said Weaver was not involved with Mobile Communications at the time. The company's license application is pending at the FCC.

Weavers, White House

Weaver and her sister, Caryliss, contributed a total of \$50,000 to the DNC last November, after Vanessa Weaver became involved in promoting Mobile Communications' satellite plan, records show.

In the past four years, Herman has included Vanessa Weaver and some of her clients in prestigious White House events. In December 1995, Weaver helped Herman co-host a table at a holiday party with the Clintons.

Weaver also touted her White House ties. She worked in Herman's Office of Public Liaison as a volunteer in early 1993. In her promotional material, Herman's White House office is listed as "client."

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USA TODAY

New Fund-Raising Queries for Labor Nominee

By CHRISTOPHER DREW and MICHAEL WINES

WASHINGTON, April 16 — Two businesswomen whose close ties to Alexis M. Herman, President Clinton's choice for Labor Secretary, have raised questions about Ms. Herman's nomination, gave \$150,000 to Democratic Party organizations in a string of donations last fall, Democratic Party records show.

The donations were made about the time that one of the women, Vanessa J. Weaver, took a Singapore businessman seeking approval for a \$560 million satellite project to a fund-raising event where he met President Clinton.

The figure is three times what the two women, Ms. Weaver and her sister, Carylliss Weaver, had previously been reported as donating. Ms. Weaver's consulting firm, Alignment Strategies Inc. of Potomac, Md., also gave \$2,500 at the Democratic National Convention last August.

The Weavers' involvement in the satellite venture has raised new questions that could cloud Ms. Herman's chances to win Senate confirmation. White House officials acknowledged today that Ms. Herman, a White House aide, last year put some satellite executives in touch with an Administration official involved in setting telecommunications policies.

The lobbying on the satellite deal became an issue this week amid disclosures that Ms. Herman had invited Vanessa Weaver to the White House more than two dozen times and done other favors for her. Ms. Weaver bought Ms. Herman's management consulting firm in 1993 and advises corporations on racial diversity and other issues.

Ms. Herman also attended the Democratic Party event where the Singapore businessman, Abdul Rahman, had his photograph taken with Mr. Clinton.

A spokesman for the Senate Labor and Human Resources Committee said it did not examine the satellite venture before voting to endorse Ms. Herman's nomination last week. The majority leader, Senator Trent Lott of Mississippi, said the Senate had delayed a final vote on Ms. Herman's nomination because of a dispute with Mr. Clinton over other Labor Department issues.

Joseph Lockhart, a White House spokesman, said today that Ms. Herman "had knowledge that Vanessa Weaver wanted to contribute" to the Democratic Party. But Mr. Lockhart also said that Ms. Herman "made no suggestions about how much to contribute or how to do it."

Neither of the Weavers had made donations to the Democratic Party in recent years. But the consulting company contributed \$2,500 to the Democratic National Committee last August, and records show that the Weavers personally contributed a total of \$150,000 last October and November to the national committee and to Democratic organizations in New Jersey, California, Georgia and Kansas.

Jeffrey S. Fried, a lawyer working for Vanessa Weaver, agreed to make most of the donations in early October, about two weeks before the event with Mr. Clinton. Mr. Fried said the donations were not linked to Ms. Weaver's work for Mr. Rahman. Mr. Fried said Ms. Weaver made the donations for two reasons.

"She now has the financial wherewithal to do that," he said, and she "feels very strongly about supporting issues she feels passionately about."

He said, for instance, that she gave to the California Democratic Party because she opposed Proposition 209 on the state ballot, which would ban hiring and contract preferences based on race and sex.

The satellite executives were after a lucrative telecommunications prize: the rights to place an armada of satellites in orbit that would permit cellular telephone users to place

A Singapore businessman meets Clinton; his advisers make contributions.

a call from anywhere on earth. The Federal Communications Commission plans to issue five licenses to build the expensive networks. In 1995, the agency awarded three licenses to business consortiums and denied licenses to three other competitors, saying they had not yet proven they could afford the projects.

Those three have been scrambling ever since to win financial and political support. One of them is a Washington venture, Mobile Communications Holdings Inc., which says it would serve rural and Third World areas where pole-and-wire phone systems are too expensive.

The chief executive of that venture, known as Ellipso, is David Castiel, a Hispanic American, who has complained that the communications commission's financial standards were biased against smaller, minority companies like his. So has W. David Thompson, who heads a company, Spectrum Astro Inc., that would supply Ellipso's satellites.

Both men turned to lobbyists: Mr. Castiel to Weldon Latham, a Democratic fund-raiser, and Mr. Thompson to Pamela Meredith, a lawyer.

Last May, Ms. Meredith called the Office of Public Liaison, then under Ms. Herman's command, to seek help with the communications commission. Mr. Thompson followed with a letter to a Herman aide, who sent it on, without comment, to the agency.

That same month, Mr. Latham called Ms. Herman directly. She referred him to Greg Simon, then the chief domestic policy adviser to Vice President Al Gore. Mr. Simon met Mr. Castiel in late May and then called an F.C.C. official to ask about the project's status.

In a telephone interview today, Mr. Simon said his inquiry was the only action he took.

May is also when Ms. Weaver's involvement with the project began. That month, Mr. Rahman, also promoting Ellipso, placed one of her two consulting firms on a \$15,000-a-month retainer.

Clinton Serves as Dinner Host to Woo Congress on Foreign Policy

By JAMES BENNETT

WASHINGTON, April 16 — Facing a series of legislative roadblocks to his foreign policy, President Clinton held a dinner tonight for more than three dozen Democratic and Republican members of Congress at Blair House, pressing them to support his goals in Europe, with China and at the United Nations.

Mr. Clinton's also lobbied the legislators heavily on the most immediate test of a bipartisan foreign policy — a treaty banning chemical weapons that appears headed for a ratification vote in the Senate next week.

But despite the White House's stated goal of a bipartisan meeting, the crowd appeared to be weighted toward the Democrats.

The most important Republican critic of the chemical weapons ban, Senator Jesse Helms of North Carolina, stayed away, reportedly because his granddaughter was in town. Fur-ther undermining bipartisanism, the Speaker of the House, Newt Gingrich, also pleaded a conflicting engagement.

Administration officials said today that they were uncertain whether the treaty, the Chemical Weapons Convention, would be ratified before the

deadline of April 29, when it is scheduled to take effect.

"I think it is really a jump ball at this point," said Samuel R. Berger, Mr. Clinton's national security adviser. He said there remained "a lot of undecided senators," adding, "The stakes are enormously high."

Susan Irlby, a spokeswoman for the Senate majority leader, Trent Lott, said he hoped to hold a vote on the treaty next Wednesday or Thursday but was trying to get unanimous consent from the Senate to schedule it.

Administration officials emphasized that tonight's meeting was a broad effort to enlist Congressional

support. "This is part of a larger process and a way of doing business that I think we've tried very hard since January to engage in," Mr. Berger said this afternoon.

A number of prominent Republicans did attend, including Mr. Lott and Senators Richard G. Lugar and John W. Warner. The Republican Representatives Robert L. Livingston and Benjamin A. Gilman also attended the dinner.

"We think it's quite an extraordinary cross section," an Administration official said.

He added that he would not read anything into Senator Helms's ab-

sence. "We're certainly not adopting a confrontational stance toward him," the official said.

But Marc A. Thiessen, a spokesman for Mr. Helms, said, "It's not exactly an opportune time to be talking about a bipartisan foreign policy summit when they're trying to ram an objectionable treaty down the Senate's throat."

This was the first such meeting Mr. Clinton has had. His aides said it reflected his growing awareness of his need for Congressional support on issues like China's status as a trade partner and also his belief that Republicans will cooperate if consulted fully.

Besides Mr. Clinton, more than a dozen officers from his Cabinet and

other top officials came tonight, including Secretary of State Madeleine K. Albright, Defense Secretary William Cohen, Bill Richardson, the chief delegate to the United Nations, and Gen. John Shalikashvili, the Chairman of the Joint Chiefs of Staff. Mr. Clinton's aides said they believed they had made great progress in addressing worries about the treaty.

But the Administration has not been able to satisfy critics on some proposed changes — what Mr. Berger called "killer amendments." They include a demand that other countries known to have chemical weapons, like Libya and Russia, ratify the treaty first.

Herman on Hold

Trent Lott postponed Alexis Herman's Senate confirmation vote as Labor Secretary Tuesday. You've got to wonder about the political operation up at the Clinton White House. The Herman confirmation would be one of the stinkiest GOP votes of the year, insofar as she was at the eye of the Indogate fund-raising storm in the White House. But almost on the very day the Republicans are about to hold their noses to wave through Ms. Herman, the White House proceeds to ignore the democratic process for the about umpteenth time by using an executive order to decree a giant and truly outrageous favor to Big Labor.

Al Gore, the heir-apparent to Bill Clinton's politics, dangled the new order Monday before a meeting of construction and building unions. The executive order would allow federal agencies that fund construction projects to "determine" what kind of workers they want to hire, and to require, if they so choose, that a project use union workers.

Another hoot: Federal agency participation is supposed to be voluntary. The bottom line is that this is a \$200 billion set-aside for the AFL-CIO. Anyone who wondered why the unions went to the mattress for Bill Clinton in the last election can now see the logic: Excused by Mr. Clinton from obeying the Supreme Court's *Beck* decision, John Sweeney spent \$35 million on TV ads to support Democrats last year. Mr. Clinton is now rewarding him

close to 6,000 times over.

Bruce Josten of the U.S. Chamber of Commerce probably spoke for a lot of American businesses, large and small, when he commented this week that "the Vice President should work to require that all government contracts be awarded to the lowest bidder, not the biggest campaign contributor." As a result of the Davis-Bacon Act, the government already is paying too much for its roads, highways and buildings. The executive order will push construction bills even higher.

Reflecting a Big Government mind-set, the order also permits government agencies to negotiate *directly* with unions, bypassing the private-sector contractors who are actually responsible for delivering the work. Finally, this purportedly pro-worker gesture shuts out many potential construction workers themselves by excluding the 80% of them who don't belong to unions. This, incidentally, includes many minority workers, who are already disadvantaged by Davis-Bacon. No surprise here; all they gave the Administration was their votes.

Tom Daschle reacted to Mr. Lott's move by charging that Ms. Herman was being "held hostage." Hardly. The National Labor Relations Board will be the center for adjudicating the consequences of the executive order, and the Labor Secretary's office traditionally advises the NLRB. Once again, Ms. Herman is entangled in this White House's hyper-political machinations.

Asides

Hollywood Shuttles Democrats

Leave it to Hollywood liberals to cloak self-interest in the guise of virtue. The Hollywood Women's Political Committee disbanded this week after raising \$6 million for liberal efforts over the past decade. "We will no longer collaborate with a system that promotes the buying and selling of political office," its statement said. The

full story is that group members were increasingly disappointed with the refusal of President Clinton and other Democrats to embrace their '60s liberalism. Motives aside, at least the HWPC deserves credit for refusing to be repeatedly stiffed by politicians. Would that some members of the business community understood the Democrats so well.

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to accept or reject the proposals. Should one side or the other not accept the recommendations, the pilots would then be free to strike or the airline would be free to lock out the pilots. At that point, only Congress could step in to force the pilots back to work and to accept the presidential board's recommendations.

Battle over compensatory time and overtime subject of House vote on Wednesday

By Mary Jacoby Chicago Tribune (KRT)

WASHINGTON As congressional Republicans and their business allies see it, giving hourly employees the option of taking time off instead of overtime lets them bank hours for later—a day off for a child's birthday party, say, or maybe an afternoon caring for an aging parent.

But labor unions and President Clinton have denounced the proposal as a none-too-subtle attempt by businesses to lower costs. In what is shaping up as the first big union fight of the 105th Congress, opponents of the bill, which is slated for a House vote on Wednesday, argue that employers would end up coercing workers into accepting "voluntary" compensatory time arrangements.

"It would allow businesses to make employees put in a lot of overtime during their heavy seasons, then encourage (workers) to take time off when they don't need (it) anyway," said Peggy Taylor, legislative director for the AFL-CIO. "A lot of these workers need the overtime to help make ends meet."

Taylor admits that in union surveys, workers initially react favorably to the proposal, a top priority of the GOP. "But that favorable attitude toward comp time disappears when you asked questions about, 'Do you think your employer would really leave it up to you?'" Taylor said.

Such statements are fighting words to the U.S. Chamber of Commerce, which will take into account lawmakers' votes on the bill when it issues often-influential annual ratings of the most pro- and anti-business members of Congress.

"This would primarily affect the 90 percent of the workforce that is not unionized. This is another attempt by the unions to block giving the workers what they want," said Frank Coleman, a chamber spokesman. "If the comp time bill passes, workers might get what they want, and they'd have no reason to join unions."

The Labor Department estimates there are 70 million hourly workers in the United States, with about 50 million in non-union jobs. Collective-bargaining agreements negotiated by unions would take precedence over the proposed law.

The comp-time option is already available to most government workers. For that reason, business lobbyists call unions hypocritical for trying to deny private-sector workers the same comp-time choice that their local chapters have negotiated with government employers.

"The difference is that public-sector employers are not driven to squeeze the work out of their employees the way the private sector is," retorted the AFL-CIO's Taylor.

Business interests also note that President Clinton introduced a similar proposal last year during election season but now says he will veto any GOP-backed comp-time bill. Clinton has said that comp time should be linked to an expansion of the Family and Medical Leave Act, which guarantees certain leave rights.

The Republican-led Congress, however, is moving ahead with its own proposals. The Senate Labor Committee on Tuesday approved a comp-time bill called the "Family Friendly Workplace Act" along a party-line vote. It is expected to come to the Senate for a vote after Congress returns from its Easter recess.

The bill before the House on Wednesday is the "Working Families Flexibility Act." Its sponsor is Rep. Cass Ballenger, a North Carolina Republican and former small businessman known for his hostility to organized labor.

His bill would amend the 1938 Fair Labor Standards Act, a Depression-era law that guaranteed overtime pay to hourly employees who work beyond the usual 40-hour week. The act does not grant overtime pay to salaried professionals and managers.

That landmark labor law was passed when most workers were men and most women stayed at home. But times have changed, and so should the law, Republicans say. These days, the retail and service sectors drive the economy. More women are working, and family concerns are a new priority.

Indeed, a 1994 Labor Department report found that the main issue facing working women is "the difficulty of balancing work and family obligations."

"What we're talking about is being able to offer another benefit to employees," said Nelson Litterest, a lobbyist for the National Federation of Independent Business.

The House bill would allow workers to continue to earn overtime pay at time and a half if they chose. But for those who want a more flexible schedule, the proposal would allow them to take an hour and a half off at some later date for every hour of overtime worked.

Employers and employees would be required to sign formal agreements stating their arrangement. Under the proposal, employees would be able to earn up to 240 hours of comp time. At the end of the year, employers would be required to pay the usual time-and-a-half cash overtime wage for any comp-time hours not used.

In response to concerns about workers' rights, the bill stipulates that accepting comp time may not be a precondition of employment. It also allows workers to file federal complaints against employers who try to coerce them into such arrangements. Employers who lose would be forced to pay complainants double their wages for the overtime hours worked.

In reality, the unions argue, the process of filing a complaint would be so cumbersome that most workers—many of whom may lack time and resources to fight a labor dispute—would simply cave in to their bosses.

Clinton and the unions also worry about a provision allowing employers to deny an employee's comp-time request if it would "unduly disrupt" operations. That measure—coupled with a provision giving employers the right to cancel leave, with 30 days notice—would mean a worker's maternity leave or extended vacation could be arbitrarily canceled.

The business lobby says coercion is not in the interest of employers, especially those who own small businesses.

"The small-business owner we represent is in a Main Street business. They work hand-in-hand with their employees. They work the cash register. They wear many hats," said Litterest of the independent business federation.

"They look at this as another way to offer a benefit, because a happy workforce is an efficient workforce," he said.

Senate Labor Committee begins confirmation hearings on Alexis Herman By Mike Dornig Chicago Tribune (KRT)

WASHINGTON Too bad for Anthony Lake that he didn't have the good luck to be born in Alabama.

Or so one might have concluded Wednesday after the surprisingly congenial confirmation hearing for once-controversial Labor Secretary-designee Alexis Herman. The tone was set at the opening by a laudatory introduction from her fellow Alabamian, Republican Sen. Richard Shelby.

A day after Lake withdrew from consideration for the CIA directorship in the face of a determined campaign against him led by Shelby, the conservative Alabama senator was sitting in front of the Senate Labor Committee, full of kind words for Herman, whose nomination only a few weeks ago seemed doubtful.

"She's earned her way by hard work. I know she will do a good job," said Shelby, finishing off a glowing biography of Herman's rise from Mobile's segregated parochial schools to a high-level position in the White House.

The hearing opened after nearly three months of delays because of Republican questions about her involvement as director of the White House's Office of Public Liaison in Democratic fund-raising activities.

Republicans were especially concerned about her role in a White House coffee with President Clinton held for Democratic donors in the banking industry. The event was attended by Comptroller of the Currency Eugene Ludwig, who had direct regulatory control over the bankers at the session.

Herman visited Senate Republican Leader Trent Lott, R-Miss., in late February to explain her activities and assure him she had not been aware of Ludwig's invitation to the coffee nor had she attended. She also answered detailed written questions from the Senate Labor Committee.

Committee Chairman James Jeffords, R-Vt., opened the hearing by declaring, "The vast majority of questions have been answered."

Although he chided Herman for her office's involvement in fund raising at the White House, he did so in a tone gentle by the standards of the bitter partisanship of the campaign fund-raising controversy.

"I think the nominee made some mistakes. Fortunately for all of us, the standard for public office is not perfection. But neither is it sufficient to say, 'Everybody does it.' They don't," Jeffords said.

Herman was not asked directly about fund raising at the White House during the hearing, although two senators questioned her about

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involvement in trade missions while she was an official at the Commerce Department. The administration has been accused of favoritism toward Democratic donors in choosing business representatives for trade delegations.

"I did not know who was a donor and who was not a donor, quite frankly, to the Democratic Party. That was not a part of my conversation with them," responded Herman, who said she helped organize two trade missions, both for women business owners.

Herman's hearing was attended by a number of black political leaders, including Secretary of Transportation Rodney Slater, Harlem's Rep. Charles Rangel, D-N.Y., and Kweisi Mfume, president of the National Association for the Advancement of Colored People.

Herman's 92-year-old grandmother, Margaret Dozier, also flew in for the hearing from her home on Chicago's South Side.

Anthony Lake Withdraws his Nomination as Director of C.I.A. By William Neikirk and David S. Cloud, Chicago Tribune

WASHINGTON—Mar. 18—In a stunning political blow to President Clinton, Anthony Lake withdrew his nomination as director of the Central Intelligence Agency on Monday under intense Republican fire in Congress.

Lake, who had served as Clinton's national security adviser, found his nomination embroiled in the Democratic fundraising controversy, the administration's secret deal to allow Iran to sell arms in Bosnia, and his failure to sell off his financial assets as required by ethics rules.

The surprise pullout by the scholarly, soft-spoken Lake, one of the main architects of Clinton's first-term foreign policy, gave Republicans in Congress their first significant victory over Clinton since he was re-elected last November.

Lake told Clinton in a White House meeting that the GOP would drag out his nomination for months, maybe even a year, in hopes of damaging him and the administration.

"He thinks they are diddling him to death," a senior administration official said.

The president reportedly told Lake that he was prepared to stick by him for a year, if necessary, and leave the CIA job open. But Lake declined, noting that the GOP was on the verge of issuing new subpoenas in the fundraising scandal against members of the NSC staff.

"He didn't want to put his staff through it," said a senior administration official. "Everyone is despondent about it."

In the end, Clinton said he respected Lake's decision and accepted his withdrawal. But, the official said, it might be some time before a new CIA nominee is put forth.

The official said that no one had shown Lake to have engaged in any wrongdoing and added that the withdrawal shows "the sad state our country is in now."

Lake gave up after Sen. Richard Shelby (R-Ga.) led a concentrated Republican attack in Senate hearings, questioning whether he was qualified to run the nation's spy agency. In a statement Monday night Shelby said, "This nomination has been wrought with controversy from the beginning. Although I found Mr. Lake to be intelligent and amicable, I continued to have strong reservations about his fitness to be director of the Central Intelligence Agency. I wish Mr. Lake well."

Some Democrats had also wondered aloud whether he possessed the qualities necessary to run the sprawling intelligence bureaucracy.

The irony of his decision was that he might have been confirmed by the Senate had he persisted, even though it would have been a rough-and-tumble fight.

"No one here at the White House thought that Tony would not have been confirmed," the senior administration official said. His description of a circus atmosphere was not far from wrong. He told the president that there appeared to be no end to the investigation into his nomination. The final straw, he said, was his fear that a NSC staff member home on maternity leave would be called before the Senate to testify.

Rarely are nominees for major administration officials defeated or forced to withdraw, and each time it happens, the president pays a price in a political system where the opposition constantly probes for vulnerabilities.

Though the GOP pounded Lake on other issues, he proved to be the first major victim of the fundraising controversy, even though his National Security Council had warned White House officials against associating with some Asian-Americans who had contributed to the Democratic Party.

But Lake found his stewardship questioned in connection with the

disclosure that foreign companies and foreign citizens had contributed to the Democrats in the 1996 campaign, and that the Chinese government may have tried to illegally influence U.S. elections.

Although Lake had been roughed up in the first week of hearings, he had support of two senior Republicans on the intelligence committee, Sens. Richard Lugar of Indiana and John Chafee of Rhode Island.

As recently as last week, the White House was predicting victory. One White House official who had advised Lake last week to resist the attacks on him said that he now regretted the advice. In a change in tenor last Wednesday, Democratic Sens. Max Baucus and Bob Kerrey of Nebraska raised doubts about Lake's managerial ability to run the massive CIA bureaucracy.

Supreme Court to hear arguments in Communications Decency Act case

By Glen Elsasser Chicago Tribune (KRT)

WASHINGTON Former U.S. Sen. James Exon calls the Internet the greatest invention since the printing press. Yet he was shocked by what was available to kids on its dark side roads and what he described with grandfatherly discretion as "not just pinup girls."

Although admittedly a computer novice, the Nebraska Democrat says this concern for children spurred his successful effort to enact the 1996 Communications Decency Act.

On Wednesday the Supreme Court will hear arguments in what is being called one of its most significant free-speech cases in years. The outcome will be a landmark ruling, expected in June, on an issue that state and local governments are increasingly tackling with laws of their own.

The controversy focuses on provisions of the statute that make it a crime for anyone to transmit or display to minors any indecent or patently offensive material. Conviction carries a two-year prison term and fine.

A Philadelphia panel of federal judges last June ruled these portions of the law are unconstitutionally vague because they fail to give Internet users precise guidance on what is illegal.

Opponents say the law could penalize the transmission of sexually oriented art and literary works, information about sexual matters and speech containing "dirty words."

The Justice Department has asked the high court to uphold the indecency provisions, with Attorney General Janet Reno echoing the same concerns that motivated Exon and his congressional supporters.

While the Internet provides new opportunities for learning, Reno said in discussing the upcoming arguments, "it also has incredible opportunities to put stuff on there that can be damaging, harmful and hurtful, particularly to children."

However, Jerry Berman, director of the Center for Democracy and Technology, takes the view that if Reno and the government win, "it will destroy the Internet as we know it."

Siding with Berman is a diverse list of organizations, individuals and businesses that include the American Civil Liberties Union, the American Library Association, the U.S. Chamber of Commerce, booksellers, artists and photographers.

They want the court to uphold the Philadelphia ruling. Otherwise, they contend, the government restrictions could limit the Internet to individuals and commercial entities that charge money for access to their information, such as commercial pornographers.

Last week Bruce Ennis, a Washington lawyer with the firm of Jenner & Block, previewed what he will tell the justices Wednesday is wrong with the law.

First, he said, because of the way the Internet works, the decency law would ban a vast range of speech, all of which is constitutionally protected for adults and most of which is constitutionally protected for minors.

Ennis also will argue that the law does not apply to indecent speech that is posted to the Internet in foreign countries. A substantial amount of all this speech, he estimates 40 percent to 50 percent originates abroad.

"That's like saying to minors: Here we have an enormous worldwide adult bookstore and we're going to take half the dirty videos, books and magazines off the shelves, and you can look at the rest," said Ennis. "That surely does not further the government's interest in preventing minors from having access to indecent speech."

Ennis emphasized that it is not technically possible for speakers to screen for age on such popular Internet features as e-mail, listservs, newsgroups and chatrooms.

He will tell the justices that there is a less restrictive way to protect minors: user-based software that enables parents to block entirely or screen and filter indecent speech on the Internet, regardless of its

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Labor Nominee Herman Heads Toward Senate Confirmation (Washn) By Martin Kasindorf
(c) 1997, Newsday

3-19-97

WASHINGTON Secretary of Labor nominee Alexis Herman appeared headed toward a long-delayed Senate confirmation Tuesday after a committee hearing in which she endured Republican attacks on White House mixing of politics with official business.

"I am troubled by the culture which gives rise to so many missteps," Senate Labor and Human Resources Committee Chairman James Jeffords, R-Vt., said in gently chastising Herman, 49, a black woman who directed the White House public liaison office during President Clinton's first term. Jeffords strongly implied that Herman should have spoken up to prevent the nation's top banking regulator from being invited to a 1996 White House coffee with Clinton, bankers and Democratic fund-raising officials. Herman's office helped set up the event, which she did not attend.

Jeffords, a political moderate, granted Herman a chance to testify only after she submitted to weeks of private grilling over her personal business interests and her White House activities, which officially involved "outreach" to minority and other constituent groups. The committee Tuesday released hundreds of pages of documents constituting her responses to more than 100 written questions. In the documents she denied playing any role in campaign fund raising.

"My pace may have been too slow to suit some, but my view is that it is better to take some time and get it right," Jeffords said.

The committee is not scheduled to vote on Herman until next month, after Congress' two-week Easter recess. White House spokesman Joe Lockhart, citing the lack of outright opposition to Herman voiced by any committee member, predicted favorable votes by the committee and full Senate.

While the hearing bordered on open partisanship at some points, senators' questions dealt mostly with arcane labor policy. At no time did the atmosphere near the hostility that Anthony Lake met from the Senate Intelligence Committee before he withdrew his nomination to be CIA director Monday. Along with Herman, Lake had been the only Clinton Cabinet appointee still awaiting confirmation.

In the starkest contrast with Lake's ordeal of delays and questions, Sen. Richard Shelby, R-Ala., the intelligence committee chairman, showed up to shake hands with the Mobile, Ala.-born Herman and openly support her as a fellow Alabamian. "I believe she will do a good job as secretary of labor," he told the committee. "I hope you will expedite the hearing and move it onto the floor."

Jeffords, reading an opening statement, said it was wrong for White House aides such as Herman "to be thrust into campaign roles." He was referring to a Clinton-Gore 1996 campaign plan that Herman helped develop to corral blacks' votes.

Jeffords' criticisms were "pretty mild by current standards," Lockhart said.

Herman told Sen. John Warner, R-Va., that "I certainly disassociate myself" from a memo written by the campaign working group she headed urging attacks on Republicans as "enemies of civil rights."

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After long delay, Labor nominee finally has her day in Senate<
By KEVIN GALVIN Associated Press Writer

WASHINGTON (AP) After weeks of delays, Labor Secretary-designate Alexis Herman finally had her day at a Senate confirmation hearing Tuesday and got a generally favorable reception from Democrats and Republicans alike.

Several Republicans at the hearing referred to the campaign fund-raising problems that have dogged the Clinton White House and had delayed Herman's nomination, but the same senators indicated they would be more interested in discussing labor policy.

Sen. James Jeffords, R-Vt., chairman of the Labor and Human Resources Committee, referred to the hundreds of written questions Herman and the White House responded to before the hearing could be scheduled.

"I appreciate the patience of the nominee and the cooperation of the White House itself. I think the vast majority of questions have been answered and need not take up our time today," Jeffords said.

Nevertheless, Jeffords referred to what he said were ethical lapses at the White House and said he hoped Herman, who served as director of the White House Office of Public Liaison, would live up to a higher standard at Labor.

"I think the Office of Public Liaison made mistakes. And I think the nominee made some mistakes," Jeffords said.

"Fortunately for all of us, the standard for public office is not perfection, but neither is it sufficient to say 'everybody does it.' They don't."

Anthony Lake's withdrawal as Clinton's nominee to lead the CIA was fresh on everyone's mind, but even Republican Sen. Richard Shelby, a key Lake opponent, turned out to introduce Herman, who hails from his home state of Alabama.

In her opening remarks, Herman, 49, avoided any reference to the delay of her hearings, focusing instead on her agenda for the Labor Department. She said helping welfare recipients move into the working world, shoring up retirement security, guaranteeing safety and equality on the job and improving worker training would lead her list of priorities.

"We must make sure that every workplace supports families, respects diversity and fosters cooperation between employers and workers," she said. "The best way to achieve these goals is to expand opportunity and security for all workers."

Sen. Edward Kennedy of Massachusetts, the panels ranking Democrat, sought to steer attention away from the questions about Herman's involvement in political affairs at the White House.

"This hearing isn't really about all the activities in the White House," he said. "This hearing is about your record."

Kennedy and the AFL-CIO worked against Herman's nomination, but they have stood squarely behind her since Clinton named her as his choice.

Jeffords' committee staff had looked into a controversial coffee klatch for bankers organized by the Democratic National Committee and attended by Comptroller of the Currency Eugene Ludwig.

Clinton admitted it was a mistake to include Ludwig in a political event.

White House memos supported Herman's contention that she was unaware of the DNC's role in the event. Although her office invited Ludwig to the meeting, the White House said she was not involved in the arrangements.

A longtime advocate for women and minorities, Herman, 49, came from a politically active home in Mobile, Ala.

Her father sued the Democratic Party to let blacks vote and became Alabama's first black wardsman. When she graduated from Xavier University in New Orleans, she returned home to help desegregate her old high school.

She was a protege of the late Ron Brown, and served as his chief of staff at the DNC from 1989 to 1991.

U.S., Russia Still at Odds Over NATO Plans

(Wash) By Roy Gutman (c) 1997, Newsday

WASHINGTON After four intense days of top-level talks, Russia and the United States are still sparring over NATO's expansion plans and may remain at odds even after the summit in Helsinki later this week, the White House said Monday.

"Russia will not change its position on NATO enlargement," Yevgeny Primakov, the Russian foreign minister, told reporters Monday after an hour of talks with President Clinton, who is recuperating from surgery to repair a knee injury.

In Moscow, President Boris N. Yeltsin predicted the summit will be the most difficult he has faced. "There has not been such a difficult meeting as this between me and an American president (former President) Bush or Bill Clinton," he said in an interview.

Yeltsin said his opposition to NATO expansion is based not on fear of an attack but of a Western "blockade" of Russia, "which we cannot allow." He also criticized NATO exercises around Russia. "How can we accept a military organization activating around our borders and openly at that?" he said.

The summit was scheduled in Helsinki, Finland, after Yeltsin's long recovery from a heart-bypass operation and a bout with pneumonia. Monday, the Russian leader took delight in pointing out the role reversal.

"They said that a sick Yeltsin and a healthy Clinton would come to Helsinki, and it turns out the other way around," he said.

The White House also toned down expectations for the summit, set for Thursday and Friday. Spokesman Mike McCurry said Primakov had made a "good commitment" to addressing the disagreements but predicted the Helsinki summit will not resolve all.

"There will likely continue to be disagreements after the summit in Helsinki. I can't imagine that we will resolve all the issues that are pending," he told reporters. Other major issues to be addressed, in addition to NATO, are failure by the Russians to ratify the START 2 treaty and future U.S. economic ties, including aid, to Russia.

The State Department said meetings with Primakov have gone almost around the clock since Friday, and the discussions were "cooperative and, in some cases, productive."

"But it's really hard to predict where we're going to end up," spokesman Nicholas Burns told reporters.

One reason is the sudden increase of Russian rhetoric. A few days ago, Russia's ambassador to the Czech Republic warned that Moscow may reconsider its economic relations with Prague if the latter, as is almost certain, joins the Western alliance. The State Department sharply rejected the Russian position.

"There's no place in the new Europe for those kinds of public threats of retaliation," Burns said.

A main area of disagreement centers on a charter that is to lay out Russia's relations with NATO. There were indications last week that Yeltsin had dropped his insistence that this be a legally binding document. Primakov indicated the Russian position remained unchanged, telling reporters Monday that the United States "understands our arguments in favor of the binding character of the document."

White House spokesman McCurry said the U.S. position remains that the agreement should be "politically binding," meaning a signed statement by heads of state and government.

Passage of Time Appears to Help Labor Sec. Nominee Herman (Wash) By William Douglas (c) 1997, Newsday

WASHINGTON Time may prove to be Alexis Herman's best friend.

Nearly three months ago, when President Bill Clinton tapped Herman, former director of the White House's political liaison office, to become secretary of labor, naysayers were aplenty and her nomination was in doubt.

Republicans, led by Senate Majority Leader Trent Lott, R-Miss., questioned Herman's role in White House coffee meetings attended by Democratic Party officials and banking executives and wondered about her personal financial dealings.

Organized labor balked at Herman's selection and Sen. Edward Kennedy, D-Mass., the ranking Democrat on the Senate Labor Committee, made it known that he and the unions wanted Clinton to choose former Sen. Harris Wofford, D-Pa.

But now, White House officials and congressional lawmakers are quietly saying they expect Herman will be confirmed despite what is likely to be a contentious hearing before the Senate Labor Committee

Tuesday.

A White House that was frustrated about the delay in Herman's confirmation hearing she is the last appointee to go through the process now says the wait may have been a blessing in disguise.

"Oddly, the time lapse has worked in her favor," said White House spokesman Joseph Johnson. "People have answered the questions (about her). For a majority of things, reasonable explanations have been provided. Six weeks ago, you would have had a different impression of her than you will at the hearing."

White House officials and Herman have used the time to plead her case and diffuse any negatives that could cost her the labor secretary job.

In late January, Herman met with Lott after the senator cast doubt on her nomination because of her alleged involvement in arranging a May 13 coffee meeting at the White House with Clinton, Democratic National Committee officials, 17 prominent banking executives and a senior Treasury official who regulates the industry. Clinton officials later admitted that the gathering improperly mixed political donors with federal regulators.

White House officials also provided documents they say prove that Herman, whose office coordinated the meeting, had no direct role in inviting the Treasury official, Comptroller of the Currency Eugene Ludwig, to the gathering. Herman was out of town when Ludwig's name was placed on the guest list, according to the documents. When Herman learned of Ludwig's invitation, she concluded the meeting was a political gathering and did not attend, the documents say.

Herman's office arranged about 15 of the 103 coffee meetings held at the White House and attended about seven, administration officials said.

The administration's explanation of the May coffee meeting seemed to satisfy Lott, who said her prospects for confirmation "looks better than it did when it came out that there was a possibility she arranged or attended a meeting that involved regulators, the regulated and campaign officials."

While trying to mollify Lott, Herman and administration officials have campaigned for support from some Democrats and organized labor.

Shortly after Herman's selection in December, she paid a courtesy call on Kennedy.

"It was more that he supported Sen. Wofford than being against Ms. Herman," said Jim Manley, a spokesman for Kennedy. "She will be a fine labor secretary and he (Kennedy) is confident that she will be confirmed once she goes for the committee."

Herman has been wooing organized labor, too, meeting some union leaders personally and speaking by phone to others.

Although union officials publicly followed Kennedy's lead in backing Herman, some have grumbled privately that Wofford who had an 88 percent lifetime voting record in support of labor issues backed by the AFL-CIO would have been a better choice.

But Peggy Taylor, the AFL-CIO's legislative director, said, "all of our experiences with her in the past couple of months have generated a lot of enthusiasm."

Still, with all the controversy surrounding Herman, her supporters feared the White House would abandon her.

"We have a little history here," said Rosemary Dempsey, National Organization for Women's national vice president, referring to Clinton's withdrawal of support of civil rights expert Lani Guinier for a senior Justice Department position in 1993. "They should not let her fall by the wayside."

By last month, the White House showed its support for Herman, who is black, by asking black colleges, women's groups, and labor groups to speak out about the delayed confirmation hearing.

While the Clinton administration has tried to smooth Herman's confirmation hearing, some potential bumps remain.

Lott and other Republicans have said that a report Herman prepared for Clinton's re-election campaign that outlined strategy for improving the president's support in the black community violated the Hatch Act, a federal law that bars government employees from participating in certain political activities.

The White House defended Herman, saying political appointees are allowed to do political work as long as they put in a 40-hour week on their government job.

Senate investigators have also pored over a 1982 deal to determine whether Herman, who was then operating her own consulting firm, used political connections to get a share of a \$200 million development project along Washington's Pennsylvania Avenue while putting in little or no money. Herman recently sold her share for more than \$500,000.

Herman was not available for comment, but friends and supporters

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last week said she is prepared for an intense and exhausting hearing.

Born in segregated Mobile, Ala., 49 years ago, Herman was raised in a political household. Her father, a mortician, sued the Democratic Party to make it more inclusive and became one of Alabama's first black party officials.

After graduating from Louisiana's Xavier University, Herman returned to Mobile to help desegregate her Catholic high school. She traveled to Mississippi to help unskilled workers get jobs at shipyards in Pascagoula, the hometown of Lott.

Herman arrived in Washington in 1977 to work with Marshall in the Labor Department. When Carter lost his re-election bid in 1980 to Republican Ronald Reagan, Herman and Ernest Green, an assistant labor secretary and one of the first blacks to integrate Little Rock, Ark., public schools, formed a consulting firm that advised businesses on marketing and minority hiring.

In 1988, Herman joined the Rev. Jesse Jackson's second presidential campaign, where she met Ron Brown, who was to become Clinton's commerce secretary until he died last year in a plane crash.

RENO AT LARGE: Clone Foes Are the New Witch Hunters By Robert Reno (c) 1997, Newsday

If it is true, as many scientists hope, that genetics will dominate science in the 21st century in much the way physics captivated the 20th century, we are off to a bad start.

In the real world, scientists are dreaming of pushing back new frontiers of life creation while the pharmaceutical industry is salivating at the profit opportunities involved in bioengineering. But in the larger public sphere, one of the seminal events in the history of biology, the cloning of a harmless ewe called Dolly by a kindly Scottish geneticist has produced a debate that has quickly degenerated into a contest between the infantile and the hysterical.

First of all, the Conservative government in Britain cut off funds for the institute where the sheep was created. President Clinton, determined not to underreact, decreed an entirely unnecessary ban on federal funds for research in human cloning, reflecting a curious priority for a nation that can't even ban assault weapons. And Congress held hearings last week, the purpose of which seemed no more consequential than a chance for senators to share the stage of publicity with the creator of a newly famous animal who was named after Dolly Parton. They might have as usefully investigated Ringling Bros.

People immediately began imagining all the dumbest applications to which the miracle of cloning might lead. The owner of a sterile racehorse named Cigar said he would apply for permission to replicate the beast. The ethics of cloning Donald Trump was debated. Imaginations ran to such monstrosities as supercows with udders the size of a Toyota, 200-pound watermelons that mature in a week, even the possibility of resurrecting mummies in Egyptian tombs. Most of it was the sort of foolishness that comes from having seen "Jurassic Park" too many times.

The real significance of the miracle that was achieved in Scotland is that it could lead to cures for some of the most horrible diseases known to man. Breakthroughs in organ transplantation, cures for Parkinson's disease and cystic fibrosis and inexpensive lifesaving therapy for hemophiliacs are just a few of the readily imaginable benefits. And many of them will require the sort of research in human cloning that horrifies those who see it as a challenge to God's monopoly on life creation or an offense to natural law.

Charles Darwin had an answer for these overwrought people when he said, "What a book a devil's chaplain might write on the clumsy, wasteful, blundering, low and horribly cruel works of nature."

There is, I suppose, a case to be made for the fear that some mad scientist will get the idea of doing a mass cloning of Trump or of Newt Gingrich. But this is an overreaction. Actually, scientists say that cloned animals will not be exact replicas of their progenitors. A cloned cow, for instance, will inherit only a 70 percent similarity in milk production, the rest being dependent on such things as uterine environment and postnatal experiences.

So, if you cloned Donald or Newt, you might get a perfectly well-mannered person. As a besotted Dolly Parton fan, I'll confess I'd be intrigued by the idea of more of her running around bringing joy to her public. Dolly the sheep was so named, you'll recall, because the cells they used came from another sheep's udder. Dolly Parton isn't a milk cow, of course, but if we cloned her, how could we be sure of getting her sweet disposition, her lush and pleasing manner, her wholesome, unself-conscious sensuality? Miss Parton says she doesn't mind having a sheep named after her.

"Although it's controversial, I'm honored," she said. "There's no such thing as baaaaaaad publicity."

Good for you, Dolly. I knew you'd bring a sane perspective to this issue that has been badly lacking in the apocalyptic rantings of people such as Sen. Christopher Bond, R-Mo.

"Humans are not God and they should not be allowed to play God," he said.

He seemed perfectly willing, however, to play God with lives of people who suffer from cystic fibrosis or Parkinson's disease by calling for a permanent ban on human cloning research.

Next to all the posturing and swooning, the voice of Sen. Tom Harkin, D-Iowa, boomed with good sense.

"What nonsense," he said. "What utter nonsense to think we can hold up our hands and say, 'Stop.' Human cloning will take place and it will take place in my lifetime. I don't fear it. I welcome it."

Anyway, I suppose we have made some progress since the Middle Ages. In those days they would have burned geneticists at the stake.

underwent Friday. "He's sick about it."

The official also expressed concern that Lake's experience would discourage other qualified individuals from public service. "A whole lot of people who might want to serve are going to have second thoughts. That's sad."

Lake's sudden decision to end his bid to become Clinton's third CIA director in four years came in the midst of two weeks of often fractious confirmation hearings by the Senate Select Committee on Intelligence, where Lake's four-year tenure as Clinton's closest foreign policy advisor came under intense scrutiny.

In his letter to Clinton, Lake said that he was withdrawing because of new signals the White House had received over the weekend of the likelihood of further delays before the Republicans on the Senate intelligence committee would bring his nomination to a vote. That finally convinced him, Lake angrily wrote, that his nomination had become "a political football in a game with constantly moving goal posts."

Lake added that after months of delays, "I have finally lost patience."

Lake's nomination was announced by Clinton in December, but the Senate intelligence panel had delayed the confirmation hearings twice. The delays, Lake complained, "are hurting the CIA and NSC staff in ways I can no longer tolerate."

Lake's decision stunned Senate leaders, who were planning to hold further hearings on Lake's nomination Tuesday. Sen. Richard C. Shelby, R-Ala., the intelligence committee's chairman and Lake's main adversary, said he was not told of Lake's decision until late Monday night.

Shelby insisted that, despite Lake's expectation of further delays from the Senate, the committee was planning to vote on Lake's nomination by Thursday.

Yet Shelby, who had been signaling his displeasure with Lake's nomination for months, also made it clear Monday night that he thought Lake was the wrong man for the CIA job.

Lake "lacked managerial skills at every level," Shelby said.

Responding to criticism that the confirmation process had turned harshly partisan, Shelby added the Senate had "an obligation to rigorously examine anyone for a position as sensitive as CIA, especially someone who brought as much controversy to the position as Mr. Lake. ... I believe he got a fair shake from the committee, but a fair shake doesn't mean a rubber stamp."

White House officials stressed Monday that Lake's withdrawal was not the result of any looming bombshell uncovered by the Senate or the media, but rather by his own weariness with the torturous process. "He just saw delay and delay and delay," said one administration official.

Still, several lingering controversial matters surrounding Lake's tenure at Clinton's National Security Council had been at the heart of GOP concerns about his nomination.

While Clinton has not focused on possible replacements yet, those most likely to be considered include Acting CIA Director George Tenet, who was once staff director for the Senate Intelligence Committee, and Deputy Attorney General Jamie S. Gorelick, who was considered for the post before Lake was chosen.

Lake was nominated to replace John Deutch, who resigned in December after less than two years at the CIA. Clinton's first CIA Director, R. James Woolsey, resigned at the end of 1994, after getting enmeshed in the Aldrich Ames spy scandal and finding that he was largely shut out of access to the president.

Herman Now Expected to Win Confirmation to Labor Post (Wash) By Melissa Healy (c) 1997, Los Angeles Times

3/18/97

WASHINGTON When Sen. James M. Jeffords, R-Vt., drew up a list of more than 100 questions for President Clinton's labor secretary-designate last month, he insisted his aim was to focus the nomination hearings of Alexis Herman on her approach to the job, not her past business dealings or her role in the fund-raising scandal engulfing the Clinton administration.

Yet one after the other, Jeffords' questions concerned Herman's behavior as a private-sector consultant and, later, as a key political aide to first the Democratic National Committee and then the White House. With those questions answered, Jeffords maintained, GOP lawmakers would turn their attentions to Herman's views on labor and workplace matters.

But it's not likely to turn out that way.

In the end, Herman, 49, is widely expected to win Senate confirmation following hearings that begin Tuesday before the Senate Labor and Human Resources Committee, chaired by Jeffords. Even one of Herman's early detractors, Senate Majority Leader Trent Lott, R-Miss., appears ready to back her. "There may be a lot of smoke but ... she'll probably squeak through," said a GOP Senate aide, who added that Republicans have failed to find an infraction serious enough to deny Herman the job. "She'll get a little roughed up, but she'll make it."

But even as they move closer to confirming her, lawmakers' persistent focus on Herman's political and business dealings are likely to keep them from learning much about her priorities as the Clinton administration's point person on labor and workplace issues.

They know that Herman, who is black, has been a key Clinton administration liaison to the African-American community and is a firm supporter of affirmative-action policies that have been under attack on Capitol Hill. And they know she is a committed advocate for women in the workplace, having been director of the Labor Department's Women's Bureau during the Carter administration.

Republican senators know also that Herman, unlike Robert Reich, the liberal academic she would replace at the Labor Department, is a pragmatist, a political operative they will likely find it easier to work with on policy matters. As director of the White House Office of Public Liaison, Herman met regularly with business leaders to forge their support for administration policies.

But it is precisely that political background, in the minds of many GOP lawmakers, that has made Herman so vulnerable to questions that could tie her to the Clinton administration's questionable fund-raising practices.

"This has become mostly about politics because she's a political choice," said one Republican staff member on Capitol Hill. In Herman, the president appears to have rewarded a longtime political lieutenant, the aide said, not an ideological crusader. "If Clinton had picked a clone (of retired Labor Secretary Robert Reich), you might see more of a discussion of policy."

Indeed, Herman won the nomination over former Sen. Harris Wofford, D-Pa., an ardent liberal. A Wofford nomination would have spared the administration the embarrassment of a nomination mired in its widening fund-raising scandal. But it would have prompted a testy exchange over the government's role in always-simmering labor disputes.

Panel Rebukes Torricelli for Claims in Guatemala Murder Cases (Wash) By James Risen (c) 1997, Los Angeles Times

WASHINGTON In a rare public rebuke to a fellow member of Congress, the Republican majority of the House Permanent Select Committee on Intelligence has concluded that Sen. Robert Torricelli, D-N.J., made false allegations about the CIA's role in two high-profile murder cases in Guatemala involving a U.S. citizen and a rebel married to another American.

But in its final report on the lingering controversy on the CIA's role in Guatemala, the House intelligence panel still agreed with earlier government investigations that the CIA's paid informants in the Guatemalan army were involved in serious human rights abuses, that CIA officials knew of their involvement and kept that information from Congress.

"The statutory requirement that the congressional intelligence committees be kept fully and currently informed of all intelligence activities was violated by the leadership of the CIA" in the Guatemalan case, the House report found.

Liberals to turn out for Herman

By Jessica Lee
USA TODAY

Leaders of the nation's major civil rights, labor and feminist groups are expected to make a symbolic appearance today at a Senate hearing on Alexis Herman's nomination to be Labor secretary.

The assembly of such influential Democratic Party activists is an expression of support for an African-American woman — a friend of most of them — whose career has forged links to the party's most important liberal constituencies.

Her confirmation appears to be assured. But the orchestrated turnout is intended to serve notice to President Clinton that some of his backers are concerned his administration has few prominent liberals left.

NAACP President Kweisi Mfume, Coretta Scott King, Dorothy Height of the National Council of Negro Women, Marian Wright Edelman of the Children's Defense Fund, Judith Lichtman of the Women's Legal Defense Fund, members of the Con-

gressional Black Caucus and union representatives are expected at the hearing.

In the Alabama Legislature today, a resolution was to be offered calling for Herman's confirmation. Some Alabamians were organizing a bus trip to Washington for the hearing. Herman, 49, is a native of Mobile.

The Labor Committee delayed scheduling a hearing for 10 weeks while investigating whether Herman was involved in fundraising in the White House, which would be illegal. Investigators found nothing to disqualify her, Senate Majority Leader Trent Lott said. He says Herman is likely to be confirmed by the full Senate in April.

The committee planned only one day of hearings, another good sign for her.

Herman, a former Democratic Party official who worked on the presidential campaigns of Jesse Jackson and Bill Clinton,



Reuters
Herman: Nominee
for Labor post

now is White House director of public liaison. It is her responsibility to marshal support for Clinton's initiatives among business groups, minorities, women and others who will champion the cause.

That job proved to be a hurdle for her nomination when critics identified her office as the coordinating point for the White House coffee klatches that brought major Democratic donors together with Clinton and administration officials.

Critics also questioned whether Herman traded political favors for hundreds of thousands of dollars in profits on cozy business deals, including Washington's Pennsylvania Avenue redevelopment project.

But Senate investigators found "no smoking gun," said Labor Committee Chairman James Jeffords, R-Vt.

► Lake withdraws, 1A

USA TODAY
TUESDAY, MARCH 18, 1997

How not to send a message to Mexico

The impressive bipartisan opposition to President Clinton's certification of Mexico as a fully cooperating drug-war ally evaporated last week as quickly as it had built up. That's too bad, because President Clinton's decision to certify Mexico will now assuredly stand. Neither Mexico nor the Clinton administration have received the message they both need to hear from Congress — namely, the sense of huge disappointment with Mexico's performance as an ally in fighting illegal drugs.

Six days after President Clinton wrongheadedly certified that Mexico had "cooperated fully" in the drug war, the House International Relations Committee passed a resolution disapproving of the certification by a vote of 27-5. The committee also approved an amendment that would have allowed the president, after citing vital national interests, to waive the corresponding sanctions, which include cancelling any U.S. foreign aid to Mexico unrelated to fighting drugs and opposing any loans Mexico might seek from international lending agencies such as the International Monetary Fund. In the House, the resolution was then amended to draw the support of Speaker Newt Gingrich and Minority Leader Dick Gephardt. In the Senate, Republican Jesse Helms and Democrat Barbara Boxer were pursuing a similar approach. It doesn't get any more bipartisan than that.

In order to assuage the concerns of border-state Republicans, who worried that decertification was too harsh (it's not), the House considered an amendment that would have delayed decertification for 90 days. However, to prevent decertification, the amendment ill-advisedly required Mexico to publicly submit to a laundry list of demands that it believes compromise its sovereignty. The demands included allowing U.S. drug agents operating in Mexico to arm themselves for self-defense, extraditing more drug offenders wanted in the United States and permitting U.S. Coast Guard ships to pursue drug runners in Mexican

waters. As Rep. Lee Hamilton, the ranking member of the International Relations Committee, argued, such a list of demands, no matter how worthy, could not have been made at a worse time — less than four months before Mexico's national congressional elections, as political parties trip over one another criticizing the United States. No Mexican politician could have publicly acquiesced within this time frame.

The amendment also unnecessarily introduced a slew of attacks against the Clinton administration's drug policies, guaranteeing that scores of Democrats would feel compelled to vote against any resolution incorporating such an amendment. Republican Rep. E. Clay Shaw of Florida, the sponsor of the original resolution, rightly decried what he called a "poison pill" for Democrats. In the end, the amendment providing for a 90-day delay and lambasting the Clinton administration barely passed in a mostly party-line vote. Just as Mr. Shaw had feared, however, the amendment was sufficiently partisan to give many Democrats good reason not to vote for the final resolution, which passed 251-175, 33 votes shy of the two-thirds majority needed to override the president's expected veto. Meanwhile, the Senate seems to be backtracking from its earlier resolve and appears to be coalescing around a non-binding resolution that will criticize but not decertify Mexico.

Thus, what began as a laudable bipartisan effort in both chambers to reverse President Clinton's ill-advised certification has now evolved into a partisan dispute most notable for its failure to accomplish what looked so achievable a week ago — a veto-proof decertification. Had such a goal been reached, even if Mr. Clinton issued the waiver cancelling the sanctions, Mexico would have been on notice that much more would be expected of it in the immediate future. That would have been the time to privately demand the sort of reasonable concessions that were so publicly raised last week.

* Questions for Alexis Herman

Today, after a two-month delay, Labor Secretary nominee Alexis Herman will begin her Senate confirmation hearings. Miss Herman's nomination was put on hold for so long by Senate Labor and Human Resources Committee Chairman James Jeffords because of questions about her political and financial activities during her many years as a Democratic Party activist.

Alexis Herman has been involved in some troubling matters. First and foremost among them is the fundraising that went on at the Clinton White House during the 1996 reelection campaign, when she was head of the Office of Public Liaison. Miss Herman, to begin with, arranged and participated in some of the coffees with Bill Clinton for major donors — meetings that netted \$27 million (and counting) for the Clinton/Gore campaign, and that may well have been in contravention of laws against fundraising in the White House, or on government property in general.

She also did some things in her role as minority-outreach coordinator that have raised eyebrows. She produced a plan calling for administration officials to use their positions to serve as ambassadors for Mr. Clinton to the African American community, "helping to educate... not campaigning"; she recommended an increase in such surrogacy in the six weeks before every 1996 primary election. She set up a White House based "fax network" to keep thousands of African American Democrats apprised every day of Mr. Clinton's "daily talking points, calendars of upcoming events, stump speeches, descriptions of major legislative victories, agency accomplishments and other materials." And she arranged to include the Democratic National Committee in the

network. The White House is, to be sure, the president's political operation; but previous administrations have been more rigorous about not crossing the line into campaigning.

Senators considering her nomination were also concerned about the 3.3 percent interest she got in the 1980s in the Pennsylvania Avenue Market Square real estate development — with no apparent investment from her, for a partnership she estimates is worth between \$500,000 and \$1 million. The explanation is that she was given the partnership to fulfill the developer's affirmative action quotas. Not that it makes it any the more palatable, but such quota-filling free partnerships seem to be standard operating procedure.

Before he scheduled her hearing, Mr. Jeffords insisted on comprehensive answers from the nominee — in writing — about these issues. Apparently, she answered to his satisfaction, as well as to the satisfaction of other Republicans, including Majority Leader Trent Lott. They now seem to think Miss Herman will win confirmation.

As Labor committee member Sen. Dan Coats put it, "There are still some questions remaining but that's usually the case with most nominees. I think generally we start with the impression that the president deserves to have the team around him he wants, even if it's not exactly who we would choose." Now, that's just the way it's supposed to work; one might even wish Democrats had hewn to that sensible view when they were in the majority and the GOP held the White House. But there's simply no denying that the questions about Miss Herman's conduct are serious. Those questions and her explanations deserve the most thorough hearing — in the full Senate as well as in the Labor committee.

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Divider Title: **March 17, 1997**

He Feels His Pain: Clinton Undergoes Knee Surgery (Bethesda) By Susan Benkelman (c) 1997, Newsday

BETHESDA, Md. Surgeons successfully repaired a complicated tear in President Clinton's leg Friday in a 2 1/2-hour procedure that doctors said went as well as possible but will slow down the normally active president a bit and require months of physical therapy.

The president, who, according to doctors, remained upbeat before, during and after the surgery, insisted that he will travel to Helsinki Tuesday for a planned summit with Russian President Boris N. Yeltsin. Doctors said Clinton would probably remain in the National Naval Medical Center here at least until Sunday.

Clinton tore the quadriceps tendon above his right knee after stumbling on the bottom step as he was leaving the Hobe Sound, Fla., estate of pro golfer Greg Norman just after 1 a.m. Friday. He was taken to a local hospital, where doctors recommended that he see orthopedic surgeons here.

Clinton, his voice piped into a hospital news conference about an hour after the surgery ended, said, "I feel great," and told reporters to "stop giving my doctors a hard time about going to Helsinki. We're all going to Helsinki. We have to go.

"I just had an unlucky break," the president said. "I've had almost no injuries in my life, and in 25 years of running and a lot of other athletic activity, I've been remarkably free of injuries. Accidents happen, but I was fortunate that Greg Norman, being a better athlete than I, heard my knee pop and turned around and caught me before I hit the ground."

Doctors said that under normal circumstances they probably would not recommend that a patient who had just undergone such surgery take a long flight. But Dr. David Adkison, who performed the operation, noted that the president's plane, Air Force One, is not a typical passenger jet. The president's regular physician, Dr. Connie Mariano, said she and one of the doctors who performed the surgery would travel with Clinton.

The surgery was performed with an epidural anesthetic, which is administered to the spinal cord to numb the lower half of the body. Because the president remained conscious during the operation, there was no need for a temporary transfer of presidential powers.

During the operation, doctors said, Clinton listened to the music of Lyle Lovett and Jimmy Buffett. One of the doctors said, "Love it and buff it, that's what we're going to do to your knee," according to White House spokesman Mike McCurry.

After he leaves the hospital, the president will take Extra-Strength Tylenol to relieve the pain, said the anesthesiologist.

Clinton was being fitted for a leg brace Friday and would not require a cast, doctors said. The brace will allow his leg to extend and give him some mobility while keeping it fairly stable to prevent reinjury. He is expected to use crutches for some time.

Clinton's Knee Injury a Common One, Experts Say (Wash) By Earl Lane (c) 1997, Newsday

WASHINGTON In tearing a tendon in his right knee by stumbling on a step, President Clinton joins many others of his generation who have learned how easily and painfully an aging knee can fail when it is put under stress.

But the surgery to repair the president's torn quadriceps tendon is considered routine, specialists said Friday, and he should be able to resume jogging and other sports activities within three or four months.

For now, Clinton, 50, will have to learn to use crutches and likely will have his knee immobilized in a cast or brace for six weeks or more, they said.

"All your tendons and ligaments and joints wear out as you get older," said Dr. Lawrence Hurst, chairman of orthopedics at University Medical Center at Stony Brook, N.Y. "They tend to get weaker."

The quadriceps is a combination of four muscles at the front of the thigh that merge into a sinewy, ropelike tendon that attaches to the kneecap. That tendon provides the power to extend and bend the knee.

"If you didn't have a quadriceps tendon, your knee would just buckle beneath you," said Dr. Benjamin Shaffer, director of the division of sports medicine at Georgetown University.

Rips of the quadriceps tendon are a fact of life among professional athletes who stress the tendon during jumping and running. But the injuries also are common among the middle aged whose tendons become more susceptible to tearing during any sudden movement or stress, specialists said.

The tendon typically tears or detaches at the point where it connects to the kneecap. If there is enough tendon still left on the bone,

surgeons said, they may be able to sew the sections of the ripped tendon back together. More commonly, the surgeon must drill several very small holes in the kneecap through which to thread the sutures, reattaching the tendon firmly to the bone.

Clinton suffered an unusual tear that was somewhat higher in his thigh than typical, his doctors said. The team stitched it up but also drilled holes in his kneecap for sutures to help realign the injured tendon properly.

"The surgery itself is not a big deal," said Dr. Kenneth Fine, director of George Washington University's sports medicine center. "The rehabilitation is the tough part."

Clinton will work with a physical therapist to flex the knee and rebuild muscles. The odds are good, Fine said, that Clinton will have no significant loss of strength or movement in his repaired knee.

Passage of Time Appears to Help Labor Sec. Nominee Herman (Wash) By William Douglas (c) 1997, Newsday

WASHINGTON Time may prove to be Alexis Herman's best friend.

Nearly three months ago, when President Bill Clinton tapped Herman, former director of the White House's political liaison office, to become secretary of labor, naysayers were aplenty and her nomination was in doubt.

Republicans, led by Senate Majority Leader Trent Lott, R-Miss., questioned Herman's role in White House coffee meetings attended by Democratic Party officials and banking executives and wondered about her personal financial dealings.

Organized labor balked at Herman's selection and Sen. Edward Kennedy, D-Mass., the ranking Democrat on the Senate Labor Committee, made it known that he and the unions wanted Clinton to choose former Sen. Harris Wofford, D-Pa.

But now, White House officials and congressional lawmakers are quietly saying they expect Herman will be confirmed despite what is likely to be a contentious hearing before the Senate Labor Committee Tuesday.

A White House that was frustrated about the delay in Herman's confirmation hearing she is the last appointee to go through the process now says the wait may have been a blessing in disguise.

"Oddly, the time lapse has worked in her favor," said White House spokesman Joseph Johnson. "People have answered the questions (about her). For a majority of things, reasonable explanations have been provided. Six weeks ago, you would have had a different impression of her than you will at the hearing."

White House officials and Herman have used the time to plead her case and diffuse any negatives that could cost her the labor secretary job.

In late January, Herman met with Lott after the senator cast doubt on her nomination because of her alleged involvement in arranging a May 13 coffee meeting at the White House with Clinton, Democratic National Committee officials, 17 prominent banking executives and a senior Treasury official who regulates the industry. Clinton officials later admitted that the gathering improperly mixed political donors with federal regulators.

White House officials also provided documents they say prove that Herman, whose office coordinated the meeting, had no direct role in inviting the Treasury official, Comptroller of the Currency Eugene Ludwig, to the gathering. Herman was out of town when Ludwig's name was placed on the guest list, according to the documents. When Herman learned of Ludwig's invitation, she concluded the meeting was a political gathering and did not attend, the documents say.

Herman's office arranged about 15 of the 103 coffee meetings held at the White House and attended about seven, administration officials said.

The administration's explanation of the May coffee meeting seemed to satisfy Lott, who said her prospects for confirmation "looks better than it did when it came out that there was a possibility she arranged or attended a meeting that involved regulators, the regulated and campaign officials."

While trying to mollify Lott, Herman and administration officials have campaigned for support from some Democrats and organized labor.

Shortly after Herman's selection in December, she paid a courtesy call on Kennedy.

"It was more that he supported Sen. Wofford than being against Ms. Herman," said Jim Manley, a spokesman for Kennedy. "She will be a fine labor secretary and he (Kennedy) is confident that she will be confirmed once she goes for the committee."

Herman has been wooing organized labor, too, meeting some union leaders personally and speaking by phone to others.

Although union officials publicly followed Kennedy's lead in backing Herman, some have grumbled privately that Wofford who had an 88 percent lifetime voting record in support of labor issues backed by the AFL-CIO would have been a better choice.

But Peggy Taylor, the AFL-CIO's legislative director, said, "all of our experiences with her in the past couple of months have generated a lot of enthusiasm."

Still, with all the controversy surrounding Herman, her supporters feared the White House would abandon her.

"We have a little history here," said Rosemary Dempsey, National Organization for Women's national vice president, referring to Clinton's withdrawal of support of civil rights expert Lani Guinier for a senior Justice Department position in 1993. "They should not let her fall by the wayside."

By last month, the White House showed its support for Herman, who is black, by asking black colleges, women's groups, and labor groups to speak out about the delayed confirmation hearing.

While the Clinton administration has tried to smooth Herman's confirmation hearing, some potential bumps remain.

Lott and other Republicans have said that a report Herman prepared for Clinton's re-election campaign that outlined strategy for improving the president's support in the black community violated the Hatch Act, a federal law that bars government employees from participating in certain political activities.

The White House defended Herman, saying political appointees are allowed to do political work as long as they put in a 40-hour week on their government job.

Senate investigators have also pored over a 1982 deal to determine whether Herman, who was then operating her own consulting firm, used political connections to get a share of a \$200 million development project along Washington's Pennsylvania Avenue while putting in little or no money. Herman recently sold her share for more than \$500,000.

Herman was not available for comment, but friends and supporters last week said she is prepared for an intense and exhausting hearing.

Born in segregated Mobile, Ala., 49 years ago, Herman was raised in a political household. Her father, a mortician, sued the Democratic Party to make it more inclusive and became one of Alabama's first black party officials.

After graduating from Louisiana's Xavier University, Herman returned to Mobile to help desegregate her Catholic high school. She traveled to Mississippi to help unskilled workers get jobs at shipyards in Pascagoula, the hometown of Lott.

Herman arrived in Washington in 1977 to work with Marshall in the Labor Department. When Carter lost his re-election bid in 1980 to Republican Ronald Reagan, Herman and Ernest Green, an assistant labor secretary and one of the first blacks to integrate Little Rock, Ark., public schools, formed a consulting firm that advised businesses on marketing and minority hiring.

In 1988, Herman joined the Rev. Jesse Jackson's second presidential campaign, where she met Ron Brown, who was to become Clinton's commerce secretary until he died last year in a plane crash.

REVIEW & OUTLOOK

Nothing Personal

One of the charms of the Clinton Presidency has been its audacity. Only a president with remarkable nerve, for example, would now be daring the U.S. Senate to promote two senior members of his White House staff to the Cabinet amid a still growing scandal over White House campaign finance. The only thing more remarkable would be if the Senate went along.

We say this not because we have anything personal against the two nominees, Anthony Lake for CIA and Alexis Herman for Labor. In a normal presidency, they'd deserve normal Senate deference. But considering the political moment of this unfolding scandal, these nominations are less about the individuals than about the character of this presidency. Their nominations are an in-your-face challenge to the advise and consent powers of the Senate.

Though both nominees are trying to keep their distance from the campaign-finance web, they both sat in the highest White House councils. As national security adviser in Mr. Clinton's first term, Mr. Lake was the chief coordinator of a foreign policy more preoccupied with domestic politics than any in memory. Ms. Herman ran the White House office of public liaison, which is tasked with the care and feeding of political supporters. These are not innocent bystanders.

Just in the last week, we learned that FBI officials tipped off two NSC underlings last June about Chinese government intentions to influence U.S. politics. Mr. Lake says he was never told because the FBI advised the pair to keep it to themselves. The FBI replies that its agents told the NSC no such thing—and why would they tell the NSC if not to have the information influence official policy? Stranger still, one of those FBI agents assigned as liaison to the NSC, Edward Appel, is now quitting the White House for undisclosed reasons.

Attorney General Janet Reno also now says she tried to tell Mr. Lake about the Chinese tie last May but couldn't get him on the phone. Maybe Ms. Reno would have had better luck if she'd tried talking to Sandy Berger, then Mr. Lake's deputy and now successor as NSC adviser, who we know attended the weekly White House campaign strategy meetings all last year. This is unheard of among foreign-policy advisers, who usually try to distance themselves from campaign work. With so many new and odd developments, the Senate can be forgiven if it doesn't take White House explanations at face value.

We're sympathetic to those who say that Mr. Lake, with his intelligence and experience, is about as good as we're going to get from this

administration. But Jim Woolsey was a first-rate CIA chief, until he proved too independent for this president. The CIA is a secret, enforcement agency where such independence is vital, especially in an administration as given to corner cutting as this one. With the FBI now publicly feuding with Mr. Clinton over who knew what and when about Chinese influence, it stretches belief that a member of his White House responsible for China policy would now go to run the CIA, in charge of intelligence that might bear directly on the China-campaign connections.

Ms. Herman's case is almost as egregious from the point of view of domestic politics. Her office played a role in hosting the notorious White House coffees, though she now claims she herself didn't. Even if that's true, we know she was a former aide and confidant to Ron Brown, the late Commerce Secretary whose department is at the center of campaign-finance suspicions. Who knows what we might learn about the quid pro quos that came out of John Huang's Commerce shop?

Ms. Herman is also a proven expert in the art of gaming the political system, another hallmark of this presidency. Her political prominence in Washington, D.C., won her an invitation in the 1980s to join a real estate partnership without making any personal investment, giving her a freebie ownership stake now worth more than \$500,000. To be sure, it must have been hard to resist such offers, since even the government gave them a stamp of approval, but it's then also hard to imagine Ms. Herman as a spokesman for average working folk at Labor.

More important than these cases, however, is the credibility of this presidency. Amid story after new campaign story, Mr. Clinton maintains he did nothing wrong—indeed he insists that what he did was right, because for the good of the country he had to defeat the Republicans. He also pledges complete cooperation with all investigators, even as his fund-raisers take the Fifth before Congress or have fled the country. If he is serious about cooperating, why doesn't he implore John Huang and the rest to explain everything they know?

If Mr. Clinton wants his nominees confirmed, he can always show he's serious about coming clean. Until he does, for a Republican Senate to confirm White House staff nominees would be to give him a free pass. It would only confirm what most of the public seems to believe about the fund-raising scandal, which is that all politicians are equally sleazy. If Republicans give Mr. Clinton a pass on these nominees, it will be a sign that they do not take their duties seriously.

THE WALL STREET JOURNAL
MONDAY, MARCH 17, 1997

CONFIRMATIONS: THE LATEST ON HERMAN

Hotline 3/17/97

N.Y. TIMES' Wines reports Labor Sec.-designate Alexis Herman "helped secure one seat" on a Commerce Dept. trade mission to Mexico in '96 for a company owned by Vanessa Weaver, who bought Herman's private consulting firm in '93. Months after buying the house, Weaver and her sister Caryliss each donated \$25,000 to the DNC. That "seeming confluence of government service, friendship and politics is the latest of several similar episodes that had held up" Herman's Senate confirmation hearings. On 3/14, a WH spokesman defined the mission and Herman's involvement as "proper" and added "it was unrelated to the Weavers' subsequent political donations." WH officials maintain that Weaver bought the consulting firm from Herman in '93 after Pres. Clinton chose her to lead the WH Office for Public Liaison. Federal financial-disclosure records indicate that Herman "originally valued her company at \$250,000 to \$500,000, but sold it for \$50,000 to \$100,000." WH spokesperson Joe Lockhart said that "although he did not know why the Weavers made their donations, they were unrelated" to their purchase of Herman's company or the trade mission. Lockhart: "I guess you'd have to ask them. ... I'd presume they're supportive of the party" (3/15).

"POISED TO WIN?" N.Y. DAILY NEWS' Ball writes that Herman, "barring a surprise," appears "poised to win the Senate's blessing." Her nomination was in "peril" about questions surrounding WH coffees and questions concerning her financial background. But "unlike the multi-day blistering" that CIA Dir.-designate Tony Lake received, Senate GOPers have only set aside one day to "grill" Herman. One GOP aide noted there was "no groundswell among conservatives to go get her. ... She'll probably get dusted up, but that's probably it." Senate sources indicate it "partly" has to do with the fact that "there's little appetite among the GOP's white, male club to take on a black woman." Herman's nomination "still riles" some labor activists, "who see Clinton's decision as a snub of epic proportions." However, sources said that Clinton has "pledged to let labor have a say in other key" gov't jobs, like assistants to Herman or posts at the Nat'l Labor Relations Board (3/16).

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March 15, 1997

Herman Aided Participant on Trade Mission

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By MICHAEL WINES

WASHINGTON -- President Clinton's nominee for labor secretary, Alexis Herman, helped secure a seat on a Commerce Department trade mission last year for a company owned by the woman who bought Herman's private consulting firm in 1993, the White House said Friday.

Months later, the buyer, a Maryland doctor named Vanessa Weaver, and her sister each donated \$25,000 to the Democratic National Committee.

That seeming confluence of government service, friendship and politics is the latest of several similar episodes that had held up Senate hearings on Herman's nomination for weeks while investigators looked for improprieties.

Friday, a White House spokesman defended the trip and Herman's involvement in it as proper, and said it was unrelated to the Weavers' subsequent political donations.

A Republican spokesman for the Senate Labor Committee said Herman's confirmation hearing, the final step before a Senate vote on her appointment, would proceed as scheduled next Thursday. The spokesman refused to say whether the committee's investigators knew of the trade mission or whether they were looking into its circumstances.

Herman, Clinton's liaison to business and citizen groups at the time, was the senior federal official on the Commerce Department mission. It took representatives of 17 small businesses owned by women to meet potential customers in Mexico last April.


Among the businesses was Alignment Strategies, a suburban Washington company that prepares business assessments. Dr. Weaver is the president of Alignment Strategies. Her sister, Caryliss Weaver, the vice president, represented the company on the Mexican trip.

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Up Front

ALEXIS HERMAN'S BAGGAGE GROWS HEAVIER

THE NOMINATION OF ALEXIS Herman as Labor Secretary, due for a Mar. 18 Senate hearing, is hitting even heavier weather and may be delayed. Some senators want to scrutinize two overseas trade missions for women business owners that Herman led in 1995 and 1996 for the late Commerce Secretary Ronald Brown. One ex-Commerce official says it was "definitely strange" to tap Herman, a White House aide, to lead the trips--but felt her close tie to Brown was the reason.

The senators are particularly interested in one plane guest on a trip to Mexico: Caryliss Weaver, vice-president of Alignment Strategies, a Potomac (Md.) consulting firm that bought Herman's diversity consultancy, A.M. Herman & Associates, two years earlier for between \$50,000 and \$100,000. Weaver and her sister, Vanessa, Alignment's owner and president, gave \$50,000 to the Democratic National Committee in November. Neither sister would comment. A White House spokesman says although Herman suggested Alignment be invited, "it's ridiculous to assert that was some kind of payoff for buying her business."

Also under scrutiny: meetings her White House office hosted for policymakers, on government time, with women's groups and other special interests. Senators suspect the events were really political--and thus illegal. Clintonites say they weren't.

By Paula Dwyer
EDITED BY LARRY LIGHT

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BusinessWeek

Updated Mar. 13, 1997 by bwwebmaster

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Divider Title: **March 12, 1997**

Then Almost Brought Her Down

By MICHAEL WINES

WASHINGTON, March 11 — Nobody doesn't like Alexis Herman.

Ask childhood friends about President Clinton's choice to be the next Secretary of Labor, and they recall how the tough-minded black youngster from Mobile, Ala., faced down a Catholic prelate over racial discrimination. An admirer remembers when she lent her good dresses in the 1970's to black women interviewing for office jobs. Democrats marvel over her management of the party's 1992 convention, the one that helped pump up Bill Clinton's support in polls by 20 percentage points.

She has been known to give presents to co-workers after tough workweeks. One man says she briefly considered becoming a nun.

"People who like her really like her," says Lamond Godwin, who grew up across the street from Ms. Herman in the 1950's. "Most of the people she meets who become her friends remain her friends forever."

Which, lately, is her biggest problem.

The Senate Labor Committee investigated Ms. Herman for two and a half months before scheduling a hearing on her nomination for next Tuesday. The delay had less to do with her résumé, a Horatio Alger story of pluck and hard work, than with the friends — powerful, sometimes controversial Democrats — she made on the way up.

Ms. Herman's confirmation now seems likely, but questions about those relationships had threatened her nomination and angered her supporters.

"Alexis is not somebody who's along for the ride," said Ricki Seidman, a White House aide during Ms. Herman's recent tenure as the Presidential liaison to business and the public. "She's a highly principled person."

Few dispute that. But the story of Ms. Herman's rise to influence, so intertwined with powerful friends, suggests how delicate the balance between politics and principle can be.

The White House declined to make Ms. Herman, 49, available for an interview, citing her upcoming confirmation hearing. But associates describe a woman who learned early that skin color does not determine success.

Religion and Politics Side by Side

Ms. Herman grew up in Mobile when white resistance to integration was peaking and Southern blacks were awakening to their political power. Her mother was a reading teacher. Her father, a mortician, was one of the first blacks elected to Alabama's Democratic Party organization. Friends recall watching national political conventions in the Herman living room, her father providing commentary.

Religion most shaped Ms. Herman's youth. Her Catholic parents shunned segregated state education and enrolled her in parochial schools — still segregated, but employing white priests and nuns whose tutoring was colorblind.

"The nuns and the priests kept us from becoming racists," Mr. Godwin said. "The best people we knew were white — people we spent the whole day with, who were the best examples of moral behavior. We had the Klan bombing churches, but we had these people on our side. It made it easy to understand that the problem was not us; the problem was the Klan."

It also enabled Ms. Herman to challenge racism. She once sneaked away from classmates at a school event, the annual Christ the King parade, to demand that a church official explain why black students never performed the celebration's symbolic highlight, crowning the Virgin Mary.

Ms. Herman's father once took her high school class on an unusual field trip: to a meeting of the Alabama Citizens Council, the front for the Ku Klux Klan.

"They started throwing things at us," said Paulette Lewis, a classmate and still a close friend. "Popcorn boxes, cans, whatever. This is the kind of upbringing we had."

Forging Friendships With the Influential

Most Pure Heart of Mary High School, where Ms. Herman was a class officer, produced extraordinary alumni in Ms. Her-

man's era: a Marine general and ambassador; an adviser to President Ronald Reagan; doctors; investment bankers like Mr. Godwin, a managing director of Smith Barney Inc.

Ms. Herman graduated from a Catholic university — Xavier University of Louisiana, in New Orleans — and returned to Mobile. She joined Catholic Charities in nearby Pascagoula, Miss., lobbying the city shipyard to give apprenticeships to unskilled black laborers.

She was good at it, blessed with self-confidence and an ability to bridge gaps between blacks and whites. Mr. Godwin, then working on minority-employment programs for the Southern Regional Council, touted her to Ray Marshall, a member of the council's executive committee. Mr. Marshall brought her to Atlanta to work on a project to persuade corporations to hire college-educated black women for office jobs that had been filled exclusively by whites.

"I was amazed," Mr. Marshall said recently. "She did a better job than I would have."

Using a Federal grant, Mr. Marshall expanded Ms. Herman's project and merged it with a New York City nonprofit group, the Recruitment and Training Program. Working there was another Southerner, who had impressed Mr. Marshall on a project to integrate the construction industry. His name was Ernest G. Green.

Mr. Green was already well known. When Federal troops forcibly integrated schools in Little Rock, Ark., in 1957, Mr. Green was among the first black students escorted into Central High. His coolness had made him something of a civil rights icon. He and Ms. Herman became fast friends.

Mr. Marshall and Mr. Godwin, meanwhile, had moved on to run a task force on the rural South whose directors included Georgia's Governor, Jimmy Carter. "We were having dinner at the initial meeting of the task force," Mr. Godwin said, "and Governor Carter said he was thinking about running for President. This was 1974. At the time, we all thought it was far-fetched."

But President Carter chose Mr. Marshall as his Secretary of Labor. Mr. Marshall named Mr. Green an assistant secretary, Mr. Godwin his head of national employment programs and Ms. Herman director of the women's bureau.

According to Mr. Godwin, who sketched out Ms. Herman's life in politics, the three administered billions of dollars in grants much like those they had once received, and although Ms. Herman did not dispense money, she became a top adviser to Mr. Green and Mr. Marshall.

They also became political figures, if minor ones. Ms. Herman had worked on the Atlanta mayoral campaigns of Maynard H. Jackson and Andrew Young. She was also an early supporter of Marion S. Barry Jr., and got to know Ronald H. Brown, a National Urban League executive and Democratic Party figure.

At a 1980 testimonial dinner in Mobile, she met another rising political figure: the Rev. Jesse Jackson, then the head of Operation PUSH, the group that targeted companies with poor minority-employment practices.

After Mr. Carter lost the 1980 election, Mr. Green and Mr. Herman formed a firm that advised businesses on marketing and minority-hiring issues.

Within months, Republican critics accused Mr. Green of shoveling almost 300 Federal contracts and grants to cronies in the last months of Mr. Carter's term, including contracts to the Recruitment and Training Program and Operation PUSH. They also accused Green-Herman & Associates, the new consulting firm, of cashing in by obtaining subcontracts from some of those same cronies.

The Labor Department, the Senate and a United State Attorney's office all investigated. Though some Federal employees testified to irregularities, others called the complaints trumped up. No charges were filed. Mr. Godwin and Mr. Marshall, who now holds an endowed chair in economics and public affairs at the University of Texas, call the affair a political smear.

In fact, friends of Ms. Herman and Mr. Green now say, Green-Herman & Associates did benefit later from Mr. Jackson, who sometimes recommended their consulting firm to companies targeted by Operation PUSH. But that, they say, reflected not favor-trading but Mr. Jackson's growing friendship with the two and his confidence in their firm.

Building a Machine As Fortunes Rise

Ms. Herman's political and financial fortunes rose in tandem. In 1982, she supported Mr. Barry's re-election campaign for Mayor of Washington. In 1984, she worked for Mr. Jackson's Presidential campaign. About the same time, the developer of a Pennsylvania Avenue tract near the Capitol made Ms. Herman a partner, giving her 3.3 percent of an office-and-condominium complex for little or no money.

Then and now, such sweetheart deals are a common way of satisfying the affirmative-action demands of government boards that hand out lucrative contracts. Ms. Herman later sold part of her share and recently valued the remainder at \$500,000 to \$1 million.

Mr. Green sold his interest in the consulting firm to Ms. Herman in the mid-1980's and entered investment banking. In 1988, Ms. Herman joined Mr. Jackson's second Presidential campaign and found herself working with Mr. Brown, by now a prominent lawyer and lobbyist who was organizing Mr. Jackson's convention.

George Bush's triumph in 1988 left the Democratic alliance in tatters. Mr. Brown sought the chairmanship of the Democratic

National Committee, and won. Ms. Herman became his deputy and, in 1992, the organizer of the party's national convention.

Together, they built an impressive financial and political machine. Just as in Pasca-goula and Atlanta, Ms. Herman's deftness at organizing blacks, whites, rich and poor around a common purpose stood out.

She and Mr. Brown also came under attack for what U.S. News and World Report called the lavish use of perks like limousines, private jets and a Central Park apartment rented during planning for the 1992 convention, which was held in New York City.

To some others' dismay, Ms. Herman continued to run her consulting firm while running Democratic politics. In one case, her firm was paid \$600,000 to advise the winning bidder for a \$750 million Federal office project near the White House, a plum fought over at both ends of Pennsylvania Avenue. Critics later complained that she acted as a political fixer in the competition, an accusation the White House has denied.

When Mr. Clinton became President, Mr. Brown became Commerce Secretary. Ms. Herman went to the White House as head of the office of public liaison — in effect, the grass-roots organizer of support for Administration policies.

The job was ostensibly nonpolitical, but by its nature, it has almost inevitably taken on a political cast. This time, that was doubly true: the office helped draft Mr. Clinton's plans to win over ethnic groups in his 1996 campaign. Ms. Herman's deputy ran a group that targeted Asian-Americans. Another aide worked on wooing the Jewish vote.

Among other campaign duties, Ms. Herman supervised the strategy to win black voters. Her second in command was an old friend, Mr. Green, who by then was a friend of the President's, too — and one of the Democratic Party's biggest soft-money fund-raisers. He also promoted business deals, including ventures with another Arkansas and Presidential friend, Yah Ling (Charlie) Trie.

All those roles converged in the 1996 campaign. Mr. Green appeared at some of the now-infamous White House coffees with major party donors. In February 1996, he and Mr. Trie arrange for attendance at one coffee by one of their business prospects, Wan Jung, an executive in an arms-export business identified as a weapons smuggling front for the Chinese military.

Ms. Herman also attended some coffees; her office invited a Federal banking regulator to one such session, attended by big donors from the banking industry.

Ms. Herman has insisted that she played no part in that invitation, and that her work for Mr. Clinton's re-election was properly performed on personal time.

Senate investigators have since scrubbed that and the rest of Ms. Herman's past. After long thought, they seem agreed that nothing there bars her confirmation.

White House: Alexis Herman editorial unfair

To the Editor:

Your editorial of March 5, calling for the Senate to reject the nomination of Alexis Herman for secretary of labor demonstrates a basic ignorance of the issues surrounding this nomination. You argue that Ms. Herman should be rejected because of "mounting evidence of her key role in the spurious fundraising practices of the DNC [Democratic National Committee]." But in fact there isn't any "mounting evidence."

Ms. Herman has conceded that her office was involved in arranging exactly one out of 103 White House coffees. That was the result of an internal miscommunication at the White House leading Ms. Herman and her staff to believe that the event was official, not political. Publicly released correspondence and records confirm her account, and Senate Majority Leader Trent Lott (R-Miss.) has accepted her explanation.

Your argument for rejection becomes even harder to understand by charging, "As DNC Chairman and Commerce Secretary Ron Brown's deputy, she was clearly in the middle of tawdry practices that are the subject of two congressional investigations."

For the record, Ms. Herman left the DNC in 1992. The current congressional investigations are looking into fundraising in 1995-96. Ms. Herman also never served as deputy to Ron Brown while at the Commerce Department.

In short, The Hill argues Ms. Herman should be rejected because of a controversy she clearly was not involved in. Thankfully, the Senate will deal with this issue in a more thoughtful and professional manner. Ms. Herman will have a chance to make her case when the Senate Labor Committee holds a hearing on March 18. After listening to Ms. Herman, we're confident that the Senate will confirm her nomination.

The Hill should also be bold enough to admit mistakes and join in endorsing Ms. Herman's nomination.

Joseph Lockhart
White House Spokesman

Canady disputes abortion article

To the Editor:



which obviously undermines the impartiality of the piece and quite possibly betrays the writer's (or the paper's) bias.

I hope The Hill's future reporting will reflect a new commitment to accurate and unbiased journalism.
Rep. Charles T. Canady (R-Fla.)
Chairman, House Judiciary Subcommittee
on the Constitution

Yale beats Harvard on Hill, says Rep. Smith (Yale '69)

To the Editor:

In your March 5 article, "Harvard lays claim to congressional brain power," The Hill sloped shamelessly to one side in the traditional Yale-Harvard rivalry.

For the record, there are 21 Yale grads in Congress and apparently 38 from Harvard, a number which expansively includes all those "fellowships" that your unnamed Harvard source cites as counting towards the total. Since many past congresses have passed bills

states Sen. Dodd's position relating to the appointment of a special counsel into campaign finance abuses of the last election.

Sen. Dodd does not "reject the notion that a special counsel is necessary," but thinks that the attorney general — and not politicians — should ultimately be the one to make the decision, based on the law and all of the pertinent facts in the matter.

Marvin Fast
Communications Director
Sen. Christopher Dodd (D-Conn.)

Landrieu is not, repeat not, first La. woman senator

To the Editor:

Regarding your Capitol Ambitions column of March 5, will you people please, finally get it through your heads that Sen. Mary Landrieu (D-La.) is not Louisiana's first woman senator? She's not even Louisiana's first elected woman senator. In 1935, Rose McConnell Long was first appointed, then elected, to fill the vacancy caused by the death of her husband, Sen. Huey P. Long.

Also, I bet Susan Platt was also an aide to Rep. Frank Guarini (D-N.J.), not "Rep. Frank Guiliani."

Michael Harrison
Legislative Aide
Rep. Lloyd Doggett (D-Texas)

(Editor's note: We stand corrected, and would further note that Sen. Rose McConnell Long was also the mother of Sen. Russell B. Long (D-La.), and the sister-in-law of Rep. George S. Long (D-La.), as well as a cousin of Rep. Gillis W. Long (D-La.) and Rep. Catherine S. Long (D-La.). However, she was not related to Rep. Speedy O. Long (D-La.), or to any of the 11 other Longs who have served in Congress, beginning with Piere Long of New Hampshire, who was a member of the Continental Congress in 1784-86. Susan Platt was, indeed, an aide to former Rep. Frank Guarini (D-N.J.), rather than the fictitious "Rep. Frank Guiliani." We must have had him confused with Mayor Guiliani of New York City, which is near

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Divider Title: **March 7, 1997**

GOP Mulls Fighting Bill's Dread Judges

When it comes to President Clinton's nominees, Republicans have been almost as generous as the Riadys. Even Alexis Herman, she of the \$500,000-for-no-investment windfall, seems likely to get a pass to speak for the working man.

So it qualifies as news that, behind the scenes, Senate Republicans are getting ready to grumble, and maybe even rumble, over Mr. Clinton's judicial nominees.

"On the cabinet, the president deserves the benefit of the doubt," says Sen. Slade Gorton, a moderate from Washington state. But regarding judges, he adds, "It's perfectly legitimate to vote against someone for a lifetime appointment based on ideology."

If he and his comrades mean it, judges will be a main battleground of Mr. Clinton's second term. Republicans have awakened to the fact that, almost without notice, the president has been remaking the third branch of government. He made more first-term nominations—202—than Ronald Reagan or George Bush or Richard Nixon, and with only four roll call votes. By the end of four more years, Mr. Clinton could have replaced 50% of the federal judiciary.

Allied with Jimmy Carter remnants, Clinton judges are already positioned to yank the courts back in an activist liberal direction. There are already portents. A California Carter appointee threw out a referendum outlawing racial preferences only days after voters passed it.

A Clinton appointee, Guido Calabresi, found a New York law against killing oneself to be quaint and out-of-date. As a philosopher king, he's much more hip. Numerous Clinton nominees have issued dissents that would have overturned criminal convictions had they been in the majority.

All of this has put judicial activism back at the top of the GOP agenda. A new Project on the Judiciary, sponsored by the Ethics and Public Policy Center here,

Potomac Watch

By Paul A. Gigot

starts Monday to collect information on possible Clinton picks well before they are nominated.

Judge Robert Bork has suggested limiting judicial review—an idea being picked up by Republicans around the country. One such idea is already moving through the Washington state House.

Inevitably, this throws a spotlight on Orrin Hatch, the Senate Judiciary chairman who hates political fights but may end up leading a few. No senator has a reputation more out of line with reality. Far from being a bomb-thrower, he's one of the Senate's most congenial souls. He's been known to cut deals with his fast friend Ted Kennedy. Mr. Hatch was so kind to Mr. Clinton's nominees in his first four years that a pair of the GOP's biggest legal names paid the senator a visit urging him to get tougher.

Mr. Hatch's defense was that by cooperating then he'd have more standing to influence the White House then and now. But re-election seems to have canceled the White House end of this deal.

Early in this Congress Mr. Clinton sent up 21 judicial picks without consulting Mr. Hatch. My sources say he first heard they were coming via a Senate Democratic aide. When Mr. Hatch sent word back that he wanted to be consulted first, the White House replied—no dice. Mr. Clinton may yet regret playing Mr. Hatch for a patsy.

Especially because a majority of his Senate GOP colleagues are also pushing for a tougher line. One sign is a special task force of senators preparing new rules for handling judicial picks. One of Mr. Hatch's own task-force proposals is that if the White House doesn't consult, in advance, with the home-state senator of a nominee, that senator could veto the pick. Other Republicans would then go along. Another idea is requiring a roll call vote on every nominee.

In a little-reported Feb. 18 speech in Utah, Mr. Hatch torched decisions by Clinton judges—by name and by case. Of the

30 Clinton appointees to the federal appeals bench, he said 22 have written or joined liberal activist decisions. These judges, he added, want to accomplish through the courts what "the president himself has been unable to achieve and unwilling publicly to admit

to." And he promised more searching reviews of Mr. Clinton's judicial picks.

Not that this will be easy. Most nominees don't advertise their activism and some (Supreme Court Justice David Souter) disguise it. Judicial fights can also be loud and messy, making senators squeamish. Liberals (and some conservatives) will try to distill every fight to abortion, scaring GOP moderates. Most of the media will be on the other side of these cultural fights.

On the lack of consultation, one early test of GOP Senate resolve will be Helene White, a liberal Michigan judge nominated without a word to GOP Sen. Spencer Abraham. As for ideology, the nominee to watch is Seattle lawyer Margaret McKeown, who one GOP source says sends "red flags all over the place" as a liberal political activist but has no judicial paper trail. Even Washington GOP Sen. Gorton, for all of his fervor, hasn't yet taken a position on Ms. McKeown.

By debating these judges, Republicans can begin to educate the public in advance of the likely fight over any Clinton choice for the closely divided Supreme Court. Senate Democrats changed judicial history with their campaign against Reagan nominees. Republicans may return the favor.



Orrin Hatch

THE WALL STREET JOURNAL
FRIDAY, MARCH 7, 1997

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Divider Title: **March 4, 1997**

Herman shouldn't become another Guinier

No more Lani Guinier, please. Remember Lani Guinier, the University of Pennsylvania law professor and civil rights lawyer who was pilloried as the "quota queen"? She was unfairly denied an opportunity to become assistant attorney general for civil rights because her nomination for the post was withdrawn. She was never granted a hearing to defend her controversial writings.

Now there's Alexis Herman. Her nomination as secretary of labor seems "to be endangered by rumors, innuendoes and inaccuracies," according to Rep. Maxine Waters, California Democrat and chairman of the Congressional Black Caucus.

Despite her career of helping to train and educate the working poor, particularly women, Miss Herman's confirmation hearings have been held up by those posing questions about campaign fund-raising practices at the White House, where she was recently director of the office of public liaison.

What do Alexis Herman and Lani Guinier have in common?

Besides being black, female professionals, neither was given



the chance to face accusers in public, despite outstanding qualifications.

Some detractors already are suggesting that Miss Herman's nomination be withdrawn based on sensational, though unsubstantiated, allegations. She is the only Cabinet nominee who has yet to be scheduled for a hearing.

What could be worse than being tried, dyed and fried in public without being given the opportunity to make your case?

"Is it fair that the professional career and stellar reputation of Alexis Herman is being buried in the ashes of deceptive and damaging delay, spins of repetitive misinformation and innuendo — all of which point to the possible abuse of the hearing process?" asked Dorothy Height, president of the Na-

tional Council of Negro Women, last week.

She spoke along with a number of women and women's groups that are coalescing around Miss Herman, vowing that they will not allow her to become another Lani Guinier.

From national organizations such as the American Association of University Women, Wider Opportunities for Women and the Feminist Majority, to local women such as Barbara Skinner and Juanita Britton, the womenfolk are lining up to support Miss Herman's nomination.

At a news conference last week on Capitol Hill, they demanded that Sen. James M. Jeffords, Vermont Republican, who heads the Committee on Labor and Human Resources, set a confirmation hearing date. They

also highlighted her expertise and experience, which more than qualify her for the labor post.

Ms. Britton, of BZB International in Southeast Washington, has been passing out fliers for the past month asking that "Sisters Unite to Get Alexis Herman a Date" by encouraging women to write, call and fax their representatives in Congress and Mr. Jeffords in Miss Herman's behalf.

"It will not be enough to express our support for designate Alexis Herman to each other. We must bond to present a united front, to take action, make history and a difference," she writes.

Yvonne Scruggs, executive director of the Black Leadership Forum, contends that the delay in Miss Herman's confirmation hearing is "inviting the stabbing of a thousand rumors." She says the labor secretary-designate has been subjected to "a confirmation strategy of repetitive, arbitrary and largely irrelevant questions to Miss Herman outside of the traditional and familiar context of a scheduled hearing."

Lani Guinier maintained until the bitter end that she would

have been confirmed had she been given the chance. Even Sen. Arlen Specter, Pennsylvania Republican, went on the Senate floor to say it was unfortunate that she was never heard, as he, too, questioned the fairness of not allowing nominees a fair hearing.

So what of Miss Herman?

Yesterday, she responded to the latest round of questions put to her by Mr. Jeffords, after which he said he would set a date in two weeks if he was satisfied with her answers.

Enough.

At the very least, Alexis Herman should have her day in court set now. Not because she is black and female and would represent in the Cabinet that portion of the nation's electorate that gave President Clinton 89 percent of their vote.

Alexis Herman should have her day in court because she's qualified to become the secretary of labor.

As for the rest, Miss Herman should be given the same opportunity as any other nominee to answer any and all allegations and charges in a fair and impartial confirmation hearing.

Then, let the chips fall where they may.

The Washington Times

TUESDAY, MARCH 4, 1997

IN BRIEF

Yogurt May Replace Meat In Some School Lunches

Children may soon be getting yogurt instead of meat in some school lunches under a change approved by the Agriculture Department over the strong objections of cattle producers.

School food service officials were told of the decision over the weekend by Mary Ann Keeffe, USDA's acting undersecretary for food, nutrition and consumer services. The revised rule will be published in written form later this week, a USDA spokesman said.

School officials have predicted yogurt will be a hit with kids. Child-care providers and the food industry have been pressing for the change for at least 15 years, but the Agriculture Department balked out of concerns about the lack of iron and other nutrients in yogurt.

The department already allows some meat substitutes, including cheese, beans, eggs and peanut butter.

Yogurt would add variety to lunches, it's easy for children to digest and it requires no preparation, proponents said. Under the new USDA rule, four ounces of yogurt may substitute for an ounce of meat.

School lunch programs, which feed 25 million children nationwide, are a huge market for the food industry. The federal government subsidizes the cost of the meals and sets requirements for their nutrition and content.

The National Cattleman's Beef Association argued that there already were enough meat substitutes in school lunches. USDA provided schools with 146 million pounds of beef during the 1995-96 school year. "We remain committed to the fact that beef offers more nutrients than yogurt does," said Alisa Harrison, a spokeswoman for the beef industry group.

— Associated Press

Probing Loss of Chemical Arms Logs

■ Deputy Defense Secretary John White yesterday ordered the Defense Department's inspector general to investigate the loss of most of the Gulf War log on chemical weapons alerts.

White directed the inspector general to determine whether computer or paper versions of the log can still be found and if not, why not.

A progress report given to Congress last week said all but 36 pages of the about 200 pages of logs of gas alerts during the 1991 war may be lost. Congress wants to know if any of the alerts showed gas was actually released near U.S. troops.

The alarms were sounded during Iraqi Scud missile attacks or any other possible use of gas and then called off as soon as experts determined no gas had been released.

Gulf War commander Norman Schwarzkopf told the Senate Armed Services Committee last week that he received no report of an actual gas release throughout the Gulf War.

The retired general said he was therefore shocked when the Defense Department announced last year that up to 20,000 U.S. troops may have

been nearby when U.S. engineers blew up an Iraqi weapons dump immediately after the war that proved later to have contained gas weapons.

White ordered the inspector general, who heads a team of full-time professional investigators, to take over the investigation from Bernard Rostker, White's special assistant for Gulf War illnesses.

Rostker's staff said in the progress report given to the Senate Armed Services Committee that part of the log may have been destroyed by a computer virus and more was missing after Gulf War files were shipped to the U.S. Central Command's headquarters in Tampa, Fla.

"While our study is incomplete and will now be continued by the IG, I have seen no evidence thus far that anyone intentionally destroyed the log," Rostker said in a statement.

The progress report lent support to defense officials' argument last year against an allegation that the eight days of the log covering the Iraqi weapons dump explosion had disappeared.

The report said most of the log was lost, not just eight days of it.

— Reuter

Herman Hearings Scheduled

■ After weeks of delays, Sen. James M. Jeffords (R-Vt.) yesterday finally scheduled a confirmation hearing for Labor Secretary-designate Alexis M. Herman, saying he found her explanations of her private finances and conduct as a White House aide to be "adequate."

Jeffords, chairman of the Senate Labor and Human Resources Committee, set her hearing for March 18, following a weekend in which his staff pored through a five-inch stack of documents provided by the White House in answer to Republican questions. "The fact that we have gone ahead and scheduled a hearing indicates that, in general, they're adequate," said committee spokesman Joe Karpinski.

However, Karpinski held out the possibility of follow-up questions for Herman, who was chief White House public liaison during Clinton's first term. Among other things, she has come under scrutiny for her office's involvement in political activities.

The White House welcomed Jeffords's action. "We think when the full committee has a chance to hear from Alexis Herman, they'll agree that she'll be an outstanding secretary of labor," said spokesman Joe Lockhart.

—Peter Baker

Rebuilding Swordfish Stocks

■ The National Marine Fisheries Service yesterday proposed measures to try to rebuild Atlantic swordfish stocks by limiting access to the fishery.

With swordfish stocks estimated at 67 percent of optimum levels and the average size of landed fish at 84 pounds compared with to 266 pounds 30 years ago, the agency said commercial harvesting capacity must be limited.

— Reuter

CAPITAL ROUNDUP

Labor nomination set to move forward

The Senate appears ready to move forward with two of President Clinton's stalled Cabinet nominees, but a roadblock was thrown up on the nomination of the first U.S. ambassador to communist Vietnam.



Herman: Questions about fund-raising

On Monday, the Labor and Human Resources Committee set a March 18 hearing for Alexis Herman, whose nomination to be Labor secretary has been stalled for two months over questions about her role in Democratic fund-raising when she headed the White House office of public liaison.

The White House released memos to support Herman's contention that she was unaware of the Democratic National Committee's role in a White House coffee that brought together bankers and the top banking regulator. Also at issue is how Herman got a financial interest in a Washington real estate development that is now worth as much as \$500,000, although she didn't put up any money. White House aides defend Herman's role in the development on the basis of affirmative action.

PENA NOMINATION: A vote may be imminent on Federico Pena's nomination to be Energy secretary. Senate Energy Committee Chairman Frank Murkowski, R-Alaska, scheduled a news conference today on the nomination. Murkowski twice has delayed a vote on the appointment while he negotiates with the Clinton administration over its opposition to Murkowski's proposal for a temporary nuclear waste dump in the Nevada desert. The federal government is supposed to take possession of spent nuclear fuel from power plants beginning in January, but the administration says a storage site won't be ready until at least 2010.

VIETNAM ENVOY: Sen. Bob Smith, R-N.H., vowed to do "everything in my power" to block the nomination of former congressman Pete Peterson to be ambassador to Vietnam, pending investigation of whether President Clinton's decision to restore relations with Vietnam was a payoff to campaign contributors with Asian business interests. Smith cited the refusal of a former Commerce Department official and Democratic fund-raiser to testify to Congress about illegal foreign contributions. "John Huang is refusing to testify before Congress," Smith said. "No testimony, no ambassador. It's that simple." Smith said he was also opposing the nomination because he believes Vietnam should be more forthcoming on the fate of Americans still missing from the Vietnam War.

BUDGET AMENDMENT: The Senate takes up today the proposed constitutional amendment to require a balanced federal budget. Republican sponsors seem to have 66 votes for the measure; they say chances are slim they'll get the extra vote needed for passage. GOP leaders were talking with Democratic opponents who might switch if some changes are made in the proposal. The biggest stumbling block, one that Republicans say is non-negotiable, is keeping Social Security funds in the budget calculations.

GULF WAR SICKNESS: The Pentagon's inspector general is taking over the investigation into missing Persian Gulf war logs that tracked reports about chemical weapons during the 1991 conflict. A preliminary report said last week that more than three-quarters of the records are missing. Nearly 100,000 veterans, one of every seven who went to the gulf, have

complained of mysterious illnesses, and many blame a possible exposure to chemical weapons or other aspects of their service there. Commander Norman Schwarzkopf says he doesn't think the troops were ever exposed to chemical weapons.

POLITICS: The race to fill a vacant congressional seat in New Mexico will pit Democrat Eric Serna, 47, against Republican Bill Redmond, 43. They were chosen by state party leaders. The May 13 election will fill the seat of Bill Richardson, a Democrat who was named ambassador to the United Nations. The district is heavily Democratic.

► U.S. Rep. Mark Neumann, R-Wis., said he likely will run for the U.S. Senate seat now held by Democrat Russell Feingold, who was elected in 1992. Feingold has not said whether he will seek a second term.

RELIGIOUS DISPUTE:

Congress is being asked to intervene in Alabama's controversy over display of the Ten Commandments in an Etowah County judge's courtroom. The House today is to consider a resolution by Rep. Robert Aderholt, R-Ala., to declare congressional support for display of the religious rules in government offices and courthouses. A vote is not expected. It may be referred to a committee. "Our nation was built upon the Judeo-Christian principals which are embodied in the Ten Commandments," Aderholt said. Alabama Gov. Fob James threatened last month to use the National Guard and state troopers to keep the Ten Commandments on display if the American Civil Liberties Union wins a lawsuit challenging the practice.



Aderholt: Commandments bill

ALSO ...

► **CORRUPTION CASE:** Herbert Becker, former head of the Justice Department's Indian affairs office, has agreed to plead guilty to felony charges of conflict of interest and of filing for \$3,226 in false expenses while representing Indian clients as a private lawyer.

► **JOURNALIST ARRESTED:** The Secret Service arrested a Reuters reporter at the White House after discovering she is wanted on a theft warrant in Iowa City, Iowa. Her name wasn't released.

Forbes, Kemp looking to 2000?

Publisher Steve Forbes, whose flat-tax plan made him a brief star in the 1996 Republican presidential sweepstakes, is said to be eyeing another White House run in 2000. So too is 1996 GOP vice presidential candidate Jack Kemp. And to make sure voters don't forget them, they both will start airing radio ads today calling for a ban on third-trimester abortions.



Forbes: Sponsors anti-abortion ad

Kemp is joined in his ads by former Education secretary William Bennett. Sponsored by the Family Research Council, a conservative-issues lobby, the Kemp-Bennett ads begin airing in Washington, D.C., and Los Angeles, with additional buys coming on syndicated talk-radio shows. Total cost: \$20,000.

Forbes' \$10,000 ad campaign will air on 600 radio stations nationwide for one week. It is sponsored by Americans For Hope, Growth and Opportunity, an issues-advocacy group that Forbes helps finance. He does not speak on the ads, but his name is mentioned at the end as the sponsoring group's honorary chairman. The Forbes group is also airing radio ads in Iowa supporting Republican Gov. Terry Branstad's plan for a 15% tax cut. Cost: \$5,000.

— Richard Benedetto

By Paul Leavitt

USA TODAY
3/4/97
THURSDAY, MARCH 4, 1997

back. At the Aberdeen school, where soldiers learn to
drill, heavy trucks and other gear, more than half the drill
instructors and faculty members are minorities, the Army said.
Army officials said that while most of the accusers are white, that
mirrored the racial breakdown of soldiers at the school: Trainees are
about 58 percent white, 30 percent black, and 12 percent Hispanic
and "other," officials said.

The only Aberdeen accuser who has gone public, former private
Jessica Beckley, is white.

In addition to the 13 men who have been formally accused at
Aberdeen, seven more currently are under investigation. NAACP
officials say none of these men is white; Army officials declined
comment.

The Army said it was unable to provide a racial breakdown of the
accused at other bases where a number of sexual harassment
allegations have surfaced, including Fort Leonard Wood, Mo., Fort
Jackson, S.C., and Fort Sam Houston, Texas.

Officials did say that at Fort Leonard Wood, two sergeants have
been jailed for sexual misconduct and a third has been acquitted of
charges. One of the jailed sergeants was white and the second
Hispanic. The acquitted man was black, officials said.

Leroy Warren Jr., an NAACP national board member from
Montgomery County, Md., said the group "isn't in the business of
protecting people who have committed crimes." But he said the
authorities "aren't getting the white guys. There's a dual system of
justice at the Pentagon and in this country."

Warren also accused the military authorities of trying to keep female
soldiers from backing away from some allegations that they know are
founded on faulty information.

"They came out too fast with these cases, and they know some of
them are going south," he said.

3/4/97

Hearings on Labor Secretary Nominee to Begin March 18 (Washn) (c) 1997, Los Angeles Times

WASHINGTON The chairman of a key Senate panel agreed
Monday to schedule a confirmation hearing on March 18 for President
Clinton's embattled choice for Labor secretary, satisfied with Alexis
M. Herman's responses to more than 100 questions on her
professional and political past.

Snagged in the growing controversy concerning White House
fundraising activities, Herman has been scrutinized by the Senate
Labor and Human Resources Committee on whether she improperly
mixed her duties as a White House aide with politicking for the
president. As a result, her confirmation hearing kept being postponed.

The decision by committee chairman James M. Jeffords to schedule
a hearing for Herman does mean she is a shoo-in for confirmation.
Congressional aides say she can still expect a grilling from panel
members. Herman, who would become the first black official to head
the Labor Department, served until recently as director of the White
House office of public liaison.

WASHINGTON OUTLOOK: Certification of Mexico Is Drug Diplomacy By Ronald Brownstein (c) 1997, Los Angeles Times

WASHINGTON It's fair to say that diplomatic euphemism isn't a
real personal strong point for Thomas Constantine, the career cop
running the Drug Enforcement Administration. At a House
Government Reform and Oversight Committee hearing last week on
Mexican corruption and the drug trade, his crisp, straightforward
answers made him stand out like a cabbie in a charm school.

Witnesses from the Justice Department and the Border Patrol
deflected the committee's questions with mannered platitudes about
"tangible results born of cooperation" and "clear progress in
regaining control" of the border. Constantine had none of it. In his
New York flatfoot's drone, he delivered an unrelenting indictment of
Mexico's performance.

His bill of particulars was dizzying. Though Mexican President
Ernesto Zedillo's government has fired more than 1,200 officials on
corruption charges, Constantine said, none has ever been successfully
prosecuted. Leaks to drug smugglers by corrupt Mexican officials
have repeatedly compromised joint U.S.-Mexico task forces
established in Juarez, Monterrey and Tijuana.

Court papers filed in a case involving two drug-gang assassins
apprehended in the United States indicate "that the State Attorney
General and almost 90 percent of the law-enforcement officers,
prosecutors and judges in Tijuana and the State of Baja California ...

are on the payroll" of the smugglers. Meanwhile, murders of law
enforcement officials routinely go unsolved across Mexico, and the
leaders of the major Mexican drug cartels "are living freely ... and
have suffered little, if any, inconvenience."

As for Gen. Jose de Jesus Gutierrez Rebollo, the Mexican
government drug czar recently arrested for allegedly collaborating
with Mexico's largest drug cartel, Constantine said: "My assumption
is that any (information) available to him has been compromised
completely."

It is in the midst of this swamp that President Clinton decided Friday
to "certify" Mexico as fully cooperating in the struggle against drugs.
With that ruling, Clinton rejected calls for sterner punishments: either
flat-out decertification which would have required him to cut off most
foreign aid or a middle course that would have labeled Mexico out of
compliance while providing a "national interest" waiver to keep the
aid flowing.

Mexico's certification reflected the widespread belief in the
administration that sanctions would have triggered a fundamental
breach in relations just weeks before Clinton is scheduled for his first
trip to Mexico. But Clinton's decision to avoid penalties this year may
amount to little more than holding a lid on a boiling pot with all the
risk of eventual explosion that suggests.

In the near term, Clinton's ruling is likely to stand. Congress could
still vote during the next 30 days to demand sanctions. But Clinton
would inevitably veto such a resolution, and even congressional
hard-liners acknowledge that they would have great difficulty
attracting the two-thirds majority necessary to override such a veto.

Yet the breadth of bipartisan coalition that has instantly mobilized to
overturn the certification testifies to an ominous change in the weather
for Mexico. Last year, Bob Dole found little support, even among
Republicans, when he called on Clinton not to certify Mexico. Now
even a steady procession of Democrats is urging the president to
withhold certification.

Last year, Sen. John McCain, R-Ariz., was one of those who told
Dole that decertification was a mistake. Now McCain isn't so sure.

"I think that the merits of decertification are minimal," McCain said.
"But at the same time, you just can't keep, in effect, condoning some
of the things that are happening in a country that you care so much
about."

McCain is ambivalent for good reason. Certifying Mexico as fully
cooperating in the drug war is like certifying the world as flat: an
insult to irrefutable facts. After all the Mexican narco-scandals jostling
Clinton's own fund-raising difficulties on the front page, Mexico may
read certification to mean that there is no level of corruption sufficient
to trigger penalties.

Yet it's far from clear that sanctions would inspire a more serious
attack on corruption in Mexico. Many experts believe the most
immediate effect would be to provoke an intense anti-American
backlash from Mexicans who understandably point out that drugs
wouldn't pour across the border without the magnet of unchecked U.S.
demand.

One senior U.S. prosecutor with extensive experience along the
border warns that such a "nationalist wave" would "cut the legs out"
from Mexican officials supporting greater cooperation with the United
States. On objective grounds, Mexico may not deserve certification,
this prosecutor continues, "but the paradox is that (decertification)
would backfire."

As these contrasting arguments suggest, Mexico, like China,
increasingly divides Washington into competing camps. One side
argues for cooperative "engagement" to encourage gradual progress;
the other champions confrontational truth-telling to shock systems
skilled at defeating reform.

In dealing with both countries, Clinton has given the reins to the
engagers. But the voices demanding confrontation are growing louder,
particularly on Mexico, through which two-thirds of the cocaine
bound for the United States now travels. At the House Government
Reform and Oversight Committee hearing last week, legislators such
as Bob Barr, R-Ga., and Mark E. Souder, R-Ind., openly questioned
whether Zedillo himself could be trusted.

Administration officials say there's no evidence to impugn Zedillo.
But those inflammatory questions should warn Clinton and Zedillo
alike that without more tangible progress against the drug tide, their
policy of conciliatory engagement may soon become politically
untenable in the United States.

"Unless there are some changes in Mexico," McCain said, a
moderate in these precincts, "there are a lot more problems ahead."

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POLITICS

A Very Tempting Target

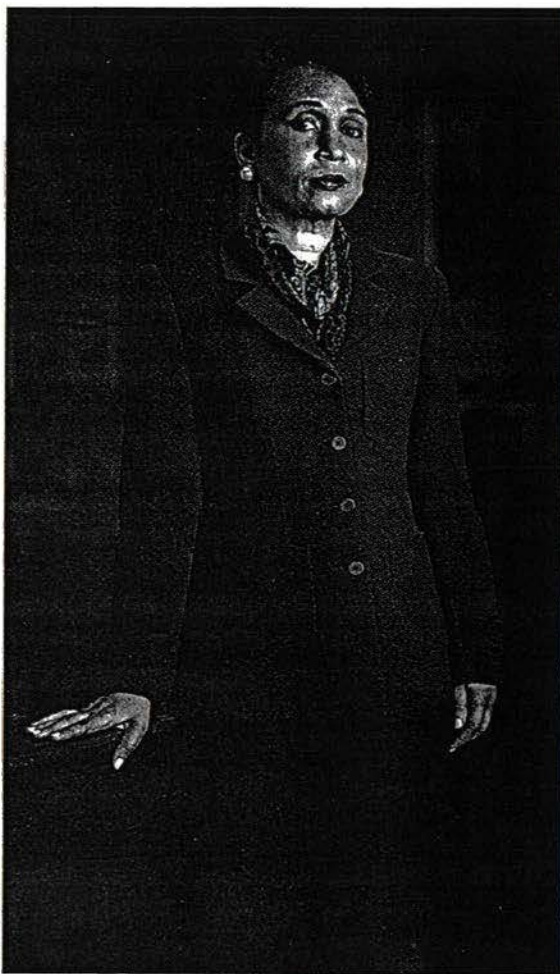
Alexis Herman rose in Ron Brown's freewheeling world—and that has the GOP asking questions

BY KAREN BRESLAU

RON BROWN NEEDED help. It was July 1988, and the Democrats were about to convene in Atlanta, where Jesse Jackson was threatening to spoil Michael Dukakis's moment. While Brown, a lawyer-lobbyist, undertook the delicate task of weaving Jackson's agenda into the party platform, he brought along his friend Alexis Herman to organize convention logistics for the haphazard Jackson operation. After that Herman rarely left Brown's side. When he became party chairman a year later, Herman helped him transform the sleepy Democratic National Committee bureaucracy into a machine capable of electing a president. When he went to Commerce under Bill Clinton, intermingling politics and business, Herman was in the White House, serving as gatekeeper to special interests eager for Clinton's time. And when Brown's plane crashed in Croatia, Herman planned his elegant state funeral.

Now both Herman and her world are on trial. As Clinton's nominee to head the Department of Labor, the once obscure 49-year-old White House aide, former business consultant and Democratic activist would become the highest ranking African-American woman in the administration. Herman must first convince a GOP Senate that she didn't go too far mixing partisan politics and official business—and given the questions about Democratic fund raising, she is a very tempting target. Is Alexis Herman the superachieving civil-rights pioneer the White House says she is, or is Herman—as her critics suggest—a Clintonite who shamelessly traded access for political and personal favors?

Her rise is undeniably dramatic. The daughter of a Mobile, Ala., teacher and a politically active father who was the first black wardsman elected in the state since



A dramatic rise: Herman, Clinton's nominee for Labor secretary, is a shrewd behind-the-scenes operator

Reconstruction, Herman attended segregated parochial schools. A deeply religious child, she absorbed the social teachings of the Roman Catholic Church. After earning a degree in sociology from Xavier University in New Orleans, she compiled an impressive do-good résumé: Catholic Services social worker and board member of the National Council of Negro Women. At the age of 29 she was a top official in Jimmy Carter's Labor Department. Herman is a label-defying Democrat: she worked closely with Jesse Jackson in the 1980s, yet during the pro-business Clinton 1990s she maintained such close ties to corporate interests that organized labor was in-

itially reluctant to support her nomination.

During the Reagan years Herman became a management consultant. She profited from some of the same job-training grants she had been involved in awarding when she worked for the government. Herman ran a lucrative consulting practice, advising major corporations how to implement affirmative-action guidelines. Critics charge that many of her clients were coerced into hiring her by Jackson's Operation Push, which boycotted companies that failed to diversify their work forces. (Herman's supporters claim her clients were happy with her work, and some have in fact written letters of recommendation to the Senate Labor Committee.) The White House has promised that Herman will answer all questions about her business and White House conduct in her confirmation hearing.

Senate investigators would also like to know how Herman earned a \$500,000 profit from a share of a Washington development project she received for providing minority-contracting advice, without making any initial investment. Meanwhile, they are also looking into allegations that Herman misused her expense account to support first-class travel, deluxe accommodations and personal entertainment while serving as Democratic National Committee staff director under Brown. Some of the DNC habits proved hard to break. When Herman joined the Clinton White House in 1993, she complained that as an assistant to the president, she was entitled to a car and driver. She wasn't: Clinton had eliminated the perk.

Republicans are most intrigued by Herman's role in organizing "coffees" between Clinton and Democratic donors. The White House has acknowledged that Herman's office of public liaison helped to arrange at least 15 coffees, including one last May at which bankers met with the federal officer charged with regulating their industry—a session the White House later admitted was inappropriate. Herman says a deputy had prepared the guest list and that she herself had not attended the meeting.

Worried by rumors that the administration was going soft on Herman's nomination, chief of staff Erskine Bowles invited 100 representatives from women's, labor and civil-rights groups to the White House to announce a "full-throttle effort" on her behalf. This week Senate Labor Committee chairman James Jeffords will finally schedule Herman's hearing. "If anybody wants to vote against her, for whatever reason, they're plainly free to do that," Clinton says. "But she deserves a hearing, and if she gets a hearing, she's going to be confirmed." That is by no means guaranteed—as Herman, a student of political hardball, no doubt knows.

With MARK HOSENBALL

Official's Blending of Duties Questioned

By CHRISTOPHER DREW

WASHINGTON, March 2 — When business lobbyists went to the White House for briefings on legislative proposals in the first two years of the Clinton Administration, some were surprised to find a staff member of the Democratic National Committee there.

The briefings were held by the White House Office of Public Liaison, which was headed by Alexis M. Herman, now President Clinton's nominee to be Secretary of Labor. Current and former Government officials say the Democratic staff member, Caren Wilcox, was there to do something that the White House is legally barred from doing: getting business groups to lobby on Capitol Hill for the President's proposals.

This coordination between Ms. Herman's office and the Democratic committee, which has not been previously reported, is one of a series of ties that have raised questions about how she and her aides blended their official and political roles. The questions have jeopardized her nomination, despite strong support for her from the President and labor and women's groups.

Senator Trent Lott of Mississippi, the majority leader, said last week that Ms. Herman "still will likely be confirmed." But the Senate Labor Committee is looking into her activities and has not scheduled hearings on the nomination.

Most of the concerns about Ms. Herman have stemmed from the furor over fund-raising practices by Government officials and other links between her office and the Democratic Party.



Paul Hosefson/The New York Times

Alexis M. Herman, nominee for Secretary of Labor.

But the attendance at dozens of briefings in 1993 and 1994 by Ms. Wilcox raises another concern.

The main task of the liaison office is to explain the President's policies to interest groups, including business, labor and civic organizations, in hopes of gaining their support for his legislative proposals. But the office's staff, and other White House employees, are prohibited from prodding supporters to lobby members of Congress for those plans.

That law is one of several restrictions intended to keep separate the governmental responsibilities of the White House and the political needs of the President. Such restrictions

place liaison employees in a delicate position, so a separate White House political office normally handles such partisan concerns.

People who worked in the liaison office in Republican administrations said they never invited party officials to briefings at the White House.

"That is partisan political activity that is divorced from Government," said Wayne H. Valis, who had a liaison role in the Nixon, Ford and Reagan Administrations. "It is not a wise and appropriate thing to commingle them."

Ms. Herman has declined all interviews while her nomination is pending. But Joseph Lockhart, a White House spokesman, said Ms. Herman's office did nothing wrong. "The D.N.C. actively does grass-roots lobbying on behalf of the President's programs," he said, "and for a D.N.C. person to come over and attend one of these briefings is both permissible and legitimate."

But some Republicans disagreed. While acknowledging that the Republican Party helped promote policies when Republicans were in the White House, Frank J. Donatelli, who was a deputy in the liaison office in the Reagan Administration, said Ms. Herman's office "clearly went beyond what we did" in inviting a party official to attend briefings with outside groups.

"I'd be uncomfortable with that because it was almost like a direct handoff of the lobbying," he said.

Ms. Wilcox, who was then director of business outreach at the D.N.C., said she got involved in the briefings because "I had done a great deal of work in the business community" as a corporate lobbyist before that and knew some of the participants.

She said she sat in on perhaps one meeting a week in the first year or more of the Clinton Administration, when the President was seeking business support for changes in tax laws, health care policy and the development of economic empowerment zones. "Occasionally," she said, "we would talk about what I was doing with the D.N.C." to rally support for the proposals.

At most of the meetings, either Ms. Herman or Amy Zisook, who was then Ms. Herman's assistant in charge of business liaison, would talk about what the President was trying to do and answer questions.

Ms. Zisook said in an interview that Ms. Wilcox would later follow up with some of the business groups.

"We couldn't ask people to lobby, and she could," Ms. Zisook said. "We'd usually say, 'We need your help' or whatever without being specific. And she'd later talk to them about how they could best help."

Mr. Lockhart said that Ms. Wilcox held the business liaison job at the D.N.C. until May 1994, when she went to work in the White House liaison office, though she was still paid by the Democratic committee. Mr. Lockhart said Ms. Wilcox did nothing to promote business lobbying while she was in that White House job.

The White House acknowledged last month that it had employed about 20 workers in recent years who were paid by the committee. Amid news reports about it last week, Administration officials decided to shift to the White House payroll the few aides now in that situation.

MONDAY, MARCH 3, 1997

The New York Times

ALEXIS HERMAN, BILL CLINTON'S NOMINEE FOR LABOR SECRETARY, IS UNDER

The **ALEXIS**

FIRE FOR HER ROLE IN SHADY WHITEHOUSE FUNDRAISING. SURE, SHE'S GUILTY

AS CHARGED—BUT THERE'S A LOT MORE TO THE STORY THAN THAT.

BY BYRON YORK

On a Friday, January 26, 1996, at 8:30 in the morning, Alexis Herman attended one of the now-infamous "coffees" held in the Map Room of the White House. Herman, whose title was White House director of public liaison—and who is now Bill Clinton's choice to be labor secretary—joined an impressive lineup. The president was there, as were Senator Christopher Dodd, co-chair of the Democratic National Committee, Don Fowler, the other DNC co-chair, Marvin Rosen, the party's top money-raiser, and big contributors like Dirk Ziff, a New York investment banker who gave \$411,000 to the Democrats in 1995 and 1996.

Just the day before, on the 25th, Herman took some time out of her schedule for a 4:00 p.m. coffee. This one also included the president and some of those who had would attend the next day's meeting—plus more heavy donors, among them Pauline Kanchanalak, the mysterious Thai-American businesswoman whose family donated more than \$526,000 to Democrats in recent years (much of that money was later returned by the DNC). And the month before, on December 13, 1995, Herman attended yet another coffee, again with the president, Fowler, White House political honcho Harold Ickes, and major donors like Leonard Barrack, a lawyer from Philadelphia who contributed \$134,000 (and got a night in the Lincoln bedroom), and F. Kenneth Bailey and John Eddie Williams, two Texas lawyers who gave \$457,700 between them.

BYRON YORK is an investigative writer for TAS.

Herman didn't just sit in on the gatherings; she helped arrange some of the more than 100 "coffees" that were at the heart of Bill Clinton's plan to use the White House as the main fundraising tool in his campaign for re-election (the coffees raised a total of \$27 million). In addition to her help in the money chase, Herman—one of the highest-ranking blacks in the Clinton White House—snagged another top job in the Clinton campaign when she was put in charge of an unprecedented "outreach" program targeting a whole rainbow of voting groups: African Americans, Hispanics, Asians, the disabled, and others.

Today there are serious concerns about whether Herman's fundraising and minority vote-getting activities violated the Hatch Act, a law that bars some types of political activities—and specifically forbids fundraising—by administration officials. Her actions have caused concern on Capitol Hill, where the Senate Labor and Human Resources Committee will hold confirmation hearings. "There are a lot of members who are very uneasy about her confirmation," says a source within the Republican leadership. "There are plenty of unanswered questions, and if she gets sucked up into the whole aggressive White House fundraising situation, it's going to be cause for pause."

The pause came when Republicans put Herman's confirmation hearings on hold so they could investigate her political activities. But if critics focus single-mindedly on Herman's role in the White House fundraising machine, they might overlook the serious

questions that exist about her entire career in Washington. Before she ever raised a dollar for Bill Clinton, Alexis Herman developed an impressive ability—sharpened by her longtime association with her two mentors, Jesse Jackson and the late Ron Brown—to exploit Washington's network of racial set-asides and insider deals to make herself wealthy. Mixing money and politics is not something Herman learned in the Clinton White House. It's something she's been doing all her public life.

THE SET-ASIDE SET

Herman has been a major figure in black Washington for twenty years. Originally from Alabama, she first joined the federal government in 1977 as Jimmy Carter's choice to head the Women's Bureau in the Department of Labor. Ousted by the Reagan victory in 1980, she formed her own business, first known as Green-Herman and later as A.M. Herman & Associates. It was during that time that she began to take advantage of the affirmative action system that governs how business is done in Washington.

Herman's business partner was another departing Carter Labor Department official, Ernest Green. In the words of one glowing profile from the time, their firm specialized in "organizational effectiveness and developing corporate strategies for diversity, multiculturalism, career management, minority/disadvantaged business enterprise, community and public relations, and image enhancement." Even though that description nicely captures the jargon of the diversity business, it doesn't really present an accurate picture of what Green-Herman actually did.

A few years after the company was formed, a General Accounting Office study revealed that in the last days of the Carter administration Ernest Green rushed to spend more than \$100 million in federal grant money before the Republicans could get their hands on it. Green was pushing the money out the window so fast that he sent telegrams to recipients—largely unions and interest groups that had supported Carter's re-election campaign—telling them to start spending the cash even before contracts could be signed. One of those contracts, for \$2 million, went to Jesse Jackson's Operation PUSH.¹ Then, when Green and Herman left the government and founded their company, one of their first contracts came from Operation PUSH. It was a nifty deal, and it got Green-Her-

¹Jackson, Herman, and Green go way back together. Green is something of a civil rights legend, having been one of the "Little Rock Nine," the first black students to attend Central High School after the *Brown v. Board of Education* decision in 1954. Herman has also known Jackson for years.

WHEN A COMPANY—JACKSON'S TARGETS INCLUDED COCA-COLA, BURGER KING, AND THE SOUTHLAND CORPORATION, WHICH OWNS 7-ELEVEN—GAVE IN AND SIGNED A "COVENANT" WITH HIM, THE REVEREND WOULD SUGGEST THAT A.M. HERMAN & ASSOCIATES BE HIRED TO "MONITOR" THE AGREEMENT.

man off to a good start. (Ernest Green did not return several calls asking for comment. Herman declined to provide any specific answers to written questions submitted by TAS, but a White House spokesman said that "any allegations that Ms. Herman improperly benefited from her work as head of the Women's Bureau at the

U.S. Department of Labor are untrue.")

In the 1980's, Ernest Green left the firm (he is now managing director at Lehman Brothers in Washington) and Herman changed the name to A.M. Herman & Associates. As she had with the original PUSH deal, Herman continued to benefit from her relationship with Jesse Jackson. During those years, Jackson used PUSH to threaten major corporations with boycotts unless they adopted quotas for black hiring and contracting—and also contributed to PUSH and related organizations. When a company—Jackson's targets included Coca-Cola, Burger King, and the Southland Corporation, which owns 7-Eleven stores—gave in and signed a "covenant" with Jackson, the reverend would suggest that A.M. Herman & Associates be hired to "monitor" the agreement. More business for Alexis. According to the financial disclosure form she filed upon entering the White House in 1993, Burger King was among the companies that paid significant "diversity consulting" fees to A.M. Herman & Associates.

Other corporations that bought Herman's services included Procter & Gamble, KPMC Peat Marwick, and Levi Strauss. Today, they are reluctant to say just what she did for their companies. "We really don't discuss our contract or business relationships," a spokesman for Levi Strauss said. "We do not discuss the details of work consultants provide to us," said a spokeswoman for KPMC Peat Marwick. "I think it may have been some work in the human relations area," said a spokeswoman for Procter & Gamble who was unable to provide any other details.

Curiously, on her financial disclosure form, Herman said she received no salary from A.M. Herman & Associates. She did say that she took a \$21,974 "distribution" from the firm. And she listed six companies that, like Burger King and Procter & Gamble, paid her diversity consulting services fees of at least \$5,000 each. In all, she estimated A.M. Herman & Associates' value at between \$250,000 and \$500,000. (Executive branch financial disclosure forms allow officials to list the value of assets within broad categories, like \$250,000-\$500,000. They are not required to reveal exact figures. And for the consulting work, Herman was simply required to list the companies who had paid her "compensation in excess of \$5,000." It could have been far more.)

By the time Herman filed her next financial disclosure form, in May 1994, she said she had sold A.M. Herman & Associates several months after joining the White House staff. She wrote

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that she received between \$50,000 and \$100,000 for the company, but did not reveal to whom it had been sold. It is difficult to establish whether that information is correct. The District of Columbia Department of Finance and Revenue, which keeps records of business licenses and transactions, has no record of any sale involving A.M. Herman & Associates. Herman herself refused to answer a written question on the subject submitted by TAS. And her former assistant, Cloria Gutierrez, now a top Commerce Department official, abruptly terminated a phone inquiry on the subject. "I'm sorry, I do not talk to the press," she said. "A.M. Herman & Associates is long dead and buried. Thank you [hang up]."

BUILDING A FORTUNE

By the mid-1980's, Herman had branched out from diversity consulting to take part in several Washington real estate deals. Two lines of her financial disclosure statement reveal particularly intriguing transactions. One lists her interest in something she calls the "Western Assoc. Ltd. P'tshp." The other refers to her relationship with a company called the FTPM Partnership. Both entries refer to Herman's role in controversial, expensive, and highly political construction projects.

"FTPM Partnership" is the partnership that is now finishing the massive Federal Triangle building two blocks from the White House in downtown Washington. It is the biggest federal building project since the Pentagon, and it has a price tag to match: an estimated \$720 million dollars, which is twice the original estimate and likely to rise before the final cost is tallied (in a deliciously perverse turn of events, this symbol of expanding government has recently been re-named the Ronald Reagan Building).

The building is the last remaining project in a 30-year campaign to fill several gaps along Pennsylvania Avenue. As late as the 1970's, the street, which was lined by grand government buildings on the south side, had stretches of shabby buildings along the north. The idea of turning Pennsylvania Avenue into a grand boulevard began in the Kennedy administration, where its primary proponent was a young Labor Department official named Daniel Patrick Moynihan. Work was slow, but by the time of the Nixon administration Moynihan and other like-minded Washington insiders had succeeded in creating a quasi-government entity called the Pennsylvania Avenue Development Corporation. The Corporation had the power to use government money to buy land along the avenue and hold competitions among developers who bid to build grand projects in the place of run-down storefronts.

By all accounts the process of buying the land and giving out contracts was highly political, even by Washington standards. Developers had to please the presidentially appointed members of the Corporation, but they also had to please the D.C. mayor—Marion Barry—who had his own say in the Corporation's decisions. Ever since being elected mayor in 1978, Barry had made it clear that developers would have to "pay to play." That meant developers—a mostly white group—would have to include minority partners in a project if they hoped to have any chance of winning a contract. Developers quickly real-

ized that friends of Marion Barry were excellent candidates for inclusion. They became what are known as "face partners," which refers to minorities who are given a piece of a big real estate deal but play little role other than giving the undertaking an appearance of diversity.

Developers were also required to submit an affirmative action plan guaranteeing that a certain amount of the sub-contracts involved—sometimes as high as 35 percent—would go to minority firms. "What you need if you're going to develop a huge project like [Federal Triangle] is a politically connected minority contractor," says one observer intimately familiar with the commercial real estate scene in Washington. "It inoculates you from a whole variety of problems" with the local and federal governments.

That's where Alexis Herman came in. "She was connected to Ron Brown, to Jesse Jackson, and through them to Marion Barry," says the real estate observer. "She was wired." And she was also connected to Bob Mendelsohn, who was part of the development team that won the Federal Triangle contract. "I knew Alexis when we were both in the Carter administration," Mendelsohn says. "Ernie [Green] and Alexis formed a company to develop and implement affirmative action programs, and I began using them from the beginning." Mendelsohn paid Herman's company \$600,000 to design an affirmative action plan for Federal Triangle. And he made sure that Herman's face was up front and center when it came time to take his case before the Pennsylvania Avenue Development Corporation. "I always had Alexis participate in our presentations because she did such an excellent job of articulating our affirmative action program," Mendelsohn says. "She is simply the best."

She was something more than that. By the time the contract competition was in its last stages, Herman had been hired by Brown to be the deputy chairwoman of the Democratic National Committee. Her political clout went up a few notches. And by the time she moved to the DNC, the competition for the Federal Triangle contract had become a fierce battle involving the city government, the White House, and Congress. Ostensibly hired to devise an affirmative action plan for the developers, Herman found herself traveling to Capitol Hill to lobby for Mendelsohn's team. Some in Congress thought it was inappropriate for a top DNC official—who wielded all sorts of DNC power, like the power to distribute party money to, say, the political campaigns of members of Congress—to lobby for her own business.

Mendelsohn denies he used Herman's clout. "I never asked her to do any lobbying," he says. Lobbying or not, Mendelsohn's team won the bidding. But other developers who bid on the contract became angry when they learned that Mendelsohn's winning bid was significantly higher than the losing proposals. Some felt that Herman had helped in a political fix that steered the job to her team. Certainly, those opponents thought, it wasn't her affirmative action plan that won the day. "I remember their affirmative action plan did not appear to have much substance," says a member of a team that bid for the contract but lost. "They had a couple of face people, but it did not involve hiring a lot of minority contractors." In response to

a written question on the subject, a White House spokesman says only that "A.M. Herman & Associates' role in assisting the Federal Triangle project was proper."

The Federal Triangle project was reminiscent of Herman's role in an earlier Pennsylvania Avenue project. The phrase "Western Assoc. Ltd. Ptnshp" in her financial disclosure report is a short way of referring to Herman's interest in the development partnership that built Market Square, a few blocks down the street from Federal Triangle. For Herman, Market Square was an even richer deal than Federal Triangle; she valued her personal interest in the partnership at between \$500,000 and \$1,000,000.

A decade ago, Market Square was an empty lot on the north side of Pennsylvania Avenue between the Capitol and the White House. Today it is a massive granite-faced structure that rivals the massive granite-faced government office buildings across the street. Its semi-circular colonnade fronts one million square feet of office space, shops, restaurants, and condominiums.

The main developer of Market Square was another politically connected businessman named Herbert Miller. A few years earlier, he had solved his problems with another big development by giving equity cuts to several of Mayor Barry's closest cronies. The *Washington Post* reported that some were asked to put up \$1,000 in return for interests that were worth hundreds of thousands of dollars; others were given a cut in return for nominal work. For Market Square, Miller's company worked in association with Mendelsohn. When it came time to bid for the contract, Mendelsohn knew that the Pennsylvania Avenue Development Corporation would demand minority participation. "Whether it was a goal or a suggestion or a requirement I don't recall," Mendelsohn says, "but [the Corporation] made it known to us that they were very interested" in adding minority partners to the project.

So he turned again to Alexis Herman. The developers gave her an equity stake in the project—3.3 percent of the deal—which Herman later valued at between \$500,000 and \$1,000,000. But the question is: Did she invest any money in the project? Did she perform some work equal to 3.3 percent of Market Square? Herman declined to answer a written question on the subject submitted by *TAS*. Mendelsohn responded to the question by saying, "I don't think it's material," but added that Herman might have gotten her stake in return for developing and overseeing an affirmative action plan for the project.

In the end, it doesn't matter how Herman ended up with her chunk of Market Square. The system required that face partners be involved, and she was there to provide the face. "She was worth the money," says a Washington real estate observer, "whether she did any work or not."



MENDELSONN PAID HER COMPANY \$600,000 TO DESIGN AN AFFIRMATIVE ACTION PLAN FOR FEDERAL TRIANGLE. "I ALWAYS MADE HER PARTICIPATE IN OUR PRESENTATIONS BECAUSE SHE DID SUCH AN EXCELLENT JOB OF ARTICULATING OUR AFFIRMATIVE ACTION PROGRAM," MENDELSONN SAYS. "SHE IS SIMPLY THE BEST."

LIVING IN STYLE

In 1988, during the height of her involvement in local real estate projects, Herman took time out to work for Jesse Jackson's presidential campaign. She worked closely with Ron Brown—Jackson's campaign manager—and joined the Democratic National Committee when Brown took over the next

year. During her time with the DNC, she remained head of A.M. Herman & Associates.

The party job had several benefits. First, the money was good. Herman's financial disclosure form says she was paid \$144,681 in 1992—the year in which she planned and ran the New York convention. But the DNC position didn't just pay Herman a good salary; it also created new business for her at A.M. Herman & Associates. There is no doubt her connections to Brown and the DNC helped her tremendously, for example, in the Federal Triangle deal. And, according to an article in *U.S. News & World Report*, Brown also directed that DNC money be deposited in Adams National Bank, where Herman served on the board of directors.²

It wasn't long before there were reports that Herman was taking part in the big spending that characterized Brown's tenure at DNC. The *U.S. News* story reported the DNC paid several thousand dollars for expenses run up by Herman, including charges for home decorating. The party also paid a heavy price for her taste in limousines. During the Christmas-New Year holiday at the end of 1992, for example, the magazine reported that Herman spent \$6,015 for limos, which included \$754 in tips for her driver and \$570 in car-phone bills. *U.S. News* also reported that the DNC moved Herman into a \$4,000-a-month apartment on Central Park South while she planned the convention, and the magazine said the DNC paid several thousand dollars to cover expenses on Herman's personal American Express card.

Herman's financial disclosure statements reveal the kind of extensive credit card bills that faced the DNC. Her first statement in 1993 listed an American Express bill of between \$10,000 and \$15,000. Her next statement indicated that she had switched to a revolving credit card, again with a monthly balance between \$10,000 and \$15,000. By the next year, 1995, the monthly balance had grown to between \$15,000 and \$50,000, where it remained in 1996. Her statements also reveal a seven-year car loan between \$15,000 and \$50,000. And an unsecured loan between \$15,000

²All in all, her 1992 income came to at least \$209,618, and, given the vagueness of financial disclosure forms, possibly much more. Herman even listed \$5,000 in income from a "charitable raffle" put on by the Baltimore alumni chapter of the fraternity Kappa Alpha Psi. (It is unclear whether Herman was paid for staging the raffle or winning it.)

and \$50,000 from her business, A.M. Herman & Associates (the statement says the loan was repaid by 1994).

In addition, Herman at times carried mortgages on four houses: the Washington condominium where she lived, a rental house in a wealthy Washington neighborhood (although she called the home a rental property, listing its value at between \$250,000 and \$500,00, she said she received no income from the house), a vacation home at a resort in Basye, Virginia, and a house in her hometown of Mobile, Alabama. The mortgages totaled at least \$250,000 and perhaps as much as \$600,000.

Once in the White House, she sold her rental house to a friend, but there are questions about the circumstances of the sale. Herman said the transaction—which she placed between \$50,000 and \$100,000—took place on December 6, 1993. But real estate records in Washington indicate that the sale actually took place on January 31, 1995, and was for \$366,000. In a later financial disclosure statement, Herman said that the buyer had assumed the mortgage, although real estate records indicate that the buyer took out his own mortgage in a different amount from Herman's original mortgage. In response to written questions from TAS, Herman declined to give any specific answers, but a White House spokesman said that "Ms. Herman's personal financial situation has been appropriately and properly disclosed."

OUTREACH FOR DOLLARS

Given Herman's connections, combined with her experience in Democratic fundraising—not to mention her eye for a sharp deal—Bill Clinton must have thought he had found the perfect person for the job of White House director of public liaison. In the job—a loosely defined position that in large part involved maintaining relations with the liberal interest groups that supported Bill Clinton for president—she could make use of all those contacts gained through Brown, Jackson, and the diversity business. (Those contacts even included Brown-like trade missions. See "Come Fly With Me," opposite.)

So it's not surprising that Clinton also turned to Herman when the time came to draft a plan targeting minorities for special voter "outreach" and fundraising. In January 1996, Herman received a memo from Harold Ickes directing her to develop a "national plan" and a "state plan" to win more black votes for Clinton. The first thing Herman did was to put together the White House "African American Working Group." She created a blueprint for a seamless operation in which the White House, the DNC, and the Clinton/Core Reelection Committee would work together to win the black vote. She recruited staff from her own office plus others elsewhere in the government (including Rodney Slater, the head of the Federal Highway Administration who is Clinton's choice to be Secretary of Transportation).

Herman began her strategy with the assumption that Clinton had the black vote in the bag. "African American voters," she wrote, "are among the most consistent and loyal supporters of the Democratic party." The problem was, not enough of them voted, which meant that "turning out the vote will be the name of the game." Herman gave her African American Working Group three primary goals. The first was

COME FLY WITH ME

Also, Herman was not only involved in the administration's unprecedented "outreach" program and use of the White House for fundraising. She was also intimately involved in another questionable use of government resources for fundraising purposes: Ron Brown's trade missions. Congressional investigators have long suspected that the missions functioned as Brown's payoff to corporations that had made big contributions to the DNC.

Newly released information shows that Herman had an integral role in the White House side of the missions. In a recent deposition taken by the legal watchdog group Judicial Watch as part of its lawsuit against the Commerce Department, James Hackney—who was one of Brown's closest advisers—says the organizers of Brown's missions got in touch with Herman to arrange for a presidential visit and send off for each group of participants' contributions. She put together Hackney's "briefings about the country we were traveling to...to give businessmen a sense of what they were going into." When asked why that required an appearance by Clinton himself, Hackney answered, "It was a nice thing to do, to say hello, we appreciate what you're doing."

There is little doubt that the trade missions were a reward to the donors—and an inducement for them to give more. Bernard Schwartz, the chairman of technology maker Loral Corporation, gave \$100,000 to the party shortly before he was included on Brown's trip to China in September 1995. Lodwick Cook of Atlantic Richfield also went on the trip; his company had contributed \$201,500 to the Democratic National Committee in the previous two years. And officials of Occidental Petroleum found that their contributions of \$100,000 got them not only on the trip to China but one to Russia as well.

Herman apparently liked the trade mission idea so much that she began to organize her own ones. How often only in September 1995, she led a group of twenty-one businesswomen on a trip to London and Amsterdam. The women received first class treatment—plus the attention of U.S. officials abroad. "We were guests at the ambassador's home in both countries," says one participant who was happy with the trip. "How do you put a price on something like that?"

In April 1996, Herman took representatives from seventeen women-owned businesses on a trip to Mexico. Like Brown's missions, this one turned out to be a profitable event for the Democratic National Committee. According to Federal Election Commission records, Carlissa and Vanessa Weaver, owners of a Potomac, Maryland diversity consulting firm who accompanied Herman on the trip, gave \$50,000 to the DNC in November 1996.

Things were going so well that Herman was looking to travel more. Before she got the nod as labor secretary, she was planning to take another group of women on a trip in late February—to Paris and Milan.

—Byron York

to push Clinton's record. The second was to create get-out-the-vote projects. And the third was to "identify a cadre of contributors in the black community that will work for the President's re-election."

As part of her plan, Herman created another group, "African Americans for Clinton-Core '96," and made Ernest Green—remember him?—the chairman. She wrote that as "an enticement to contribute," a group of well-to-do blacks would be invited to join yet another newly created organization, the African American Leadership Forum. Contributing members would "be afforded the opportunity to interact with senior Administration officials...through policy briefings, lunches, and workgroups." In addition, Herman wrote that it was critical that the White House know which contributors were most deserving of "personal attention beyond...invitations to White House affairs."

Herman also recommended that the White House field a team of "surrogate speakers." They would be administration officials—including herself—who would spread Clinton's message before dozens of black-oriented conventions, meetings, and other gatherings around the country. Concerned about the Hatch Act, Herman wrote that the speech-making, as she envisioned it, would not technically qualify as campaigning.

Agency surrogates will carry out these activities as part of their normal job duties in 1996. That is, they will be helping to educate the African American public and key interest groups about Clinton Administration accomplishments—not campaigning. However, we will aim to escalate the level of surrogate activity in the six weeks preceding each primary.

The last mission Herman set for her African American Working Group was simple: attack Republicans.

In persuading African Americans to support the President in 1996, we have to craft the "right message." For example...pre-election focus groups of black voters in Virginia revealed that the main anger of blacks was directed at their number one enemy—Governor George Allen. Specific pieces of campaign literature were then crafted to highlight this fact. Thus, in the 1996 Presidential election, we might find that some blacks may well be more inspired to go to the polls in greater numbers to vote against the "enemies of civil rights" than for the Democratic candidate.

It would be a violation of the Hatch Act for Herman to devote an extensive amount of time to the Clinton campaign. Contrary to Herman's own memo cited above, White House officials insist that all this political strategizing and campaigning was done on Herman's own time—in addition to her full-time job as head of the Office of Public Liaison. And they say that government resources were not used to devise and implement the plan (although the White House did reimburse the taxpayers \$917 for the computers used to write Herman's plan). As for her role in the White House fundraising "coffee," administration officials insist that Herman was not doing anything improper. Scandal spokesman Lanny Davis repeatedly told reporters that "there was no fund-raising activity organized by the White House or the OPL [Office of Public Liaison]."

THE GOP'S CALL

Before anyone thought she might face a confirmation fight, Herman had to work hard just to win her nomination to be Labor Secretary. Nearly every national labor leader opposed her, and several believed she was not qualified for the job. Powerful Democrats on the Hill, including Ted Kennedy, the ranking minority member on the Labor and Human Resources Committee—backed former Pennsylvania Senator Harris Wofford instead. Yet many black leaders—chief among them Jesse Jackson—strongly supported Herman. The standoff put Bill Clinton in a tough spot: he had to choose between two of his most valued constituencies, organized labor and African Americans. When he chose the latter, it is safe to say that many in labor were incensed. "I think for any body who's a Democrat it's an appalling appointment," says one activist. "This was an affront to labor, which only spent \$35 million on the Democrats last year."

Still, it is important to remember that at first Herman's confirmation prospects looked quite good. Although some Republicans privately said they had concerns about the Green-Herman contract scams and the Federal Triangle deal, they doubted those would be enough to cause Herman any serious problems. "Jim Jeffords is a bleeding heart Republican," said one observer of the Labor and Human Resources Committee chairman who will preside over Herman's confirmation hearings. "It will take a smoking howitzer to cause her any trouble." Perhaps Republicans didn't think Herman's background presented any serious questions, or perhaps they were afraid to appear to be hectoring a high-ranking black woman or violating the spirit of "bipartisan cooperation" on Capitol Hill these days; whatever the reason, Herman's nomination looked safe.

All that changed when revelations of Herman's fundraising and political activities came out in late January. At that point Republican sources began to talk openly of problems with the nomination. The committee decided to hold off on scheduling confirmation hearings until Herman responded to a set of detailed questions about her role in the fundraising and connections to John Huang and other figures in the growing scandal. And Ernest Green's name surfaced when the *Washington Times* reported that he played a major role in bringing a notorious Chinese arms dealer to the White House—and made a large contribution to the DNC immediately after the meeting.

In the end, Republican sources say, the Senate leadership will have to decide: Should they accept a slick operator like Herman, or should they sink her nomination and take the risk that a more effective liberal candidate will take her place? "She would be an extremely weak labor secretary, which wouldn't be a bad thing necessarily," one Senate aide says. Another Republican adds, "She may be a better nominee than Harris Wofford, who might be the backup if her nomination is tided."

That strategy could be too clever by half. Republicans who underestimate Herman forget she was a major part of the Clinton re-election machine, which could hardly be called weak or ineffective. Herman's career proves she knows how to work the system. If Republicans want to change that system, confirming Alexis Herman will just make the job harder. ❧

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Divider Title: Feb. 27, 1997

WASHINGTON

IRS wants to open audits to prove it is nonpartisan

The IRS wants to prove to taxpayers it is not conducting politically motivated audits of tax-exempt groups. Some conservative groups, such as the Heritage Foundation, Citizens Against Government Waste and the National Rifle Association, have suggested that they are being audited because they oppose Clinton administration policies.



Richardson: Impartial enforcement

IRS Commissioner Margaret Miller Richardson says she has asked for permission from Congress' Joint Committee on Taxation to comment publicly on some audits. A rarely used provision of tax law permits the Internal Revenue Service to correct misstatements of fact about audits if the committee approves.

Richardson worries that the allegations are eroding public confidence in the IRS. "We have had a fair, impartial and nonpartisan enforcement of the internal revenue laws," she said at a hearing of the National

Commission on Restructuring the IRS.

House Ways and Means Committee Chairman Bill Archer, R-Texas, is reviewing the request but is concerned about maintaining the confidentiality of groups being audited. He says it might be better for Congress to conduct an investigation.

— Anne Willette

WHITEWATER FALLOUT: The Rose Law Firm in Little Rock, where first lady Hillary Rodham Clinton was a partner, will reimburse the government \$252,200 to settle a billing dispute over work for the savings and loan industry, federal regulators said. Clinton's legal work for Madison Guaranty, an Arkansas S&L that is at the core of the Whitewater investigation, attracted the attention of regulators. Audits in 1995 found that some Rose charges were excessive, improper, unallowable or inadequately documented. The Federal Deposit Insurance Corp. questioned \$445,000 of the \$1.4 million the law firm billed the government, and negotiations led to the settlement. The billing dispute is separate from the Whitewater independent counsel's criminal investigation of the Clintons' Arkansas business dealings.

HOUSE AGENDA: Republicans concerned over the slow start to this year's congressional session got assurances from Majority Leader Dick Army that the leadership will "step up the pace and act." Army, R-Texas, said the agenda will include tax reform, retirement security, foreign policy and "the development of values and culture." The first substantive pieces of legislation to pass the House this year dealt with overseas family planning funds with no abortion restrictions and reinstatement of an airline ticket tax. Abortion rights and tax increases are not GOP rallying cries. And two proposed constitutional amendments that Republicans have championed — a requirement of a balanced budget and congressional term limits — ran into roadblocks.

GERRYMANDERING: New York's 12th Congressional District was intentionally drawn in such a way to ensure an ethnic minority would be elected, a three-judge federal panel said in telling the state Legislature to redraw the district by July 30. The predominantly Hispanic 12th District was nicknamed the "Bullwinkle District" because its boundary outline through Brooklyn, Queens and Manhattan resembles the cartoon moose. The judges said that "race became the predominant factor" in drawing the boundaries. Rep. Nydia Velazquez, a Democrat, won the seat in 1992, 1994 and 1996. She got between 77% and 92% of the vote. The challenge to the district was brought by Angel Diaz, who lost to Velazquez in 1992.



Velazquez: Democrat holds seat

HOUSE CIVILITY: After months of bitter debate over House Speaker Newt Gingrich and other partisan issues, nearly half the members of the House have signed up for three-day retreat to encourage civility and better working relationships. The group, about equally divided between Democrats and Republicans, will travel to Hershey, Pa., for meetings and socializing that begin March 7. The Pew Charitable Trust is paying expenses. "There is nothing worse than the politics of hate. It just gets in and gnaws and erodes everything we believe in," said Amory Houghton, R-N.Y.

ALSO . . .

► **SCHOOL SEARCH:** Senate Democrats are seeking photos and videotapes of dilapidated public schools to support President Clinton's proposed \$5 billion in incentives for school renovations. More than 40 Senate Democrats sent letters to thousands of elementary and secondary school principals asking for evidence of decaying schools.

► **PUERTO RICO VOTE:** House legislation introduced with 32 sponsors would set a referendum by the end of 1998 for residents of Puerto Rico to choose among statehood, the current commonwealth status or independence. Congress would have the final say. Puerto Rico has been under U.S. control since the Spanish-American War in 1898.

3 Clinton nominees gaining ground

There were new signs of support on Capitol Hill for three nominees for Clinton administration posts.



Lake: Picks up key GOP support

► Anthony Lake, nominated to head the CIA, picked up tentative support from two key Republicans on the Senate Intelligence Committee. Sens. John Chafee of Rhode Island and Richard Lugar of Indiana indicated that they will vote for Lake, who was President Clinton's national security adviser.

But Foreign Relations Committee Chairman Jesse Helms, R-N.C., accused Lake of engaging in "political gamesmanship" and a "clear pattern of contempt and disregard" for Congress. Helms cited Lake's role in administration decisions concerning Iranian arms sales to Bosnian Muslims and Chinese missile sales to Iran.

The White House had no immediate comment on the accusations. The Senate Intelligence Committee has twice delayed Lake's hearing, now set for March 11.

► Democrats say the nomination of Federico Pena as Energy secretary is being delayed to force Clinton to reverse his opposition to building a temporary nuclear-waste storage site in Nevada. Sen. Dale Bumpers, D-Ark., said it's "unfair to hold a perfectly good man hostage to a particular issue." Pena's confirmation still is expected.

► More than a dozen women's and civil rights groups rallied to support Labor secretary nominee Alexis Herman. Her confirmation is mired in the Democratic fund-raising scandal because the White House public liaison office she headed was involved in political meetings between regulators and those they regulated. Her confirmation hearing is expected to be in mid-March after the Senate Labor Committee gets more written answers to its questions about her.

By Paul Leavitt

• USA TODAY

THURSDAY, FEBRUARY 27, 1997

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Divider Title: Feb. 26, 1997

WASHINGTON

Senator to announce balanced-budget stand

The fate of the balanced-budget amendment should become clearer today when the only uncommitted senator, Robert Torricelli, D-N.J., announces whether he will supply the yes vote that supporters may need for victory.



Torricelli: Will he vote yes or no?

Opponents were optimistic that Torricelli, a freshman who favored the amendment as a House member, would oppose it now. "I think there should be some changes," he said at one point. Opponents also hope that Democrats who had been on both sides in the past might yet vote no.

Supporters picked up an important vote Tuesday when another uncommitted first-term Democrat, Sen. Mary Landrieu of Louisiana, said she would keep a campaign pledge to support the amendment.

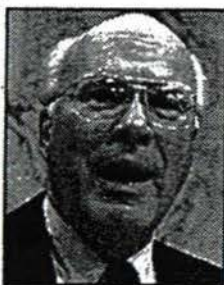
Democrats say the measure could eat into Social Security trust funds and prevent borrowing for long-term capital investments. A proposal to keep Social Security out of the budget calculations went down 55-44 in the Senate Tuesday night. A vote on the balanced budget amendment is expected next week. — Jill Lawrence

GULF SICKNESS: Army brass in the gulf war suspected an Iraqi ammunition dump contained chemical weapons, but didn't alert U.S. troops who blew it up less than two weeks later, a Pentagon report shows. Senators who have criticized the Pentagon's handling of medical complaints by some gulf war troops seized on the report. Sen. Jay Rockefeller, D-W.Va., said it shows officials lied and he accused the Defense Department and CIA of a "cover-up of major proportions." Bernard Rostker, the Pentagon's chief gulf war investigator, said there was no cover-up but there were "missed opportunities" to communicate. He said there were reports mentioning that chemical weapons might be stored at the Khamisiyah site before it was demolished in early March 1991. He did not explain why troops weren't warned. The report is still classified, Rostker said, because the CIA says release would disclose "sources and methods."

GOP POLL: No longer able to unify around the Cold War, and muscled out of the political center by President Clinton, Republicans are searching for new issues that will transcend internal divisions and win more votes. "We're not the same GOP Ronald Reagan carried to victory in 1980," said Anthony Fabrizio, who conducted the poll. It shows the GOP with no dominant core, but splintered into five groups spanning economic, social and moral issues. And it found significant differences over abortion, trade, gun control, crime and taxes. "We need to find new issues that polarize in our favor," said Fabrizio, who was Bob Dole's chief pollster. "We should not fight things that are clearly popular. It makes us look Draconian." — Richard Benedetto

LABOR NOMINATION: Alexis Herman, after two months of Senate investigation into her private business dealings and activities as White House director of public liaison, appears headed for confirmation as Labor secretary next month. "I know of no reason at this point as to why she would not be confirmed. There is no smoking gun," said Labor Committee Chairman James Jeffords, R-Vt. Senate Republican Leader Trent Lott also said Herman "will likely be confirmed." Jeffords said his committee has requested answers to 110 more questions about Democratic fund-raising in the White House, possible use of government employees for political activities and contradictory responses to previous questions. Sen. Edward Kennedy, D-Mass., said he expects answers no later than Thursday. "We hope to have a hearing the week of March 10," he said. — Jessica Lee

Senate OKs family-planning bill



Leahy: 'Not about funding abortion'

The Senate gave final congressional approval to release \$385 million for overseas family planning projects with no restrictions on abortion-related activities. The vote was 53-46 to release the funds Saturday. The bill goes to President Clinton.

Abortion foes failed in a bid to weave restrictions barring recipients of U.S. funds from participating in abortion-related activities.

"This vote is not about funding abortion," said Sen. Patrick Leahy, D-Vt. He said it is meant to address "the most serious environmental problem of all — unchecked population growth — and to help prevent unwanted pregnancies and abortions."

Resolution Sought To Pena Standoff

Trying to break the logjam over President Clinton's nomination of Federico Peña to be energy secretary, White House Chief of Staff Erskine B. Bowles and Sen. Frank H. Murkowski (R-Alaska) met yesterday, with no immediate resolution to the standoff.

A Senate Energy and Natural Resources Committee vote on Peña has been delayed while the panel battles the White House over a proposed interim storage site for nuclear waste in Nevada, which the administration opposes.

Bowles tried to ease Murkowski's concerns about the administration's position—or at least to separate the vote on Peña from the waste dispute. Aides expect both men to talk again. The meeting took place one day after the energy panel postponed for a second time a vote on Peña.

White House aides and an official close to the committee said they expect the nomination will eventually be put to vote and that Peña will be easily confirmed.

Meanwhile, Senate Majority Leader Trent Lott (R-Miss.) told reporters he believes that Alexis M. Herman, Clinton's nominee to be labor secretary, "still will likely be confirmed." But he said the nomination of CIA Director-designate Anthony Lake "has some legitimate questions." Both nominations have been delayed while Republicans seek answers to questions about the nominees' past activities.

The Senate Labor and Human Resources Committee announced Monday that it would set a hearing for Herman two weeks after the White House answers inquiries, which it plans to submit by Thursday.

—Associated Press

Normandy Monument

■ Pilloried for failing to build a promised wall to honor American veterans in France, a Washington foundation still hopes to do so and pay off approximately \$3.5 million in debts.

Tom Baker, executive director of the Battle of Normandy Founda-

tion, said yesterday that the organization has recruited a number of "unimpeachable people"—retired four-star generals, a judge and a former member of Congress—to help build the wall.

The foundation, headed by Pierre Salinger, the Kennedy White House press secretary and former ABC News correspondent, is under investigation by the FBI. Baker said the investigation has focused on the administration of Anthony C. Stout, a business executive who created the foundation and was forced out of it in 1994.

A number of veterans have complained that the foundation accepted the \$40 donations required to have their names on the wall but failed to build it. "It's very sad that we have just come through five years of [World War II] celebrations and to have left these veterans with such a taste in their mouths," Baker said.

The foundation, however, simply ran out of money, he said. "Although it has never declared itself bankrupt, it is bankrupt," Baker said. He said the foundation has been dependent on the "deep pockets" of its current directors to keep afloat.

Baker, the organization's bono executive, said the foundation hopes that Congress will endorse legislation to have the American Battle Monuments Commission, a federal agency, maintain a memorial garden the foundation built earlier at the battlefield. The foundation still owes about \$500,000 for that project, plus \$3 million in other expenses.

The new board will be asked to look for wealthy donors to erase the foundation's debts and build the wall, Baker said. The foundation was created in 1985 to help commemorate the 50th anniversary of the Allied invasion of Europe and was funded with \$3 million in federal funds raised through the sales of commemorative coins produced by the U.S. Mint.

Baker had no quarrel with a recent account on CBS's "60 Minutes" that portrayed the foundation as failing to make good on its commitment. "People understand why the wall was not built," he said.

—Bill McAllister

Court Backs Currency Options Exemptions

Billions of dollars in daily trading of over-the-counter foreign currency options are exempt from regulation by the Commodity Futures Trading Commission, the U.S. Supreme Court ruled yesterday.

The ruling gives the backing of the nation's highest court to the position of the Treasury Department and Federal Reserve Chairman Alan Greenspan, who want trading in foreign currency options to remain unfettered by regulation.

The ruling also is a victory for major international banks and businesses that have been trading foreign-currency options outside the CFTC's jurisdiction.

The high court unanimously struck down a lower-court ruling that would have subjected the currency options to CFTC oversight.

Currency options give a purchaser the right to buy a currency at a specific exchange rate on a future date. They are used by banks and businesses to safeguard against foreign exchange fluctuations and provide a tool when governments want to intervene to support a particular country's currency.

Over-the-counter trading—where customized, individually negotiated option contracts are struck—has long operated outside the purview of the CFTC and the federal Commodity Exchange Act. In 1995, however, a New York-based federal appeals court ruled that over-the-counter foreign currency options should be subject to provisions of the federal commodity law and should fall under the CFTC's jurisdiction.

Officials at the Chicago Board of Trade had supported CFTC's position, and said the decision could threaten CFTC regulations of other financial futures, encouraging traders to buy and sell over the counter, rather than on the CBOT and other exchanges.

"The future of exchange markets as we know them is now at risk," said CBOT Chairman Patrick H. Arbor.

Arbor and CBOT President Thomas R. Donovan called on Congress to enact legislation that would let exchanges compete on an equal footing with over-the-counter markets.

The high court ruling comes as Congress is considering a proposal to deregulate some kinds of trading in futures and options. A bill sponsored by Sen. Richard Lugar (R-Ind.) includes provisions to explicitly exempt off-exchange currency options from CFTC regulation. But the court said those contracts are already exempt.



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02/26/97 01:33:00 PM

Record Type: Record

To: Jessica R. Arons

cc:

Subject: WOMEN'S AND CIVIL RIGHTS GROUPS RALLY BEHIND LABOR NOMINEE

Date: 02/26/97 Time: 13:18

HWomen's and civil rights groups rally behind Labor nominee

WASHINGTON (AP) More than a dozen women's and civil rights groups banded together Wednesday to urge Senate confirmation hearings for Alexis Herman, President Clinton's pick to be secretary of labor.

``Is it fair that the professional career and stellar reputation of Alexis Herman is being buried in the ashes of deceptive and damaging delay, spins of repetitive misinformation and innuendo, all of which point to the possible abuse of the hearing process?" asked Dorothy Height, president of the National Council of Negro Women, Inc.

Herman's nomination has been delayed while Senate Republicans investigate whether she improperly mixed politics with her duties as Clinton's director of the White House Office of Public Liaison.

Sen. James Jeffords, R-Vt., chairman of the Labor and Human Resources Committee, has said he will schedule a hearing as soon as the White House forwards Herman's responses to the committee's last round of questions.

White House officials say the responses should be presented by the end of the week.

The advocates said Herman's work on behalf of women and minorities, and her previous experience as head of the Women's Department of the Carter administration Labor Department, make her a good fit for the secretary's job.

``Alexis Herman is highly qualified for the position of U.S. secretary of Labor," Height said. ``She's lived a life of taking on responsibility."''

Height was joined Wednesday at a news conference in the Capitol basement by representatives of the National Organization for Women, the Feminist Majority, the American Federation of Teachers, the Women's Legal Defense Fund, the Young Women's Club of America, the National Women's Political Caucus and other groups.

Feminist Majority President Eleanor Smeal decried what she said was Herman's ``trial of a thousand leaks."''

``She has been right there, fighting for the benefits of working people," Smeal said. ``She is eminently qualified for the job."''

APNP-02-26-97 1326EST

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Record Type: Record

To: Todd Stern/WHO/EOP, Joseph P. Lockhart/WHO/EOP
cc:
Subject: EDITORIAL: CLINTON MAKES TWO DUBIOUS NOMINATIONS

fyi

----- Forwarded by Holly D. Carver/WHO/EOP on 02/25/97 02:13 PM -----



HAYES_R @ A1
02/25/97 11:54:00 AM

Record Type: Record

To: Holly Carver
cc:
Subject: EDITORIAL: CLINTON MAKES TWO DUBIOUS NOMINATIONS

Date: 02/25/97 Time: 03:26
EDITORIAL: Clinton Makes Two Dubious Nominations

The Providence Journal-Bulletin, R.I.
Knight-Ridder/Tribune Business News

Feb. 25--President Clinton's nomination of Labor Secretary-designate Alexis Herman seems increasingly imperiled as allegations of political corruption continue to swirl around this longtime political operative and Democratic Party fund-raiser.

Indeed, one measure of her supporters' nervousness may be seen in the angry declaration from AFL-CIO president John Sweeney that the Senate's reservations are "outrageous," and his call for "immediate hearings on the nomination of this African-American woman" -- as if congressional concerns were centered on her race, and not on the fact that she is a veteran political operator with a lot of dubious baggage.

When partisans like John Sweeney start playing the race card to defend Cabinet nominees, you know they are running out of serious arguments.

Another troubled nomination is that of former National Security Adviser Anthony Lake to be director of Central Intelligence. While many of Mr. Lake's supporters have derided legitimate concerns about his fitness for the post -- ascribing opposition, for the most part, to the John Birch Society! -- The Washington Post's Jim Hoagland, no right-wing activist, raises an interesting point.

In defending his CIA nominee, President Clinton has bragged that Mr.

Lake was the architect of U.S. policy in Bosnia, and an early advocate of expanding NATO, relaxing opposition to the Chinese communist regime, and, as Mr. Hoagland puts it, "sticking a finger in Britain's eye by pushing for a settlement in Northern Ireland."

"On these issues and others," asks Mr. Hoagland, "will the President get an unvarnished view from Langley?" The answer, in all likelihood, is no -- if Anthony Lake is in charge at the CIA's Langley headquarters. Behind his mild-mannered demeanor, Mr. Lake is famous for his in-fighting skills and, within the White House councils, the relentless advocacy of his own point of view.

As Mr. Hoagland points out, what the country needs at the moment is a CIA director who will not be afraid to tell the President the truth, even if the truth is at odds with White House policy. There are good reasons to doubt that Anthony Lake is the man for that task.

When the last CIA director, John Deutch, was asked by Congress in September about Saddam Hussein's military occupation of northern Iraq, Mr. Deutch responded honestly: Saddam had been strengthened by the move, not weakened, as the White House was suggesting. That was the end for Mr. Deutch: He was unceremoniously dumped as CIA director by President Clinton, with the help and advice of (who else?) Anthony Lake.

ON THE INTERNET:

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KBviaNewsEDGE

Black Enterprise, March, 1997

someone the President trusts," notes CBC member Elijah E. Cummings (D-Maryland), who also sits on the House transportation and infrastructure committees.

Both Herman and Slater will face enormous challenges in the next four years if confirmed. Alvin Thornton, a political analyst, professor and chairman of the department of political science at Howard University, says affirmative action battles will be fought on both fronts. "Labor is where a lot of affirmative action is carried out and enforced," says Thornton, "and billions of contracting dollars are filtered through transportation which will have to get over Adarand hurdles and work around those types of court decisions." Despite the influence and power that cabinet secretaries have, Thornton wonders whether Herman and Slater will be limited by Clinton's tendency to micromanage domestic policies.

"Ron Brown, who dealt with high finance on the international stage, is the standard in terms of the desirable level of power," adds Thornton. Although Herman and Slater are both part of Clinton's inner circle, "that is the level to which blacks must aspire."

GRAPHIC: Picture 1, Alexis Herman; Picture 2, Rodney Slater; Pictures 1 and 2 by AP/WIDE WORLD

LANGUAGE: ENGLISH

LOAD-DATE: February 21, 1997

LEVEL 1 - 2 OF 37 STORIES

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The Detroit News

February 25, 1997, Tuesday

SECTION: Editorial; Pg. Pg. A6

LENGTH: 453 words

HEADLINE: Secretary of Set Asides?

BODY:

The nomination of Alexis Herman, President Bill Clinton's choice for labor secretary, has hit a snag. The Senate Labor and Human Resources Committee wants to know how she acquired a 3.3 percent ownership interest in the Market Square project on Pennsylvania Avenue with no investment of her own money.

Part of the controversy surrounds Ms. Herman's work as a consultant who created and monitored affirmative action plans for developers during the 1980s. She was brought in on a Washington real estate development deal as one of 12 limited partners. Although she put up none of her own money, Ms. Herman received \$ 50,000 in 1987 when one partner sold 70 percent of the project. She still owns about 1 percent of the project, which is now worth as much as \$ 500,000.



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Ms. Herman's role in the deal was not unique. Majority developers routinely meet federal affirmative action goals for government contracts by bringing in minority partners. But these set-aside quota programs are an open invitation for abuse.

The process is subverted when development contracts involve "front companies" -- minority-owned firms -- that enter into arrangements with white-owned companies for the sole purpose of taking advantage of set-aside programs. In many instances, the minority partners are rewarded not for the investment, experience or talent they might bring to the deal, but for their biological characteristics.

Is the same true for Ms. Herman's nomination for the office she is seeking? Certainly, any administration should try to be as inclusive as possible. But what would Ms. Herman bring to the job? Her role as a consultant in obtaining set asides? Her role, as director of the White House Public Liaison Office, in producing a memo for the 1996 Clinton-Gore campaign that tracked the racial makeup of the campaign operatives in every state? Is this appointment basically a political payoff for an expert on political race-norming?

In recent years, the courts have ruled that the kind of preference programs Ms. Herman has capitalized on are constitutionally indefensible. The Supreme Court has said race-based preferences are allowable only if they are "narrowly tailored" to address identifiable past discrimination.

As labor secretary, Ms. Herman would be one of the enforcers of federal equal opportunity laws. She would have a large say in the affairs of many of the nation's businesses.

Government, of course, should encourage firms owned by women and minorities to seek contracts and apply for jobs. But this invitation should be limited to the least intrusive means available to achieve a reasonable government interest.

Is Ms. Herman the person to do that in an impartial manner?

LOAD-DATE: February 25, 1997



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HILL BRIEFS

□ The White House reacted favorably Monday to a suggestion by **Senate Majority Leader Lott** for the appointment of four outside experts to propose any adjustments in the consumer price index as part of this year's budget negotiations. According to an *Associated Press* report, Lott Monday during an appearance before the National Association of Broadcasters said the panel of outside experts should be appointed by President Clinton and Congress. "Give them a limited amount of time to give us a [CPI] number, and that's the one we'll use," Lott said. White House Press Secretary Michael McCurry told reporters the administration supports the idea of creating a special panel of economists to weigh the CPI issue. "We've said the same thing," McCurry said of Lott's idea. "That's where we think the debate ought to be resolved."

□ **Senate Labor and Human Resources Chairman Jeffords** tentatively plans to hold hearings on the nomination of Labor Secretary-designate Alexis Herman two weeks after he receives complete answers to questions submitted by the committee to Herman and the White House, a spokesman said Monday. The spokesman emphasized those answers must be "complete" before Jeffords will schedule hearings. The submission of incomplete answers will only delay the nomination process, he said. White House Press Secretary Michael McCurry Monday said President Clinton still is confident Herman will get a hearing and will be confirmed.

□ The Southern Utah Wilderness Alliance Monday warned against congressional attempts to revive an 1866 law allowing counties to claim road rights-of-way in federal lands. Congress repealed the law in 1976, but grandfathered-in valid existing claims. SUWA Executive Director Mike Matz said supporters of the law may try to "slip a mickey" into the reauthorization of the Intermodal Surface Transportation Efficiency Act coming before Congress this year by inserting provisions reviving the rights-of-way law. Matz said the law endangers parks and wilderness areas by permitting local governments to build roads in them. Several Western counties are pressing claims on public lands. Congress last year said regulations under consideration at the Interior Department for processing the claims could not take effect unless authorized by Congress. A Senate Energy and Natural Resources Committee spokesman said the committee has no plans to take up the issue.

□ The Electric Utility Shareholder Alliance Monday kicked off an advertising campaign designed to reach members of Congress that portrays typical shareholders as retirees living on less than \$50,000 a year. Running

in Washington publications in coming weeks while Congress is in session, the ads respond to the contention that public utilities are vast, faceless corporations. Alliance Chairman Bill Steinmeier in a statement said 64 percent of utility stock is owned by individual investors. The organization is allied with the Edison Electric Institute representing investor-owned utilities that is seeking to limit the extent of federal legislation to deregulate electric power and promote competition. Separately, a group of business and non-profit consumer associations and companies last week announced the formation of a coalition to advocate competition in electricity. Known as Competitive Utility Rates for Everyone, or CURE, the group is seeking enactment of federal and state legislation to bring a choice of electricity providers to all consumers by 1998.

□ Attorneys researching the contested election of **Sen. Mary Landrieu**, D-La., met last week to review material, and are expected to submit to the Senate Rules Committee this week their analysis and recommendations on the case, according to sources. The committee may then meet to consider the findings during the first or second week of March. GOP nominee Louis (Woody) Jenkins lost to Landrieu by just under 6,000 votes, but has alleged the Landrieu campaign bought votes and that some people voted more than once or on behalf of dead people. Republican attorney William Canfield and Democratic attorney Robert Bauer are researching and analyzing Jenkins' accusations.

□ **House Majority Whip DeLay** and **House Ways and Means Chairman Archer** have sent a letter to Federal Transit Administration Director Gordon Linton urging the agency to reopen funding to the Houston-area transit authority, the *Houston Chronicle* reported. The FTA recently suspended more than \$50 million in federal grants to the Houston Metro because the transit authority no longer uses an FTA-approved affirmative action program for contracts. Metro abandoned the program because a U.S. district judge considering a lawsuit by contractors ordered it to stop, saying he likely will find the program unconstitutional. "Metro is caught between two branches of the government telling it to do two completely different things," Archer and DeLay wrote. They called on the FTA to "find a solution short of cutting off funds" while the problems are sorted out. Contractors are challenging Metro's program to subcontract 21 percent of all contracting work to woman- and minority-owned businesses. DeLay said Linton's letter suspending Metro's grants "smacks of arrogance," and vowed Congress will review the FTA's budget.

WASHINGTON

White House denies data on inquiry sought

The White House denied Monday that President Clinton asked the Justice Department for information on its investigation of whether the Chinese government had tried to illegally funnel money to the Democratic National Committee.

Rep. Dan Burton, R-Ind., chairman of the House Government Reform and Oversight Committee, had written to Attorney General Janet Reno saying he was "gravely concerned" if the report were true.

White House spokesman Mike McCurry said Burton "apparently has got erroneous information." McCurry added, "The president sought and obtained from the Justice Department information that allows him to properly conduct this nation's foreign policy and national security affairs." McCurry wouldn't discuss the nature of the information.

LABOR NOMINEE: President Clinton went to bat for Alexis Herman, whose nomination to be Labor secretary is mired in the Democratic fund-raising scandal.

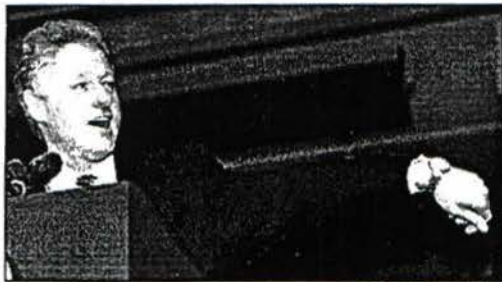
Among the questions is whether Herman, as a White House employee, may have violated the law when her Office of Public Liaison invited Comptroller of the Currency Eugene Ludwig, a federal banking regulator, to a political meeting with Clinton and bankers.

Clinton, at a White House meeting with presidents of black colleges and universities Monday, said Herman "did a superb job for us as director of public liaison (and) with your help will be a great secretary of Labor."

Labor Committee Chairman Jim Jeffords, R-Vt., said Herman's confirmation hearing is likely to take place in March, depending on when the White House responds to questions about her and barring further revelations that might cloud the nomination.

NATO EXPANSION: Expanding the U.S.-led NATO military alliance to former satellite states of the Soviet Union will cost the United States no more than \$200 million a year for 10 years, the Clinton administration said in its first comprehensive report on the subject. U.S. payments would be less than 10% of the total financial burden, which will fall mostly on the new members and the 15 other current members, officials said. The administration put the total cost at \$27 billion to \$35 billion. The Congressional Budget Office a year ago said the cost could reach \$125 billion.

'Cravenly,' president takes the time



By Gary Cameron, Reuters

Freebie: President Clinton shows off an \$18 watch he was given by Barry Munitz, chancellor of the California State University system, after the president said the large numbers were easy on his aging eyes. 'It's the first watch I've ever seen that I don't need glasses for,' said the 50-year-old president. 'The more expensive they are, the smaller the numbers get.' Munitz, who chairs the American Council on Education that Clinton was about to address, took off the watch and gave it to Clinton. 'And cravenly, as we politicians are, I took it without blinking,' Clinton said.

TERM LIMITS: U.S. Term Limits, a lobbying group, said 18 House members could be subject to "scarlet letter" notations on the next election ballot. Voters in nine states have approved a requirement that such notations be on the ballot next to the name of any representative who didn't follow the state's wishes on term limits. The House last week rejected various term limit proposals. Three of the 18 are from Arkansas, whose scarlet letter provision was struck down. The 18: Thomas Allen, D-Maine; Bill Barrett, R-Neb.; Doug Berueter, R-Neb.; Marion Berry, D-Ark.; Pat Danner, D-Mo.; Diana DeGette, D-Colo.; Jo Ann Emerson, R-Mo.; Dick Gephardt, D-Mo.; Joel Hefley, R-Colo.; Kenny Hulshof, R-Mo.; Asa Hutchinson, R-Ark.; Scott McInnis, R-Colo.; Dan Schaefer, R-Colo.; Bob Schaffer, R-Colo.; David Skaggs, D-Colo.; Ike Skelton, D-Mo.; Vic Snyder, D-Ark.; and James Talent, R-Mo. (Supreme Court, 1A)

NO CLONING: Senate Democratic Leader Tom Daschle of South Dakota quipped that the prospect of cloning a human being has prompted a list of people he wants to be sure are not cloned. "There is a list that I'll divulge at some point in the future," he said with a smile.

CLARIFICATION: A story Monday should have said Thomas "Mack" McLarty is President Clinton's special envoy for Latin America, and it was in that capacity that he met several times in 1996 with Mark Jimenez, a Miami businessman whose company has extensive dealings in Latin America.

GOP chairman keeps low profile

James Nicholson, the new chairman of the Republican National Committee and the party's leading spokesman, is keeping a low national press profile. In office nearly six weeks, he has turned down most requests for major profile interviews and postponed invitations to appear on the networks' Sunday political talk shows.

Meanwhile, his newly elected Democratic counterpart, Colorado Gov. Roy Romer, is making the media rounds, even though his party is under fire for possible illegal fund-raising. Romer faced the music Sunday on ABC's *This Week*.

Political reporters are beginning to wonder whether Nicholson, far less experienced with the media than Romer, is a little unsure of himself having to follow the loquacious Haley Barbour in the GOP post. Not so, says spokeswoman Mary Crawford: "He's had his priorities in places other than

the media, like putting together a finance staff and taking care of a \$10 million debt" left over from the '96 campaign.

Crawford says Nicholson, a former Republican committeeman from Colorado, also is tending to party-building business, appearing last weekend at the California state GOP convention in Sacramento and in Delaware Monday at a state GOP dinner.

But the Washington media are getting restless and calling for the Republican chief to come out and play. Be patient, Crawford says. "He's getting ready to devote a little more time to it."

— Richard Benedetto

By Paul Leavitt



Paul Hosefros/The New York Times

Going to Bat for a Nominee

President Clinton praised his nominee for Labor Secretary, Alexis M. Herman, lower right, in a White House meeting yesterday with presidents of black

colleges and universities. Mr. Clinton said Ms. Herman, whose nomination has been stalled in the Senate, "will be a great Secretary of Labor."

The New York Times

TUESDAY, FEBRUARY 25, 1997

No Herman hearing pending query result

By Brian Blomquist
THE WASHINGTON TIMES

A Senate committee won't hold a hearing on President Clinton's nominee for labor secretary, Alexis M. Herman, until three or four weeks after she has answered about 100 questions related to her role in the Democratic fundraising scandal, her personal finances and other issues.

Sen. James M. Jeffords, Vermont Republican and chairman of the Senate Labor and Human Resources Committee, sent the queries to Miss Herman on Friday. He said they deal with "five different areas," but he wouldn't be specific.

However, Mr. Jeffords already has shown an interest in:

- How Miss Herman, while she was chief of staff at the Democratic National Committee, came

to own about \$500,000 worth of downtown property without putting up any of her own money.

- Miss Herman's role in a fundraiser attended by Mr. Clinton, DNC officials, 17 bankers and the comptroller of the currency, Eugene Ludwig, whose invitation came through Miss Herman's office.

- Whether Miss Herman and Ernest G. Green, as high-ranking officials in President Carter's Labor Department, inappropriately accepted consulting fees from recipients of grants and contracts, which they sent out in the final days of the Carter administration.

- Whether Miss Herman violated the Hatch Act by directing a White House working group aimed at getting blacks to vote for Democrats.

- What role Miss Herman had in

hiring an employee of the DNC to work as a "volunteer" in the White House Office of Public Liaison, which she directed.

Despite recent pleadings for a swift hearing from the White House, labor leaders, and groups representing blacks and women, Mr. Jeffords said yesterday the schedule for a hearing "is very tenuous right now."

The purpose of the questions, Mr. Jeffords said, is to allow senators to focus on Labor Department issues when the hearing finally takes place.

"What I'm trying to do is to get the hearing focused on the Labor Department and what kind of secretary she would make," he said.

He said the other senators on the panel would "at least have the answers" in written form to questions about Miss Herman's busi-

ness dealings and other issues.

Mr. Jeffords said the committee's Republican staff came up with the questions to ask Miss Herman. He said Democratic staff members were not asked to come up with their own questions.

The White House effort to save Miss Herman's nomination has intensified in the last several days. Mr. Clinton said yesterday Miss Herman would make a "great" labor secretary. He also spoke in her behalf last Thursday.

At a White House meeting with presidents of black colleges and universities, Mr. Clinton singled out Miss Herman, saying she "did a superb job for us as director of public liaison [and] with your help will be a great secretary of labor."

On Friday, White House Chief of Staff Erskine Bowles met with 75 representatives from labor, women's and civil rights groups to urge them to ratchet up their support for her confirmation.

The Washington Times

★ TUESDAY, FEBRUARY 25, 1997

Cabinet Back-and-Forth

By Peter Baker

Washington Post Staff Writer

A Senate committee yesterday postponed for the second time a vote on President Clinton's nomination of Federico Peña for energy secretary, even as another panel moved closer to scheduling a confirmation hearing for Alexis M. Herman, his choice for labor secretary.

The Senate Energy and Natural Resources Committee had been slated to vote on Peña Wednesday but canceled the meeting. The Senate Labor and Human Resources Committee announced it would set a hearing for Herman two weeks after receiving White House answers to inquiries.

The up-and-down developments reflect the trouble Clinton has had in pushing through the final few members of his new Cabinet. But White House officials said they do not believe the latest delay heralds any serious danger for Peña and they took heart from Herman's movement forward.

Peña's nomination appears caught up, in part, in a dispute between Sen. Frank H. Murkowski (R-Alaska) and the White House over the storage of nuclear waste.

Lab Pays U.S. \$325 Million for Overbilling

By Roberto Suro

Washington Post Staff Writer

One of the nation's largest clinical laboratories paid a \$325 million settlement yesterday to resolve allegations that it overbilled Medicare, Medicaid and other federal health programs by adding unneeded tests to health exams, charging for work that it never performed and inventing diagnoses to justify tests.

In announcing the settlement with SmithKline Beecham Clinical Laboratories, Attorney General Janet Reno said yesterday that a federal investigation was still underway to determine whether criminal charges should be brought against the company, a subsidiary of SmithKline Beecham, the British pharmaceuticals and medical services group.

Many allegations against SmithKline were brought as part of a nationwide federal in-

vestigation of clinical laboratories that has been underway since 1993 and has produced more than \$800 million in recovered funds and three corporate criminal convictions, Reno said.

The agreement with SmithKline is the second-largest health care fraud settlement in history. SmithKline agreed to abide by a compliance program to prevent fraudulent practices. That program is designed to become a standard for the industry, Reno said.

"We expect businesses to take these steps on their own initiative before any unlawful conduct occurs," Reno said at a news conference yesterday. "But to medical laboratories who ignore this advice, our warning is clear: We will bring the full weight of the federal government's powers to bear to enforce the law and protect the American people from being ripped off."

Several of the allegations against Smith-

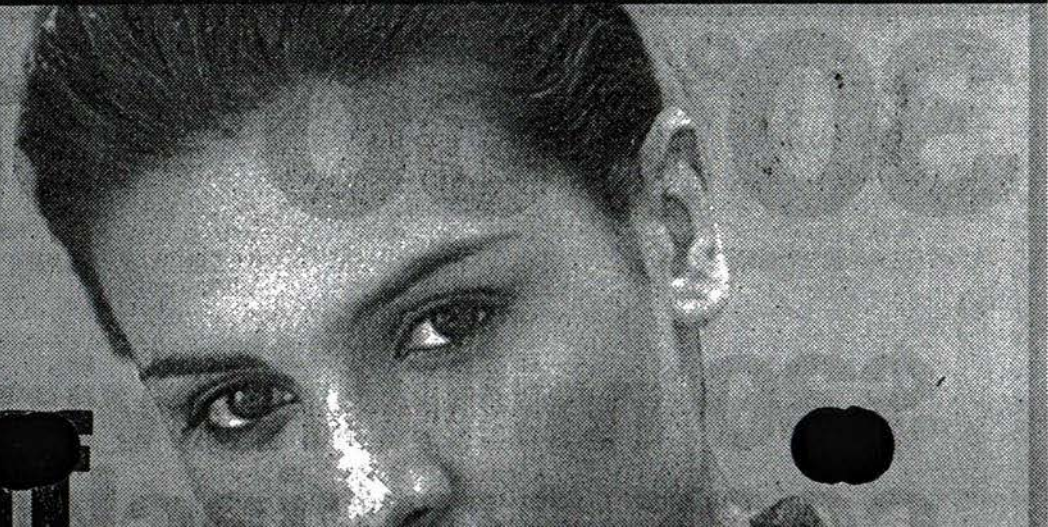
Kline came from company employees and competitors who brought whistle-blower suits against the company and who will share the proceeds of the settlement with the federal government under a formula to be determined in court.

The SmithKline labs are the third largest network of clinical laboratories in the country, conducting more than 100 million medical tests a year. Based in Collegeville, Pa., the company has 10,500 employees and had sales of \$1.3 billion last year, according to a company spokesman.

Jan Leschly, chief executive of SmithKline Beecham, said in a statement that the laboratories "never intentionally violated any laws," and that the decision to settle the case "was driven by the enormous potential costs and uncertainties connected with lengthy litigation."

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Wellstone's trek

Sen. Paul Wellstone plans to walk in the footsteps of Robert F. Kennedy, whose visit to Mississippi 30 years ago publicized hunger and poverty in the South.

In May, the Minnesota Democrat will retrace Mr. Kennedy's 1967 trip to the Mississippi Delta, Associated Press reports, hinting at a possible run for the presidency by the senator in 2000.

"I am going to travel the length and breadth of this country, as Robert Kennedy did 30 years ago and as Eleanor Roosevelt did during the Depression, to observe the face of American poverty — not from behind a Senate desk, but in the streets, the villages and neighborhoods of those in distress," Mr. Wellstone said at Harvard University recently.

Peter Edelman, a former Kennedy aide who last year quit the Clinton administration to protest welfare reform legislation signed by the president, is helping Mr. Wellstone plan the trip. Another former Kennedy aide, Richard Goodwin, is encouraging the liberal senator to run for president, reporter Philip Brasher said.

Invasion of privacy

The White House's taxpayer-financed computer database is not only "an unprecedented abuse of federal power in political fund raising," but an invasion of privacy, too.

So writes New York Times columnist William Safire, who says the computerized list of 355,000 names represents "the rape of individual privacy."

The columnist calls the database "Hillary's List," because the first lady was personally involved

in setting it up.

"If you are in her database, you may think that surely your file, containing private information about race and religion that universities and companies are prohibited from collecting about you, will be denied to anybody outside the office," the columnist said.

"You may be mistaken. Clinton lawyers have written Congress repeatedly that 'the Privacy Act [5 U.S.C. 552a] does not apply' to the White House Office.

"Unless successfully challenged, that means that the data will go on to the Clinton Library in 2001. There it will be available to all," Mr. Safire said.

Quota-mongering

"The more we look at President Clinton's nomination of Alexis Herman to be labor secretary the more we wonder what the White House could have been thinking," the Wall Street Journal says in an editorial.

"Amid a campaign-contributions maelstrom, they name a person — the director of the White House Office of Public Liaison — who is almost certainly at or near the eye of the storm (yes, we know, she was oblivious to it all, never came in contact, etc.). Now comes evidence of the rankest sort of quota-mongering by the person nominated to head one of the nation's most work-force-sensitive offices," the newspaper said.

The editorial cites a chart created for and "in consultation with" a working group headed by Miss Herman that recommends quotas in hiring blacks for the Clinton re-election campaign.

Because the Labor Department polices affirmative-action policies

Inside Politics



of companies that do business with the government, the secretary's position should "go to someone with great judgment and sensitivity, two traits not obviously in evidence in this nominee," the newspaper said.

Harkin for governor

Sen. Tom Harkin sounds like a candidate for governor of Iowa, but the liberal Democrat is not yet ready to commit.

"Don't try reading tea leaves," he said in a weekend interview on Iowa Public Television in response to questions about a recent property purchase in the state and the fact that his wife quit her job in Washington.

But some of his other comments might lead observers to think he will go for it.

"We need some new leadership in this state, bold innovative leadership that challenges the people of this state to do better. That's what I bring to the table," he said in the program aired Sunday.

Filing deadline is March 1998.

Lott's complaint

Sen. Trent Lott, Mississippi Republican and Senate majority leader, complained to broadcasters yesterday about liberal bias at the TV networks.

Mr. Lott's words to the National Association of Broadcasters, whose president is Eddie Fritts — a former classmate at Ole Miss — held special weight because Mr. Lott last year saved the industry from paying billions for future digital-TV channels.

"Eddie, I grit my teeth and hold my tongue because of my friendship with you. But the networks get under my skin sometimes, I have to tell you," Mr. Lott said.

"I still think they are prejudiced. I still think they are biased toward the liberal side and a number of other areas," Mr. Lott said, when asked by a broadcaster in the audience how the industry could improve.

Mr. Lott quickly added he hasn't had any difficulties with the networks himself and said Re-

publicans are part of the problem, Associated Press reports.

Computer backfire

Computer users opposed to state regulation of the Internet have flooded the Nebraska Capitol with e-mail. Some legislators are outraged, saying the "harassment" underlines the need for government action.

A number of senators who were buried under hundreds of messages say the campaign shows exactly why regulation is needed, United Press International reports. The avalanche of anti-regulatory mail, said state Sen. Owen Elmer, "just completely jammed up the works."

Some senators received 64 letters in one day from the same person, the Omaha World-Herald said. The peak volume hit 300 messages per day.

Giant sucking sound

"That sucking sound you hear is reaching for Chris Dodd," Roll Call said yesterday.

The comment concluded an editorial that outlined the Connecticut senator's links to shady fund raising by the White House and Democratic National Committee when Mr. Dodd was general chairman of the latter.

Timely gift

President Clinton yesterday accepted an \$18 watch as a gift from Barry Munitz, chancellor of the California State University system, and used it as a campaign-finance reform prop.

"I took it without blinking," Mr. Clinton told the American Council on Education, whose chairman

is Mr. Munitz. "It's the first I've ever seen that I don't need glasses for. The more expensive they are, the smaller the numbers get."

Mr. Clinton raised his wrist to show the audience his new watch, after saying:

"We're all in a lather up here in Washington these days about campaign contributions. Everybody hates them, but nobody wants to go to public funding. So we seem destined to some period of hand-wringing.

"And since we're in the spirit of full disclosure, I have to tell you that, in addition to my coming here today, I received a gratuity, which I intend to disclose to the whole world."

Gay outreach

President Clinton yesterday created a position in the Public Liaison Office to handle outreach to homosexuals.

Mr. Clinton named Richard Socarides, a homosexual aide, to the post of special assistant to the president and senior adviser for public liaison.

"In his new post, Socarides will serve the gay and lesbian communities as well as additional constituencies," the White House said. An administration official said Mr. Socarides will also handle White House outreach to labor, civil rights, health and HIV/AIDS groups.

Mr. Socarides has served on the boards of directors of the Lambda Legal Defense and Education Fund and the Gay and Lesbian Alliance Against Defamation. He was a leading organizer in 1995 of the first White House conference on HIV/AIDS.

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Divider Title: Feb. 24, 1997

Jeffords says panel ready to hold labor nominee's hearings

The Associated Press

MONTPELIER — U.S. Sen. James Jeffords, R-Vt., said his Labor and Human Resources Committee will finally hold hearings on President Clinton's embattled nominee to head the Labor Department.

Jeffords, who was appointed chairman of the committee this year, said he would schedule hearings on the long-delayed nomination of Alexis Herman. The hearings had been on hold while Senate Republicans investigate Herman's role in Democratic fund-raising efforts.

"I will be announcing Monday that, depending on certain things,

we will be holding hearings," Jeffords said. "We've not set a date at this point."

Herman's nomination has been plagued almost from its inception two months ago by accusations that the White House office she managed during Clinton's first term was improperly involved in Democratic fund-raising. Among other activities, the office invited a senior federal bank regulator to attend a White House meeting between Clinton and Democratic contributors in the banking industry.

Herman is the only one of Clinton's Cabinet choices who has not been confirmed or placed on the Senate's calendar for a hearing.

Jeffords' committee has been

at the center of the investigation and the increasing criticism over the stalled nomination.

Last week, Clinton complained that Jeffords has dabbled too long with Herman's hearings and that "it's time to get on with this."

"I don't know that there has ever been a person nominated for secretary of labor that had as much broad support in the business and the labor communities," Clinton said. "If anybody wants to vote against her for whatever



James Jeffords

reason, they're plainly free to do that. But she deserves a hearing. And if she gets a hearing, she's going to be confirmed."

Jeffords said Saturday that the delays have been largely the result of new disclosures about Herman's role in fund raising.

"The White House has been holding it up," he said. "Every day there's been new revelations about the things she's been involved in. ... Her involvement in White House fund raising is what's holding up her nomination."

Jeffords said he intends to fo-

cus his panel's review on issues relating to Herman's qualification as labor secretary.

"We are doing everything we should be doing in order to make

sure the hearings, when they take place, concentrate on issues relative to her being secretary and not concentrate on irrelevances," Jeffords said.

REVIEW & OUTLOOK

Quota Person

The more we look at President Clinton's nomination of Alexis Herman to be Labor Secretary the more we wonder what the White House could have been thinking. Amid a campaign-contributions maelstrom, they name a person—the director of the White House Office of Public Liaison—who is almost certainly at or near the eye of the storm (yes, we know, she was oblivious to it all, never came in contact, etc.). Now comes evidence of the rankest sort of quota-mongering by the person nominated to head one of the nation's most workforce-sensitive offices.

The White House tells us that the chart below was part of a larger memo

chart is the programmatic mind-set it displays. Indeed, the chart is of a piece with the very same sort of document that in August laid out specific quota assignments for delegates to the Democratic convention—"adopt and implement affirmative action programs with specific goals and timetables for African Americans, Hispanics, Native Americans, Asian/Pacific Americans and women" (Review & Outlook, "The Quota Convention," 8/26/96).

One exculpatory response to all this might be that the Democrats' internal political arrangements are their own business. We agree. The more compelling image to emerge

from these practices, however, is that of a party in thrall to its constituent factions' demands, no matter what moderate rhetoric is put out for broader public consumption. Indeed, it was widely reported that Mr. Clinton was under enormous post-election pressure in naming his Cabinet from "women" and "labor" and "minorities."

And yet once Ms. Herman is Secretary Herman we're supposed to believe that all this Democratic reality goes away, that the operative theory is "mend it, don't end it," and that in its formal submissions to the Labor Department Texaco won't have to produce a chart just like the one Alexis Herman generated for the Clinton-Gore campaign.

As cases like Texaco's show, the 1990s are turning out to be the decade in which our national controversy over race moves beyond the academy to reside in the corporation. Along with the EEOC, the Labor Department is at center stage. Labor's Office of Federal Contract Compliance Programs regularly polices most Fortune 500 companies on their affirmative action practices; through the federal contract connection, Labor has the power to regulate more than half of the economy. Precisely for these reasons, the Labor Secretary's job should go to someone with great judgment and sensitivity, two traits not obviously in evidence in this nominee.

Recommended African-American hires for '96 election cycle

	CC STATE DIRECTOR	CC PRESS SECRETARY	CC STATE DIRECTOR	CC POLITICAL FIELD DIRECTOR	CC GOVT DIRECTOR
Alabama					
Arkansas		Black			Black
California				Black	Black
Colorado					Black
Connecticut		Black			
Delaware					
DC	Black		Black	Black	Black
Florida				Black	Black
Georgia				Black	Black
Illinois				Black	Black
Kentucky				Black	
Louisiana			Black		Black
Maryland	Black				Black
Massachusetts					
Michigan		Black			Black
Minnesota				Black	
Mississippi			Black		Black
Missouri		Black		Black	Black
Nevada				Black	
New Jersey		Black		Black	Black
New York			Black		Black
North Carolina			Black		Black
Ohio	Black			Black	Black
Oregon					
Pennsylvania				Black	Black
South Carolina	Black				Black
Tennessee				Black	Black
Texas		Black			Black
Virginia		Black		Black	Black
Washington				Black	
Wisconsin				Black	Black

Source: The White House

created for and "in consultation with" a working group headed by Ms. Herman during her White House tenure. The memo is titled "Proposal to Enhance Administration Outreach to the African-American Community in 1996." Its existence was first reported by two weeklies, the Forward and Human Events.

Now, it is obviously appropriate for the White House to reach out to the African-American community, and aggressively, in a Presidential campaign. What is striking about this

THE WALL STREET JOURNAL
MONDAY, FEBRUARY 24, 1997

'Rat in a box'

Susan McDougal, the convicted Whitewater figure, is doing jail time for refusing to answer questions before a grand jury. But she is happy to speak out on national television, especially when the subject is independent counsel Kenneth W. Starr.

Mr. Starr "is like a rat in a box," Mrs. McDougal said in an interview with Tony Snow of "Fox News Sunday."

"Someone hits one side, and he runs to the other side. They hit that side, and he runs to the other side. He is truly trapped."

Asked if she would be willing to testify before a grand jury with a different independent counsel, Mrs. McDougal replied: "Absolutely. This is a tainted investigation. I don't think anyone out there doesn't believe that Kenneth Starr has a right-wing, rabid hatred of the president and the first lady."

Twelve ways

Sen. Mitch McConnell, appearing on NBC's "Meet the Press," told Sens. John McCain and Russell Feingold that their campaign-finance-reform bill is "blatantly unconstitutional."

"I just got, two days ago, a letter from the American Civil Liberties Union, signed by their counsel, representing their national view on this year's version of McCain-Feingold," said Mr. McConnell, Kentucky Republican. "It is unconstitutional in at least 12 different ways, and ... with all due respect to my friend Russ, Bill Bradley's got it right. If you want to get into this field, you're going to have to amend the First Amendment to give the government the power to control all of this political speech."

Mr. Feingold, Wisconsin Democrat, and Mr. McCain, Arizona Republican, argued that their legislation had passed muster with constitutional scholars. But Mr. McConnell, addressing host Tim Russert, continued to advance his free-speech argument.

"We're talking about giving to the government the power to shut up individuals, groups, candidates and parties, and what kicked off this debate, Tim, it's important to remember, is illegal contributions. This is an Indonesian rupee. We're talking what kicked off this whole debate is the discussion, the possibility that foreigners have influenced American elections, and I think it's extremely important to remember that American citizens have a

Inside Politics



Compiled by Greg Pierce

constitutional right to participate in politics, a constitutional right," Mr. McConnell said.

Liberalism redux

"Conservatives have delighted in pointing out that Clinton dressed in their clothing immediately before and during the 1996 campaign," writes Irwin M. Stelzer, director of regulatory policy studies at the American Enterprise Institute.

"But they are less eager to admit that that was then and this is now, that since securing his second term, the president has rediscovered the virtues of activist government, new taxes and a budget doomed to perpetual imbalance."

"This is one Clinton flip-flop that conservatives prefer to ignore, for to acknowledge it would be to admit that liberalism redux is abroad in the land," Mr. Stelzer said in the Weekly Standard.

"... Unfortunately for conservatives, even if they head the president off at the fiscal pass, they will lose the fight to make government smaller and less intrusive. For Clinton has learned two tricks with which they cannot seem to cope: corporate looting and regulation by stealth."

Perot's dream

Reform Party founder Ross Perot isn't ruling out a third try for the presidency.

"My dream is that the two parties will face the problems and solve the problems that caused us to create this party..." Mr. Perot said on NBC's "Meet the Press" yesterday, when asked if he will run again in the year 2000.

"Now we have gotten the issues on the table. My concern is that they won't deal with them in a proper way. If they don't deal with them in a proper way, we

won't get the proper results," he said.

As a result, Mr. Perot said, "We will have to keep the pressure on until the job is done, whatever that takes."

Florio out

Former New Jersey Gov. Jim Florio has decided against trying for a rematch with Gov. Christine Todd Whitman in November, the New York Times reports.

Mr. Florio, a Democrat, was narrowly defeated by Mrs. Whitman in 1993 after serving one term.

Mr. Florio said he would support Rep. Robert E. Andrews, who replaced Mr. Florio in Congress when the latter became governor in 1989.

The 59-year-old Mr. Florio said this doesn't mean he's out of political life.

"I am not going away," he told the newspaper.

To the point

It's hard to keep a secret in the White House, writes Los Angeles Times columnist James Pinkerton, who should know. He worked there for President Bush.

As an example, Mr. Pinkerton points to Robert L. Suettinger, career intelligence officer now with the National Security Council.

"Although his title is director for Asian affairs, he is in fact five levels down in the White House bureaucracy," Mr. Pinkerton writes.

"He reports to a special assistant to the president, who reports to a deputy assistant to the president, who reports to the assistant to the president for national security affairs, who reports to the chief of staff."

"As recently released e-mail reveals, Suettinger, tucked away on the third floor of the Old Execu-

tive Office Building, across the street from the White House, was fully aware of some of the people visiting the president.

"Suettinger described Johnny Chung, the Taiwanese American who gave \$366,000 to the Democrats, as 'a hustler.'"

"Yet Chung met with Clinton at least 11 times. Indeed, in the same memo of warning, Suettinger indicated that he understood the task at hand: 'To the degree it motivates him to continue giving to the DNC, who am I to complain?'"

"If someone at Suettinger's level knew the score, then surely the people at the top knew, too... Yet even now, the president, the vice president, Comptroller of the Currency Eugene Ludwig and the assistant to the president for public liaison, Alexis Herman — since nominated to be secretary of labor — all claim that they went to meetings with strangers and didn't know the first thing about them, before, during or after," Mr. Pinkerton said.

"Don't believe them. They're lying."

Hollywood nights

The Democratic Senatorial Campaign Committee is having a hard time drawing any interest in a March 24 fund-raiser in Los Angeles, even though President Clinton will appear.

The reason: The dinner will take place on the same night as the Academy Awards, "which ranks far higher on Hollywood's scale of priorities than breaking bread with the president," says U.S. News & World Report.

Forbes' decision

Publisher Steve Forbes is acting very much like a presidential candidate, but he says he will wait until after the 1998 elections before making up his mind.

"In 2000, on the Republican side, it's wide open," Mr. Forbes told Rotarians at a luncheon in Wilmington, Del., last week.

He ran through a list of possible rivals for the GOP nomination, including defeated vice presidential candidate Jack Kemp, retired Gen. Colin Powell, Ohio Rep. John R. Kasich and Texas Gov. George W. Bush, Reuters news agency reports.

"I'll see what happens in '98. There may be a front-runner then, or a crisis that creates somebody, like the Gulf War did for George Bush. Circumstances change," Mr. Forbes said.

The Washington Times

MONDAY, FEBRUARY 24, 1997

WASHINGTON TODAY: Money and politics are common themes with Herman
With BC-Bio Box-Herman

By DONALD M. ROTHBERG= Associated Press Writer=

WASHINGTON (AP) Rumpled, gruff, street-smart Paul Tully always opened the meetings with exaggerated politeness. "Madam, and how are you today?" Slender, cool Alexis Herman unfailingly responded in her soft Alabama drawl, "I'm just fine, Paul."

Then the battle began, Tully demanding more money for Democratic campaigns and Herman keeping a firm hand on the purse strings.

In that 1992 campaign year, Tully, then the Democratic Party's political director, smelled victory and was always looking for more money for this or that House or Senate campaign. As party executive director, Herman was the one who often had to say no.

Now, President Clinton is pressing a Republican-run Senate to say yes to Herman's nomination to be secretary of labor.

"She deserves a hearing and if she gets a hearing she's going to be confirmed," Clinton said last week. Sen. James Jeffords, R-Vt., chairman of the Senate Labor Committee, has said he will not schedule a hearing until he gets answers to questions about Herman's past activities.

As so often is the case with Herman, most of the questions involve money and politics, particularly her work for Democratic causes while on the White House staff.

Among the questions being asked: What role did she have in arranging the White House coffee klatch that gave political contributors from the banking industry a chance to chat with the president and the government's chief banking regulator?

White House officials say documents show that Herman did not attend the event and did not know that it was arranged by the Democratic National Committee and that Comptroller of the Currency Eugene Ludwig was on the guest list.

Yet Herman's strongest supporters describe her as highly organized, a master of detail.

"Alexis is a very strong manager," said Mark Steitz, who was communications director of the DNC when Herman was executive director and Tully was running the political division.

"The skill of knowing how to understand people, understand situations and manage them, those were the things that allowed her to be the tough cop to R. Brown's always smiley, funny cop," said Steitz. Brown, who later became Clinton's commerce secretary, was party chairman and Herman's political patron.

When Clinton took office in 1993, Herman was named director of the White House Office of Public Liaison.

Clinton has described Herman as one of Brown's closest advisers. When the commerce secretary was killed in a plane crash in the Balkans last April, Herman played the lead role in making arrangements for his funeral.

Herman's White House job involves building coalitions around issues and working with constituency groups, especially when they are unhappy. Her ability to mingle and sooth ruffled feelings earned her the sobriquet "Queen of Schmooze."

"I feel like I've known Alexis forever," said Bill Lynch, who was a deputy mayor of New York during the administration of David Dinkins. Lynch worked with Herman and Brown when they joined the Jesse Jackson presidential campaign just before the 1988 Democratic National Convention.

"She has this kind of genteel facade," said Lynch. "But she's tough as nails inside and takes no prisoners."

The 49-year-old Herman was born into politics in Mobile, Ala. Her father sued the state Democratic Party to force it to give blacks the vote. He later became the first black ward leader in the state.

President Carter named her director of the Women's Bureau in the Labor

Department. When she left government service, Herman formed a company to help recruit black women for corporations.

The Rev. Calvin Harper worked with Herman in the mid 1980s when he was in charge of recruiting for the research and development division of Procter & Gamble Co.

Herman was hired to help employees ``develop the skills to help them function in the corporate environment.''

Harper cited the case of a black woman with a doctorate in biochemistry who was having difficulty fitting in at Procter & Gamble.

``A good scientist but having trouble working into the system,' ' he said. Herman pointed out the need to get the woman plugged into the informal company network that involved socializing over lunch or at the company fitness club.

``Alexis was able to make that kind of thing happen and this young lady now is probably at the associate director level,' ' said Harper.

EDITOR'S NOTE: Donald M. Rothberg has covered politics and national affairs in Washington for The Associated Press since 1966.

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Jeffords's shady tactics

By Thomas Oliphant, Globe Columnist, 02/23/97

WASHINGTON

Off his independent record and as a product of fair-minded Vermont, Senator James M. Jeffords should know better than to play the race card.

The fact that he doesn't demonstrate just how deep and ugly America's historical race stain is.

The new chairman of the Senate Labor Committee can shout till all of his state's famed dairy cows come home that he refuses to hold a hearing on the nomination of Alexis Herman to be secretary of labor because he is trying to resolve "questions" and "issues" about her. He loves to use the word "fair."

But that's all baloney, and worse.

The deeper truth is that Jeffords's decision to cast his lot with Lott (as in Trent) and help orchestrate a smear campaign against Herman that has no evidentiary basis is taking temporary root in the most foul of soils.

The only reason Jeffords's tactics have held up the nomination so far is that they feed off the unspoken assumption that there must be something to investigate in the background of a highly successful business consultant and politician (driving a Jaguar, no less) who happens to be a black woman.

The premise is accepted by white people and is especially pernicious because the acceptance is instinctive, tacit and unexamined - all evidence of how serious our continuing national problem remains. So is the fact that most white people recoil in horror when the underlying prejudice in their behavior is analyzed. Jeffords already recoiled, but

that doesn't let him off the hook.

The fact is that white men from both parties with Alexis Herman's background and record in government, business and politics have been confirmed by the dozens for senior positions in defense, intelligence, energy, housing, transportation, scientific work, and Jeffords has routinely voted for them.

The fact is that his refusal to air the Herman nomination in public - which would result immediately in her confirmation - has nothing to do with White House coffees or other campaign matters. In private, one-on-one discussions with senators (including Lott), there is no question she hasn't answered.

But it gets worse. The real source of the political trouble is Jeffords' desire to turn her professional life for the past decade-plus upside down and inside out. It's been done to her before and always with the same result: nothing, not even a charge.

The origin is in 1981, after the Republicans had taken the Senate and Ronald Reagan the presidency. Sen. Orin Hatch, Republican of Utah, then the Labor Committee chairman, decided to probe postelection contracting decisions by the Carter administration. The only two Labor Department officials put under his microscope happened to be black: Herman and Ernest Green.

Nothing happened. No charges, no evidence, no broken rules, much less broken laws. Just success, and the evidence of that has been on the public record in the form of her financial reports ever since she joined President Clinton's senior staff.

The same material, however, was abused by Jeffords last November in seeking to block Herman's nomination, and that same material has been regularly recycled out of his committee into the media to raise "questions" that Jeffords then cites as grounds to postpone the hearings at which he would have to ask them before TV cameras, and Herman would have the chance to answer them under oath.

So would a number of Fortune 500 companies ready to cite Herman's record of accomplishment as their

retainer.

It is one of the genuine absurdities of modern Washington that Jeffords is in effect the source of the very "questions" he says the news accounts of the same old material raise. In fact, the Jeffords tactic assumes Herman can be nibbled to death without a hearing, that Clinton will fold. And behind that is the instinctive, race-based suspicion of a black woman's success.

That assumption's cover has now been blown by Clinton himself. No more private attempts to broker the nomination. This is now a campaign, and the word from the president is that it is personal. It is also aided by the participation of two powerful forces that backed other candidates until the president made his decision: the labor movement and Jeffords' ranking committee Democrat, an increasingly upset Edward M. Kennedy.

Jeffords's refusal to act needs the shadows to succeed because he has no case to make publicly, where he would have to confront Herman and her business allies.

But what he has done is more sinister than merely blowing smoke from the dark shadows. It is the political equivalent of night riding.

Thomas **Oliphant** is a Globe columnist.

This story ran on page e7 of the Boston Globe on 02/23/97.

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Stephen
Kiernan

Who can pass this test?

She was born in Mobile, Ala., in July of 1947.

Her first taste of politics came early, when her father sued the state's Democrats to win black voting rights in party elections. Later he became Alabama's first African American ward leader.

She attended a black Catholic high school, and was once suspended for asking officials why only white students were allowed to participate in the annual religious pageant.

Later, armed with a college degree, she returned to Mobile and joined successful efforts to desegregate the city's parochial schools. A social worker with Catholic Charities, she worked to increase job opportunities for shipyard workers. Next, in Atlanta, she ran a program that placed minority women in management jobs.

Then in New York City, she worked at a consulting firm that managed 30 programs to apprentice women in nontraditional jobs. Her success there caught the attention of Jimmy Carter's administration. In 1977 she was named head of the Women's Bureau at the Labor Department. The youngest person ever to hold that office, she was 30.

After the 1980 election, she opened her own consulting firm, helping businesses develop training programs. With clients like Burger King, Levi Strauss and Procter & Gamble, she was in high demand. On one project in Washington, D.C. — a mid-1980s \$200 million development known as Market Square — her pay for coordinating hiring of minority workers included a fractional ownership.

But politics was in her blood. She worked for the Democratic Party, managing Jesse Jackson's bids at the party conventions in 1984 and 1988, and joining the Democratic National Committee thereafter.

DNC head Ron Brown made her chief of staff for the 1992 convention. When Bill Clinton won, she co-directed his transition team.

Then Clinton named her head of the White House Office of Public Liaison. Her job was to build public support for Clinton policies, but she was also considered influential in delivering messages from the business community to the president.

Often her office brought executives in to meet Clinton. In May she received a list of bankers to invite for coffee with the president. The week-end before, she learned it was not a White House event but a campaign meeting, and a banking regulator would be there, so she did not attend.

Clinton won re-election; some of his staffers chose to return to private life. Labor Secretary Robert Reich was among them, and in December she was nominated for his post. The president's cabinet. The only African American woman in his cabinet.

It was a long, long way from 1947 Mobile. But then the other side of politics reared up. The ugly side.

Now she is under fire for her ownership in Market Square, because 12 years later her 1 percent is worth \$500,000. Critics ask, did she earn it? Now she is suspected of using White House resources for campaign purposes, as others on Clinton's team clearly have.

In neither case is she charged with doing anything illegal. Senate GOP leader Trent Lott met with her last week and said as much.

Yet her confirmation is stalled. The Senate Labor Committee will not even set a date for her hearing. After a life of accomplishment on behalf of women, minorities and workers, she is caught in the web of partisan spiders.

This is what Washington has become; this is partly where public disgust develops. Are we looking for saints or office holders? Is there anyone whose past can withstand meticulous, adversarial, public review?

Time to name names. Hers is Alexis Herman. And who is the chairman of the committee holding the reins to her future, while also stalling action on issues concerning the nation's businesses and labor interests?

Why, it's Vermont's junior senator, James Jeffords.

"Close to Home" is a weekly commentary on public affairs. To reach Stephen Kiernan, call 660-1861.

Jeffords Will Hear Out Labor Nominee

Clinton's Pick Is Tied To Fund-Raising Probe

By JOHN DILLON

Sunday Staff Writer

Sen. James Jeffords, R-Vt., signalled Saturday that a lengthy deadlock over President Clinton's choice of Alexis Herman to head the Labor Department may be ending.

Jeffords, who chairs the Senate Labor and Human Resources Committee, said he would schedule hearings on the long-delayed nomination. The hearings had been on hold while Senate Republicans investigated Herman's role in the Democratic fundraising efforts.

"I will be announcing Monday that, depending on certain things we will be holding hearings," Jeffords said. "We've not set a date at this point."

Herman's nomination had been plagued almost from its inception two months ago by accusations that the White House office she managed during Clinton's first term was improperly involved in Democratic fundraising. Among other activities, the office invited a senior federal bank regulator to attend a White House meeting between Clinton and major Democratic contributors in the banking industry. Herman is the only one of



Sen. James Jeffords: His committee has been at the center of a political dispute over the nomination of Alexis Herman for U.S. labor secretary.

Clinton's Cabinet choices who has not been confirmed or placed on the Senate's calendar for a hearing.

Jeffords' committee has been at the center of both the investigation and the increasing criticism over

See Page 8, Jeffords.

Jeffords

(Continued from Page One)

the stalled nomination. Last week, Clinton complained that Jeffords has dillyed too long with Herman's hearings and that "it's time to get on with this."

"I don't know that there has ever been a person nominated for secretary of labor that had as much broad support in the business and the labor communities," Clinton said. "If anybody wants to vote against her for whatever reason, they're plainly free to do that. But she deserves a hearing. And if she gets a hearing, she's going to be confirmed."

But Jeffords said Saturday the delays have been largely the result of new disclosures about Herman's role in fundraising. "The White House has been holding it up," he said. "Every day there's been new revelations about the things she's been involved in... Her involvement in White House fundraising is what's holding up her nomination." Jeffords said he intends to focus

his panel's review on issues relating to Herman's qualification as labor secretary. "We are doing everything we should be doing in order to make sure the hearings, when they do take place, concentrate on issues relative to her being secretary and not concentrate on irrelevancies," he said.

"It's a matter of trying to clear things up that are relevant to her competency to be secretary (from those) that are involved with the problems the White House had that are being investigated by Fred Thompson regarding fundraising," Jeffords added. Thompson, a Republican senator from Tennessee, is heading a separate inquiry into Democratic fundraising.

The Office of Independent Council, an independent federal agency, is also investigating whether Herman or her White House aides engaged in improper political activities in helping the Democratic Party reach out to ethnic voters last year.

"There's still a lot of outstanding questions" about Herman, Jeffords said. "She came from the DNC (Democratic National Committee) to work for the White House office of public liaison. That's where all the action has been, and that obviously casts a lot of attention on her activities."

Republican Senate investigators have also dug back almost 20 years to examine Herman's role as a Labor Department official during the Carter administration in handing out nearly 300 federal grants in the final days of Carter's term in office.

Jeffords did not want to elaborate on how his committee will handle the Herman nomination, other than to say hearings would be scheduled. "We'll be announcing Monday where we stand," he said. "We have to talk to the White House first."

Jeffords' commitment Saturday to hold hearings came after labor unions representatives and members of civil rights groups appeared

at the White House Friday to rally support for Herman.

"We're calling on — now — Mr. Jeffords to let the hearing process proceed. We don't want another Lani Guinier," said C. Delores Tucker, head of the National Political Congress of Black Women. "We want the hearing date to proceed and let the nomination rise or fall on its own. We know it's going to rise, it's going to be successful."

Both Herman and Guinier are black. Clinton withdrew Guinier's nomination in the face of mounting conservative opposition.

Jeffords said he was not under pressure from the Republican Senate leadership to delay Herman's nomination. "I've been asked by the leadership to handle the whole thing," he said. "I'm trying to play it straight down the middle. We're right on schedule. I don't see any pressure to change anything. I think we're doing it right."

(Associated Press and The New York Times contributed to this report.)

Call the Law

Is there a Justice Department equivalent of police radio? If so, it is time for the dispatcher to broadcast something like this: Calling the Attorney General! Calling the Attorney General! A Federal law enforcement official is needed at the Executive Mansion. That location is about 1,200 yards from your office and can be identified by the presence of tourists, Democratic National Committee employees and strangers bearing gifts.

It can be argued, of course, that the tintinnabulating outrages of President Clinton's fund-raising are no joking matter. But a burst of horrified amusement still seems a defensible response to the events of the past week, when we learned that the White House has been crawling for the last four years with salaried D.N.C. employees and that John Huang may be bargaining for immunity before he will explain his marvelous talent for turning Asian businessmen into Clinton donors.

On this Sunday, as on last Sunday, we start our review of these events by pondering the whereabouts of the nation's Attorney General, Janet Reno. We hate to be repetitious, but General Reno's insistence that she is waiting for "credible evidence" before appointing an independent counsel has now reached the point of mindlessness. By the standards that applied in the Carter, Reagan and Bush Administrations, the threshold for appointing an independent counsel has been reached and passed. If she will but look, Ms. Reno will see a pervasive pattern of reckless behavior and an array of suspicious incidents that cry out for an independent counsel.

It is possible, of course, that no Federal bribery or conflict-of-interest laws have been broken, but any common-sense observer has to be impressed with the utter recklessness of the Clinton and D.N.C. fund-raising operations. The NBC News report that D.N.C. staff members have been working inside the White House for the last four years is the latest proof of that recklessness. For decades, both Republican and Democratic Presidents have observed a general protocol of separation between the Presidency and party activities. But it seems that no real compartmentalization ever existed in the Clinton Administration. Indeed, the NBC report established that some of these D.N.C. employees had access to White House computers and worked directly for such high-ranking figures as Alexis Herman, whose Office of Public Liaison was already suspected of

coordinating White House invitations with D.N.C. fund-raising.

The activity fits a pattern. A number of undisputed journalistic accounts have shown that well before the election, Mr. Clinton and his deputy chief of staff, Harold Ickes, were planning how to raise and spend the television advertising money needed to rebuild Mr. Clinton's approval rating. There are laws restricting such fund-raising and limiting the political activities of Government employees. One of the issues before an independent counsel or Justice's public integrity section will be whether Mr. Ickes, while on the Federal payroll, and at the President's direction, was the de facto director of the campaign's organizational and financial arms.

Presidents and their White House aides are inevitably involved in campaign planning. But by openly bartering Presidential invitations for political contributions, and by relentlessly mixing the official and the political, this Administration has gone so far beyond the normal rules of political behavior and the traditional interpretation of Federal law that even so dogged a Democrat as Pat Moynihan has now concluded that the matter is too sensitive for handling by the investigators who report to Ms. Reno.

So far, the Attorney General seems to have relied on the coincidence theory to delay her appointment of an independent counsel. In other words, it is still officially regarded as a coincidence, rather than a provable and possibly illegal quid pro quo, that John Huang's campaign donors got meetings with Mr. Clinton or policy discussions from his Administration. Mr. Huang's decision to invoke the Fifth Amendment rather than give requested documents to Congress severely wounded the coincidence theory. So did the report in The Washington Post that Rawlein Soberano, a vice president of the American-Asian Business Roundtable, has accused Mr. Huang of asking him to launder contributions.

From President Clinton right down to the lowliest D.N.C.-paid "volunteer," this outfit raised money as if there were no rules. Maybe they were lucky or smart enough to have stayed inside the laws governing bribery and political activities by Federal employees. But there are so many indications to the contrary that only an independent counsel can deliver a judgment that the public will trust.

The New York Times

SUNDAY, FEBRUARY 23, 1997 |

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White House 'Pep Rally' Beats Drums For Embattled Labor Nominee Herman

Allies Are Marshaled in Quieter Campaign for Lake to Head CIA

By Peter Baker
Washington Post Staff Writer

By all appearances, it amounted to pep rally for Alexis M. Herman. More than 75 leaders of labor unions, civil rights groups and women's organizations gathered at the White House yesterday to cheer on President Clinton's embattled nominee for labor secretary and pledge to do everything they can to get her confirmed.

The administration is equally committed to pushing through Anthony Lake as the next CIA director, but such a rally of supporters might be problematic. As one official joked, the White House could issue a news release titled, "1,000 Spooks for Lake," but it would have to leave the names off "and you'd have to trust us."

With Congress returning from recess next week, the White House is gearing up its lobbying machine to rescue two of its would-be Cabinet members languishing in the Republican-controlled Senate. But by dint of their offices and political backgrounds, the Clinton team faces sharply different dynamics as it goes about the task, necessitating a highly public campaign in one case and a quieter, though no less intense, effort in the other.

Herman has a natural constituency that the White House is trying to turn to her advantage. Organized labor, although initially cool to Herman, has embraced her and rushed to her side.

African American and feminist activists likewise feel a stake in her nomination because she would be the only black woman in the Clinton Cabinet.

After leaving yesterday's session, Yvonne Scruggs of the Black Leadership Forum said a coalition of groups will hold a news conference next week to support Herman, reminding the Senate that her defeat "has the potential for eliminating a whole segment of the American community . . . from that inner circle."

With Lake, there is no such obvious, visible group to come to his aid. The White House is organizing allies to pitch his case on Capitol Hill, but the people who care most about the nation's intelligence apparatus tend to be spies, policy analysts and oth-

ers who either cannot or generally do not orchestrate public relations campaigns.

Herman and Lake are in trouble for different reasons, too, although there are some common threads. Both have been caught up to varying degrees in questions about the conduct of their old offices in campaign activities and both have had to defend their personal finances.

The delays in their confirmations have frustrated Clinton, who twice in the last eight days, has taken it upon himself to speak out on behalf of his nominees even when reporters did not ask.

But for the most part, White House officials said they remain confident both Herman and Lake can be confirmed if their nominations simply can get past the skeptical GOP committee chairmen who have bottled them up and be put to a vote on the floor.

"The odd thing is I don't think this is in trouble," one senior Clinton aide said about Herman's nomination. "When we look back at this in retrospect, I think the most difficult part of this process will have been getting the hearing date."

Herman is the only Cabinet nominee who has not had a date for a hearing scheduled, but the White House said Labor and Human Resources Committee Chairman James M. Jeffords (R-Vt.) promised to set one soon in a telephone conversation with Clinton Chief of Staff Erskine B. Bowles this week.

Lake's hearing has been postponed twice and is now slated for March 11.

While the GOP controls the labor committee 10 to 8 and the Select Committee on Intelligence 10 to 9, the White House apparently needs to persuade only one or two moderate Republicans on each panel to get to the floor for a vote. Some Republicans believe that ultimately it is only a matter of time.

"The Lake and the Herman nominations have not generated the passion that have accompanied other controversial nominations in the past," said a Senate GOP leadership aide.

"Usually when a nominee generates heated opposition, the faxes fly out of the machines at a hundred a minute. Neither of these nomina-

tions has produced that kind of activity."

Another GOP aide was more pessimistic. "Neither one of them is seeing light at the end of the tunnel," he said.

In part, that is due to the occasional drip-drip of new revelations about their actions in past White House jobs, Lake as national security director and Herman as chief of public liaison.

Just this week, for example, senators focused anew on the politics in Herman's office upon learning that one "volunteer" working for her was being paid by the Democratic National Committee. Bowles ordered the practice stopped after media reports.

Two other Cabinet-level nominations are pending in the Senate as well, but they do not appear in serious trouble.

The Senate Energy and Natural Resources Committee has scheduled a vote for Wednesday on Federico Peña's nomination for energy secretary and "there doesn't seem to be the same sort of problems the other nominees are having," a Senate GOP official said.

His nomination has been complicated by a dispute between some senators and the Clinton administration over nuclear waste storage policy and by a lawsuit filed by a whistleblower who charged that as Clinton's first-term transportation secretary Pena ordered reinstatement of an allegedly fraudulent Coast Guard contract.

But Pena got good news yesterday when the Justice Department filed a motion in District Court here seeking his dismissal as a defendant. The legal documents stated that the Transportation Department's inspector general "found that Secretary Pena had no involvement whatsoever in the contractual relationship."

The other nominee on hold is Acting Trade Commissioner Charlene Barshefsky, who enjoys strong support among Senate Republicans. However, she has been caught in a snag related to a dispute about whether the new World Trade Organization telecommunications pact has to be submitted to the Senate for a vote.

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