

Originally Processed With FOIA(s):
2009-0166-S

FOIA Number:
2009-0166-S

FOIA MARKER

**This is not a textual record. This is used as an
administrative marker by the George Bush Presidential
Library Staff.**

Record Group/Collection: George H.W. Bush Presidential Records
Collection/Office of Origin: Office of the President
Series: Daily Files
Subseries:

OA/ID Number: 90736
Folder ID Number: 90736-002

Folder Title:
Thursday, November 19, 1992 [2]

Stack:	Row:	Section:	Shelf:	Position:
G	35	2	6	0

cc: (in & out)
Rose Zamaria (lcc)



THE PRESIDENT

November 19, 1992

Dear Mr. Mathews,

Thanks for your letter of November 4 inviting me to be an honorary member of TELECAP. I appreciate your kind invitation, but am not accepting any memberships right now. Hope you understand. Thanks, again, for thinking of me.

With best wishes,

Sincerely,

A handwritten signature in dark ink, appearing to read "G. Bush".

THE WHITE HOUSE

Mr. Mike Mathews
Computer Golf Management
Post Office Box 118
Cheney, Washington 99004



COMPUTER GOLF MANAGEMENT

P.O. Box 118 • Cheney, WA 99004 • Phone (509) 235-8439

Rose Z

November 4, 1992

President George Bush
1600 Pennsylvania Ave.
Washington, DC 20500

Dear President Bush,

I'm sorry about your recent defeat in the presidential election. I hope the Democrats don't tax the hell out of us!

The main reason I'm writing to you, is to invite you to be an honorary member, of a new golf handicap service called TELECAP. The way it works is that every time you play a round of golf, you call up the handicap service which is a computer system named Arnold and post your score. Once you have posted five scores, you have established a handicap. You then may call "Arnold" who will tell you what your handicap is. In addition, we will send you an official handicap card which will be periodically updated according to your posted scores.

To try out this new and innovative system just dial (509) 235-8435. If you would like to be a charter member, have your secretary send a request to Computer Golf Systems, PO Box 118, Cheney, Wa., 99004. It would be our pleasure to serve you and say thanks for four great years!

Sincerely,

Mike Mathews

Mike Mathews
CGS VP

cc: (in & out)

Rose Zamaria (lcc) IDENT

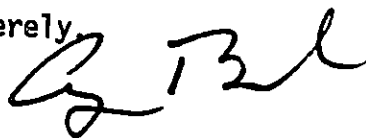
November 19, 1992

Dear Barbara,

Thanks so much for that thoughtful card. We had a wonderful time in Boca Grande and appreciate all the nice letters we received from people like you.

Now, we're back in Washington and getting ready to shift gears. Barbara and I are grateful for the privilege we have had to serve the American people. With our warmest best wishes to you and yours,

Sincerely,



THE WHITE HOUSE

Mrs. Bill Tiberio
8 Aquadilla Court-Jamaica Bay
Fort Myers, Florida 33912

—
But not everyone
has someone as
nice as you to
say it to!

Thanks

Enjoy your vacation.

*Sincerely,
Barbara Lerner*

cc: (in & out)
Rose Zamaria (lcc)

WASHINGTON, D.C.

General C. E. Mundy, Jr.,
U.S. Marine Corps
Commandant
Headquarters, U.S. Marine Corps
Washington, D.C. 20380-001



THE PRESIDENT

November 19, 1992

Dear Carl,

Thanks for your wonderful letter of November 12.
I can't begin to tell you how much it means to me.
My winning was just not meant to be, but Barbara
and I leave knowing that we gave it our best.

I will always be grateful to you and all in the
Marine Corps for your loyal and outstanding service
to Country. You have done well and I am proud of you.

As we shift gears to private life, Barbara and I send
to you, Linda, and all Marines our warmest best wishes.

Well Done, sir!!

Sincerely,



12 November 1992

Dear Mr. President,

As you prepare to stand down from your duties as our Commander in Chief, I want to tell you how important your leadership, strength and decisiveness have been to your Corps of Marines. We who have followed you for the last four years appreciate the difficult times through which you have led us, but, more importantly, know of the strong and true course that you have set for our future. For both your wisdom and vision we are grateful.

You have often spoken of our pride, spirit, discipline and winning ways, and I just want to personally assure you that our full measure of all of those is dedicated to you up until the very moment of the "Change of Command."

We are a better Corps because of you, Mr. President, and I pledge to you our best in all future endeavors. Thank you Sir, for your loyalty, leadership and inspiration.

Sincerely,

A handwritten signature in dark ink, reading "Carl E. Mundy, Jr." in a cursive style.

C. E. MUNDY, JR.
General, U.S. Marine Corps
Commandant of the Marine Corps

The President
The White House
Washington, DC 20500

FROM
THE WHITE HOUSE
WASHINGTON, D.C.

The Honorable Thomas B. Evans, Jr.
Eighth Floor
1010 Wisconsin Avenue, N.W.
Washington, D.C. 20007



THE PRESIDENT

11-19-92

Dear Tommy,
Your words of good
cheer mean a lot to me.
There's a bright sunrise
out there. Now to finish
the course with a little
class. ~~There~~ Then, in 60
days, off to Texas into
that sunrise.

Love to Mary Page —
and, again, thanks my friend

by

cc: (in & out)
Rose Zamaria (lcc)

THOMAS B. EVANS, JR.
EIGHTH FLOOR
1010 WISCONSIN AVENUE N. W.
WASHINGTON, D.C. 20007

November 10, 1992

Dear Mr. President:

Your comments about Governor Clinton and your graciousness on election night and subsequently are examples of character that generations of Americans will read about down through history.

They will also, in time, give you proper credit for the precious gift you have given to mankind. People all over the world can go to sleep at night without worrying about a nuclear holocaust and they owe you a tremendous debt of gratitude.

As one who lost an election of much lesser stature than the Presidency, I nevertheless have great empathy for unfair treatment by the media. You were gracious to take all the blame but I am convinced that without Mr. Walsh's most unusual timing, coupled with at times a hostile media, you would have been reelected.

At any rate, I hope someday you will visit us all in Wilmington and perhaps have a game of golf either at the Wilmington Country Club or Pine Valley. (I don't shoot par golf anymore, but I play quickly).

Mary Page joins me in wishing you much happiness and many great years ahead.

With warmest personal regards.

Respectfully,

A handwritten signature in cursive script, appearing to read "Tommy", written in dark ink.

The President
The White House
Washington, DC 20500

FROM
THE WHITE HOUSE
WASHINGTON, D.C.

Mr. John E. Caulkins
25432 North Abajo Drive
Rio Verde, Arizona 85263



THE PRESIDENT

Nov. 19 92

Dear Jack,

That hooked rug looks
absolutely perfect. May I
suggest you mail it to
Don Rhodes; The White House,
Wash 20500. Put "Ranger"
on the mailing label.
What a fantastic

present; and yes all the
"landmarks" are there.

All's well here now - 60
days to go. Finish the course
with class, then Houston
where Bob has already
made a deal to build our
town house. Life's OK after all

Love to Patsy —

Your friend, *Gay*

cc: (in & out)
Rose Zamaria (lcc)
Don Rhodes (lcc)
JAN BURMEISTER - (PRIV -
NEW ADDRESS)

John E. Caulkins
25432 North Abajo Drive
Rio Verde, Arizona 85263

11-13-92

Dear Barbara George,

I am enclosing a small part of an article that appeared in today's Phoenix newspaper. Also I am enclosing a picture of a hooked rug that I believe has your blue boat tied up to a dock. As you can see on the back it is a small rug, 32" x 53," but it carries the admiration and love that your clubmates have for you, too. Years ago Pat brought Preston McAdoo to Horse Point to put on a sale of his hooked rugs. He has a small group of women that design and make these rugs in North Bennington, Vt. We have one rug this size of our sons playing in front of your house on

William Love in those parts that we love.

I believe that I met Mr. Adams' great

grandfather was Secretary of the Treasury

nearly years ago. In Adams' letter that

was referring us about the way, he

wrote, "It is got all the important landmarks

in Newburyport (including Adams' boat tied

up at the dock). It is definitely the picture

rather scene we're done."

We are as if never it I will send

it to you. Do you want it to go to Newburyport,

Washington, or Houston? (Or then Washington,

I will need the address. All of your estimates

are sending it with their ~~the~~ and appreciation

for all that you have done for us and our country.

I know that I am just a small feather, but

I am sending a big thank you and love to

you both.





now seen in House. Point that we love.
 that Preston McAuliffe's great
 was Secretary of the Treasury
 In Preston's letter that
 of the reg, he
 said landmarks
 that tied
 12.4

FROM
THE WHITE HOUSE
WASHINGTON, D.C.

Mr. Jack O. Guy
F & G Institutional Trading,
Incorporated
Suite 260
2 Concourse Parkway
Atlanta, Georgia 30328



THE PRESIDENT

11-19-92

Dear Jack -

Not sure if we can
do what you ask; but
send me either a list or
an approximate number
of attendees. I'll see what
we can do.

On Jan 20th we're
off for Texas - 1/2 year
there - 1/2 in Maine. We've
already made a deal to
build a small house - room
for the Guy's to visit
Love To Bea -

cc: (in & out)
✓ Rose Zamaria (lcc)

Ag

Jack O. Guy
Two Concourse Parkway
Suite 260
Atlanta, Georgia 30328

November 17, 1992

Dictate

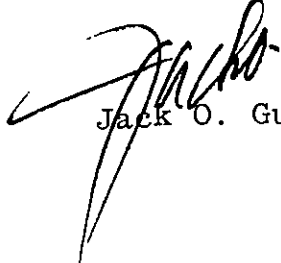
Dear Mr. President:

Some of your old friends from AG-51 have indicated that it would be very nice to see you in the White House. Perhaps you have already given this some consideration.

I think a small reception at the White House with pilots and crews, with spouses, would be greatly appreciated. I don't believe it necessary to invite all AG personnel on the master list, such as nieces and nephews, etc., but only those directly attached to our squadron, including Jackie West Forshay. I will be happy to act as coordinator should you find time in your busy schedule for this event.

I can't wait to hear what exciting things you have planned for the future. We ain't done yet!!!

Cordially,


Jack O. Guy

JOG/v

FROM
THE WHITE HOUSE
WASHINGTON, D.C.

The Honorable Condoleezza Rice
14 Peter Coutts Circle
Stanford, California 94305



THE PRESIDENT

11-19-92

Dear Cardi,

You know something - these
last two post election weeks
have been a period of contra-
diction. The negative press
has been dark & ugly; but
the bright & wonderful & lasting
good feelings of your letter
more than offsets the negatives.

I ache for your friend
& mine, Brent. He has worked
so hard; but because of the
campaign week & what he has
done (with you at his, our, side)
is now obscured - That won't
always be the case. I loved
your letter and I'll never forget
all you've done for world peace. How can
I ever repay? Thanks so very much
C. B.

cc: (in & out)
✓ Rose Zamaria (lcc)

November 17, 1992

Dear Mr. President,

I write this letter with conflicting emotions of disappointment and pride. Disappointment because I know that the country would have been well served by your reelection. Yet, I share with so many pride in what your Administration accomplished. Historians will eventually know the impact you had on the revolutionary events of 1989-1992. But only a few of us lucky enough to have worked for you know the extraordinary gifts that you brought to the conduct of American foreign policy during one of the most promising, yet potentially most dangerous periods in recent history.

I write also to tell you how much you have meant to me. When Brent Scowcroft asked me to come to Washington, I accepted as a Soviet specialist,

ready to apply my academic expertise to US policy. I left transformed and committed to finding a way to do something about the broad range of America's problems - at home and abroad. That happened because I served with people who brought great intelligence, professionalism and, most importantly, integrity to public service. Those qualities flowed directly from you Mr. President.

I don't know how much you know about my background. It is sufficient to say that I was born in segregated Birmingham, Alabama to parents who were educators. Somehow they clung to their faith that America would change enough one day to give me a chance to do whatever my talents permitted. My father still keeps a photograph of me at age eight outside the White House. Daddy claims that I said then that I would one day work inside. I don't remember that but my parents did all they could to make it possible.

When I did get my chance, you helped to confirm for me their faith in America. Many talk about equality. You simply

demonstrated your commitment to it in every encounter with me. You treated me with respect for my opinion and exposed me to your judgment.

Thanks to that, I know that my heart, head and soul will remain committed to public service. At a time when you may not fully sense your impact on individuals Americans, I wanted you to know what you have meant -- and will always mean -- to me.

Please give my love to Mrs. Bush. I hope that I will get a chance to say hello when I am in Texas. Please find the time to visit Stanford.

God Bless you now and always.

Condeleege Rice

FROM
THE WHITE HOUSE
WASHINGTON, D.C.

Mr. George Klein
499 Park Avenue
New York, New York 10022

Nov. 19 '92



THE PRESIDENT

Dear George,

Your generous assessment
of my Presidency is most
welcome. I do think that
historians, in the years ahead,
will say our team did good

things on Mid East matters.

I hope Israelis will
say we were faithful allies.

Thanks for the letter.
Thanks more for your
loyal support over the years -
your friend -

Ly B

✓ cc: (in & out)
Rose Zamaria (lcc)

George Klein

November 16, 1992

President George W. Bush
The White House
Washington, DC 20500

Dear Mr. President:

I was pleased to have the opportunity to speak with you, by phone, last week. May I reiterate my statement to you that I know your achievements for world peace have been extraordinary.

More specifically, as Chairman of the National Jewish Coalition, as Chairman of the Bush/Quayle Jewish campaign committee and because of my involvement in community and political affairs for over twenty years, I believe I have the knowledge and background to assess and appreciate your substantive accomplishments. In those areas in which our community is deeply concerned, your achievements are even more noteworthy.

Some of these most notable accomplishments include: being responsible for the emigration of over 500,000 Soviet Jews to Israel; rescuing Ethiopian and Syrian Jewry; rescinding the infamous Zionism-racism resolution in the U.N.; spearheading the defeat of Iraq's military capacity (a country which was approaching the capability to wage atomic and chemical warfare with Israel); bringing about peace negotiations between Israel and all of its neighbors upon Israel's terms; directing over \$15 billion of aid to Israel over four years; finalizing the \$10 billion in loan guarantees; arranging historic strategic cooperation agreements with Israel and helping Israel to open up diplomatic relations with major countries like China and India.

As I told you during our talk, if you had announced four years ago that, as President, you would accomplish all of these achievements, no one would have imagined these goals to be attainable.

There were many occasions in which I supported and applauded your actions, but there were a few times when I disagreed with some of your decisions. However, it was always done with respect and with dignity. I will never forget how receptive, open and cordial you were in

November 16, 1992

Page 2

discussing and trying to resolve these substantive matters in the many meetings we had.

Unfortunately, I believe the campaign failed to adequately communicate your historic achievements and the electorate's perceptions, which were substantially based on tone rather than on substance, weakened your support in our community.

I'm proud of my commitment to you and my involvement with your administration and I know that all of us who supported you share these feelings. We will miss you and our country owes you and your administration a debt of deep gratitude. I will always cherish our friendship and I thank you for all you have done.

With my kindest best wishes,

Sincerely yours,

A handwritten signature in dark ink, appearing to be 'George Klein', with a long, sweeping horizontal stroke extending to the left.

George Klein



THE PRESIDENT

November 19, 1992

Dear Will & Sarah,

I fired off an inadequate letter to Bayard and Mary. I threw in some pictures, though, for they capture the joy we felt.

Here are some for you two.

I can't tell you the joy we felt in our hearts the whole time we were there and even after we returned to nasty belt-way-bound D.C.

Now we'll finish up here, and we'll do it right. Before the final bell rings we'll get a few birds at Lazy F- more joy, more true happiness.

Thanks for arranging Boca Grande. Thanks for our first class "Aide" (what a job he's done) and thanks for being with us through thick and thin- mostly thick thank heavens.

Sincerely,

A handwritten signature, likely of Bill Clinton, is written below the word "Sincerely,". The signature is stylized and cursive.



THE PRESIDENT

November 19, 1992

Dear Will & Sarah,

I fired off an inadequate letter to Bayard and Mary. I threw in some pictures, though, for they capture the joy we felt.

Here are some for you two.

I can't tell you the joy we felt in our hearts the whole time we were there and even after we returned to nasty belt-way-bound D.C.

Now we'll finish up here, and we'll do it right. Before the final bell rings we'll get a few birds at Lazy F- more joy, more true happiness.

Thanks for arranging Boca Grande. Thanks for our first class "Aide" (what a job he's done) and thanks for being with us through thick and thin- mostly thick thank heavens.

Sincerely,

cc: (in & out)

Rose Zamaria (1cc)

THE WHITE HOUSE

WASHINGTON

November 19, 1992

Dear Don:

Many thanks for your thoughtful note and kind words. It was a tough campaign, but Barbara and I are thankful for so many blessings. We, too, cherish the privilege that we have had of representing America around the world. Even more, we are grateful for loyal, wonderful friends who, like you, have been with us along the way.

You have been a great credit to our Administration, and I thoroughly enjoyed the piece from the Asian Wall Street Journal. Thank you for all that you have done, throughout your career, to serve our country.

Barbara joins me in sending best wishes to you and Meg.

Sincerely,

*You've served
so well, Don -
I'm very proud of that.*

The Honorable Donald P. Gregg
American Ambassador
Seoul



4 NOV 1992

EMBASSY OF THE
UNITED STATES OF AMERICA
SEOUL, KOREA

Dear President & Mrs. Bush,

We want to thank you and congratulate you for all you have done for the American people for so many years.

We are especially grateful to you for sending us to Korea, where we have had three rich and fulfilling years. Before that, I was so fortunate to work directly with you and to go to so many countries, around the world.

Knowing you both has enriched our lives immeasurably, and we look forward to meeting you again in the future.

Weg joins me in sending you both our love and our heartfelt thanks,

Dan Gregg

Hard Sell

U.S. Envoy to Seoul, Once
A Spy, Turns Pro MarketerBy DAMON DARLIN
Staff Reporter

SEOUL—Donald P. Gregg's first contact with South Korea came while he trained local spies parachuting into the North during the Korean War. In 1973, when he was the Central Intelligence Agency's station chief in Seoul, he organized a dramatic rescue of an opposition-party leader who was about to be murdered by South Korean government agents.

Despite his background in political and military affairs, as the U.S. ambassador to South Korea, Mr. Gregg has found that he spends much of his time in the roles of business consultant or salesman for American companies in Korea. And he has gotten rather good at it.

Among his accomplishments: He persuaded the Korean government to re-open bidding on anti-submarine planes, which resulted in Lockheed Corp. winning an \$800 million contract. He enlisted top Korean airline executives to help short-circuit a Korean government plan to delay the delivery of U.S.-made airliners. And he steered Korean business to American makers of tunnel-boring equipment and locomotives, while urging Korean officials to write a law banning pyramid-marketing schemes in such a way that Amway Corp., which promoted multilevel marketing, could still sell soap in Korea.

His staff at the embassy recently gave him a "peddler's license" to recognize his helping U.S. companies do \$17 billion in business in Korea over the past three years. "I feel that the role of the embassy is to be No. 1 assistant salesman," says Mr. Gregg, who has served in Seoul since 1989.

Mr. Gregg and his embassy reflect a new U.S. government philosophy that overseas missions make a greater effort to push U.S. exports and services. His efforts have won accolades from U.S. businesses in Korea and the region. "I wish every embassy had a spear carrier the caliber as high as Don Gregg," says George Allen, Lockheed's representative in Seoul. Adds Evan Greenberg, the chief operating officer in Tokyo for American International Group Inc., a major U.S. insurance concern, staff at the U.S. Embassy "are unusual because they have

made business the important issue. They do a lot more than any other embassy."

Acting Secretary of State Lawrence Eagleburger, who has been the new policy's main advocate, recently wrote that the Seoul embassy "is a model to which every other mission should aspire." Residents of Plymouth, Ohio, can attest to that.

Last year, Plymouth Locomotive Co., a small manufacturer of diesel locomotives, learned that Pohang Iron & Steel Co. hadn't asked it to bid to build locomotives that the giant steelmaker needed to move materials around its complexes. Plymouth had won a contract the year before to build three locomotives, but this time Posco was considering only Korean companies.

Plymouth Locomotive wrote to the U.S. Embassy asking for help. The company, with \$15 million in annual sales, said it might have to lay off workers because business was slow. "Export sales is what got us through in the past," says Wiltrude Shull, export manager at the small northern Ohio company.

The day the letter arrived, the ambassador was scheduled to have dinner with Park Tae-Joon, then the chairman of Posco and a leading ruling-party figure, to discuss political events in Korea. At the end of the dinner, Mr. Gregg asked his longtime friend to give Plymouth Locomotive a chance. A few months later Plymouth won a \$2 million contract for three locomotives, about all the 100-employee company could handle.

"This is our town's only industry, so it really made a difference," says Mrs. Shull, who keeps a photograph in her office of Mr. Gregg and Mr. Park at dinner. "We were able to keep our workers."

The ambassador's attention to business came as a surprise to many people, who thought that with a background in espionage he would be more interested in political and military affairs. With 39,000 U.S. troops in South Korea facing a hostile communist regime and an embryonic democracy to nurture in Seoul, it could be easy to get distracted. No one was more surprised by his business activities than Mr. Gregg himself.

During his long Senate confirmation process, delayed by questions about his involvement in the Iran-Contra controversy while serving as national security adviser to Vice President George Bush, he came to the conclusion that the American-South Korea political-military relationship was changing to a business

Please Turn to Page 3, Column 1



Donald P. Gregg

U.S. Envoy to Seoul Adopts Sales Role

Continued From First Page

partnership. "As an old Cold Warrior, I began to see that the fruits of the end of the Cold War lie in our ability to trade," says Mr. Gregg, who is 64 years old. "To find new markets and to develop ties of interdependence will make it harder to make war."

The U.S. isn't without competition from the other embassies. David Wright, Britain's ambassador to Seoul, has led a very public campaign for British products, even persuading Prince Charles, for whom he had worked as a secretary, to visit Korea to push British environmental products and services. Princess Diana will come with Prince Charles as hostess of a British-products show. But in some cases, foreign-owned companies such as Honda of America Manufacturing Inc., the U.S. subsidiary of Japanese auto maker Honda Motor Co., have asked the U.S. Embassy for help, arguing that their products are actually American or are built by Americans.

Mr. Gregg has a wide circle of friends and contacts in Korean business and government whom he can ask for favors. He is perceived by Koreans as one of the most powerful men in the country — some say second only to the Korean president. While that isn't true, it does open doors to the U.S. that are closed to others. His personal friendship with President George Bush hasn't hurt him either when dealing with Washington or Seoul officialdom.

But those who have worked with him say his manner is to emphasize the benefit to the Korean side, and leave his pull unspoken. "It's a soft sell. . . . but when you walk out of the meeting, you know what he has been saying," says an embassy official who has worked with him for three years.

His main message to Korea is that it is too tough to do business in Korea. "I say that every time I open my mouth." He tells them that if you need technology, then protect American patents and other intellectual property. If you want American investment, cut the red tape and obstacles. Anti-import campaigns only hurt Korea's economic growth. He finds his best allies are often Korean business. "The song I am singing is the one Korean business is singing," he says.

Mr. Gregg gets all the embassy staff involved in selling, even defense attaches and the consular section, which stamps visas. "We found out who the Korean decision maker was and assigned the right person to go after that guy. Sometimes it was the ambassador," says Peter Frederick, the former head of the commercial section, who has been posted to Paris.

For example, Mr. Gregg was told by his staff that Korean officials hadn't realized that Lockheed was lowering its price for PC-3 planes and so they wouldn't consider its bid. The ambassador went to see a Defense Ministry official, but an attache

passed him a note saying that the ministry's interpreter wasn't translating what he was saying. He politely ended the meeting asked to come back again, and when he did, brought an embassy employee to translate that Lockheed could save the Koreans money. The bidding was reopened and Lockheed won.

"He has never allowed it to get to the point where he was boxing them in," says Kenneth E. Sheffer Jr., a Seoul-based business consultant with Richard V. Allen Co. "He leaves them room so that they can solve their own problems."

Lockheed officials can't discuss the deal under Korean defense secrecy laws, but Mr. Allen, the company's representative in Seoul, did say, "He (Mr. Gregg) was able to maintain a level playing field that may or may not have gotten a little slanted."

Mr. Gregg expects he will go into teaching at a U.S. university after Tuesday's presidential election. He is optimistic that the business environment in Seoul will improve. "I am increasingly seeing fewer and fewer corporations limping into town, bleeding from self-inflicted wounds received in other countries," he says.

And he isn't sure he will miss what he calls trench warfare. "You have success in one trench, but there is another battle in another trench you have to go to."

"It's funny," Mr. Sheffer says. "A non-businessman comes into Korea and will leave as the best businessman in town."

~~cc: (in & out)~~
Rose Zamaria (lcc)

THE WHITE HOUSE
WASHINGTON

November 19, 1992

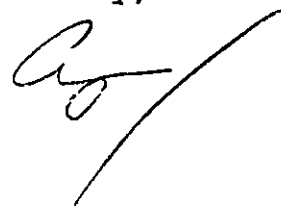
Dear Judson:

Just a note to follow up on your interest in legislation that would foster charitable contributions of appreciated property. I'm certain you know that I did not approve the "Revenue Act of 1992," H.R. 11. While H.R. 11 incorporated several of the initiatives that we had proposed, I hope you will understand that, with its numerous tax increases and provisions to increase Federal spending, the bill would have had the overall effect of endangering economic growth.

Many thanks for sharing your views on this, and I was disappointed that Congress did not send me an acceptable bill. Enclosed is a copy of the Memorandum of Disapproval, which explains our position in more detail.

Best wishes.

Sincerely,



Mr. Judson Bemis
4900 IDS Center
Minneapolis, Minnesota 55402

*P.S. In 60+ days we go back to
Texas. Love to "your Barbara" - G*

344006
hold

Judson Bemis
4900 IDS Center
Minneapolis, Minnesota 55402

Tel. 612-376-3152

August 5, 1992

9/29/92 Roger Porter
response attached.

The President
The White House
Washington, D. C. 20500

Dear Mr. President:

The Congress is in the process of sending to you tax legislation aimed at improving the present economic climate.

The legislation (HR 3040, SF 2979) may not contain everything you and I would like to see in the Bill, in particular positive changes in the Capital Gains Tax, but I understand it contains some significant modification to the Minimum Tax, in particular, temporary (or hopefully permanent) repeal of "preference for charitable contributions of appreciated property".

As someone who has had a hand in raising substantial funds for educational, cultural and human welfare charitable organizations in the past and expects to be similarly occupied meeting their future needs, I write to urge you as strongly as I can to approve this legislation.

There is no question but what the present treatment of appreciated gifts for AMT computations places a very serious road-block in the way of those gifts - as amply indicated by the flood of gifts of appreciated art works to museums during the recent "window." The benefit of the proposed change to third sector organizations and hence our society will be tremendous.

My Barbara joins me in sending best wishes to you and your Barbara for the challenging weeks ahead!

The President wants to write Judson -- we need to tell him what happened to the bills he wrote of and that "charitable contributions" was covered under a different bill (HR-11). A brief letter saying why the President couldn't or didn't sign ~~the first bill, or if Congress sent them under a different bill.~~ Confusing.

Sincerely,

Judson Bemis

THE WHITE HOUSE

WASHINGTON

September 29, 1992

Dear Mr. Bemis:

The President has asked me to thank you for your recent letter urging him to approve current legislation that would foster charitable contributions of appreciated property.

The President agrees that the tax code should be adjusted to spur such contributions. Therefore, under his proposal, the temporary exclusion from the AMT would be made permanent and would be expanded to include the fair market value of all gifts of appreciated property, including real estate and stocks and bonds. With these improvements, the proposal would restore the exclusion of gifts of appreciated property from the AMT that existed prior to the Tax Reform Act of 1986. The President remains committed to this goal.

We are, however, disappointed that the Democrat-controlled Congress has insisted on inclusion of a tax increase, and as you mentioned in your letter, has also been resistant to the capital gains changes the President feels are so crucial. We remain committed to working with the Congress to produce a sound economic growth package.

Again, thank you for sharing your thoughts and concerns with the President.

Warmest regards,



Roger B. Porter
Assistant to the President for
Economic and Domestic Policy

Mr. Judson Bemis
4900 IDS Center
Minneapolis, MN 55402

THE WHITE HOUSE
WASHINGTON

cc: (in & out)

Rose Zamaria (lcc)

November 19, 1992

Dear Bill:

Thank you so much for your thoughtful message about the election. You're right about the networks. Although it was a tough campaign, we are thankful for so many blessings -- among them our family and millions of wonderful supporters like you. We have the satisfaction of having given it our best, but clearly victory was not to be.

Barbara and I will always be grateful for the privilege that we have had of serving the American people. She joins me in sending best wishes to you and Joan.

Sincerely,

*See you
soon. I'm
pleased about Hunt.*

Mr. William A. Schreyer
Chairman of the Board
Merrill Lynch & Company, Inc.
North Tower
World Financial Center
New York, New York 10281

857906

William A. Schreyer
Chairman of the Board

Merrill Lynch & Co., Inc.

World Financial Center
North Tower
New York, New York 10281-1332
212 449 1313
FAX 212 449 9418

 **Merrill Lynch**

November 5, 1992

The President
The White House
1600 Pennsylvania Avenue, N.W.
Washington, D.C. 20500

Dear Mr. President:

Joan and I were enormously proud of your "comeback" fight. It was a fight against heavy odds, not the least of them the thumb that the media, especially the broadcast networks, kept applying to the scale. But you made a gallant effort, and this was never more evident than when the going was toughest.

I wish for the nation's sake, as well as your own, that we could look forward to a second Bush term. But the leadership you provided during these past four crucial years already has been of incalculable benefit to the United States and to the world. In the short term, a self-absorbed electorate may not have fully appreciated all you have done. In the longer term, history will.

I have found in my own life that in every setback there is an opportunity somewhere. I hope, as a start, that you can do more of that "grandfathering" of which you speak so warmly. On a larger scale, the nation and the world still need your voice, your insights and your understanding. Completion of the Bush Presidency need not mean the end of the Bush leadership. You still have a lot to give.

Joan and I will always treasure your friendship and Barbara's. And, as citizens, we remain immensely grateful for all that you have done for our country.

With deep respect and very warm wishes,

Sincerely,



cc: (in & out)
Rose Zamaria (Ncc)
THE WHITE HOUSE
WASHINGTON

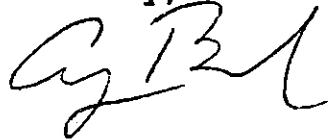
November 19, 1992

Dear Mr. Muhammad:

Thank you so much for your expression of confidence. It was a tough campaign, but we are thankful for so many blessings -- among them our family and millions of wonderful supporters like you. We have the satisfaction of having given it our best, but clearly victory was not to be.

Barbara and I will always be grateful for the privilege that we have had of serving the American people.

Sincerely,



*Thank you
so much!!*

Mr. Fathiyyah Muhammad
5848 Norwood Avenue
Jacksonville, Florida 32208

8 FATHIYYAH MUHAMMAD, ZU-WAH FASHI
5848 NORWOOD AVE
JACKSONVILLE FL 32208 02AM

WESTERN
UNION MAILGRAM®



1-000242S307 11/02/92 ICS IPMBNGZ CSP WWSA
9047683548 MGMS TDBN JACKSONVILLE FL 67 11-02 0858A EST

H P-69
GB-92
PRESIDENT GEORGE BUSH
WHITE HOUSE DC 20500

P69
WB sig

AS-SALAAM-ALAIKUM

MR PRESIDENT,

THANK YOU, THANK YOU, THANK YOU, THANK YOU...
FOR SELECTING JUDGE CLARENCE THOMAS, FOR VICTORY IN THE PERISAN GULF,
FOR 12 YEARS OF EXCELLENT MORAL LEADERSHIP FOR A JOB WELL DONE. WE
ARE FIGHTING A TOUGH BATTLE. MAY ALLAH BLESS YOU.

GOOD LUCK AND AGAIN, THANK YOU.

FATHIYYAH MUHAMMAD, PRESIDENT OF BLACK CONSERVATIVE FOR BUSH/QUAYLE
REELECTION
5848 NORWOOD AVE
JACKSONVILLE FL 32208

08:55 EST

MGMCOMP

MGM CS (10/89)

THE WHITE HOUSE

WASHINGTON

November 19, 1992

cc: (in & out)
Rose Zamaria (lcc)

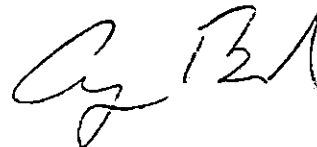
Dear Ida:

Thank you so much for your expression of confidence. It was a tough campaign, but we are thankful for so many blessings -- among them our family and millions of wonderful supporters like you. We have the satisfaction of having given it our best, but clearly victory was not to be.

Barbara and I will always be grateful for the privilege that we have had of serving the American people.

Sincerely,

Thanks so
much



Ms. Ida Lupino
12116 Hesby Street
North Hollywood, California 91607

8

(movie actress) Mrs. Howard Duff ??

Jan Burmeister

858372

IPMWH1 WSH

1-003610S308 11/04/92

ICS IPMBNGZ CSP

8187610461 POM TDBN NORTH HOLLYWOOD CA 9 11-03 1139P EST

PMS PRESIDENT GEORGE BUSH

WHITE HOUSE DC 20500

PRESIDENT BUSH, I AM SO VERY VERY SORRY. FONDLY,

IDA LUPINO

12116 HESBY ST

NORTH HOLLYWOOD CA 91607

0619 EST

IPMWH1 WSH

92 NOV 4 16:30

THE WHITE HOUSE
WASHINGTON

cc: (in & out)
Rose Zamaria (Dcc)

November 19, 1992

Dear Christine and Bob:

Thank you so much for your thoughtful message following the election and for your kind words about our visit with Elmore and Edna Drown.

It was a tough campaign, but Barbara and I are thankful for so many blessings -- among them our family and wonderful supporters like you. We will always be grateful for the privilege that we have had of serving the American people.

We're both doing fine and looking forward to the future, with no rancor in our hearts at all.

Best wishes, in which Barbara joins.

Sincerely,
You are thoughtful friends - so may my shake - any *Cy T2L*

The Reverend and Mrs. Robert M. Howes
Post Office Box 586
Kennebunkport, Maine 04046

51
The South Congregational Church

United Church of Christ.

Kennebunkport, Maine

Robert M. Howes, Minister Emeritus

Dear George and Barbara,

Christine and I, along with your multitude of friends around the world, are thinking of you. We know it must be very difficult to realize that your term in office, George, is coming to an end. We certainly hope you recognize that your defeat at the polls in no way diminishes your stature as a kind, thoughtful, compassionate man and effective President. You will be honorably remembered by the people who write the history of our time.

We shall always remember with gratitude your great kindness to us and to Elmore and Edna Drown when we brought them to Washington to honor their son whose name is recorded on the Vietnam Memorial.

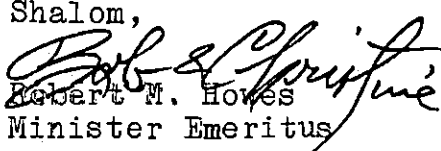
It will always be one of the cherished memories of my ministry in Kennebunkport, that I was your pastor at First Church and that we attended your inauguration and the profoundly moving prayer service at the National Cathedral.

We know that you will both continue to serve our country in very significant ways. We hope that you will choose to live in Kennebunkport and that we will continue to have the pleasure of knowing as friends President and Barbara Bush.

I loved your comment about spending time in the grandparent business. Our grandchildren are a great delight to us and we know yours are to you.

We hope you will have a good and much deserved rest and look forward to a new time in life with much satisfaction in what you have accomplished for our country and for the world and much enthusiasm for your honored status among us. Perhaps we will soon be joining others in saying, "welcome home, Mr. President and First Lady Barbara".

Shalom,


Robert M. Howes
Minister Emeritus

November 5, 1992

cc: (in & out)
Rose Zamaria (1cc)

THE WHITE HOUSE
WASHINGTON

November 19, 1992

Dear A.C.:

Thanks so much for your message about the election and for your efforts to encourage support for our team. It was a tough campaign, but Barbara and I are thankful for so many blessings -- among them our family and loyal, wonderful friends like you.

We're grateful, too, for your letting us know about Pat Boone's efforts. We sent him a note this week.

Barbara joins me in sending best wishes to you and Martha.

Sincerely,

You have been
terrific "AC" - absolutely great!
Mr. A. C. Lyles
2115 Linda Flora Drive
Los Angeles, California 90077

October 16, 1992

Hi A.C!

Maureen gave me your message of yesterday, and though I won't be able to take a day to fly with the President because of commitments here (plus Shirley is still not well, and I only leave town when I have to), I'd like you to get word to the President that I and Pat Robertson of CBN, Paul Crouch of TBN and Dick Simmons are working quietly to mobilize a 21 day campaign of praying two hours per day across the country, up until and through November 3.

Most of the people involved in this are Bush supporters, and I'd just like the President and his staff to know that we're involved in this massive nationwide effort to do our part for the President and the Republican party.

Glad we're on the same team,

*answered
separately*

Pat



October 21, 1992

Ms. Patricia Presock
Deputy Assistant to the President
The White House
Washington, D.C. 20500

Dear Patty:

The President was wonderful Monday night and I have never been more proud of him.

I am continuing to get Hollywood celebrities out to campaign for the President.

In the enclosed FAX, sent to me by Pat Boone, you will note he requested I send a copy to the President.

We're gonna win!

Warmest personal regards,

A handwritten signature in dark ink, appearing to be "A.C. Lyles", written in a cursive style.

A. C. Lyles

ACL/mad
enclosure

Al. Ayala

November 5, 1992

Dear Mr. President and Barbara -

You have been a magnificent President
and First Lady. You have been such
good friends to me, a friendless
valued very much.

Thank you for all the things that you
and kind things you have done for me.
I am much more grateful than I
can tell you. Please let me know
if there is anything I can do
to reciprocate.

With love and in sending you
our love. Our arms are always
around you. God bless you both.

Warmest love always,

Al.



THE PRESIDENT

November 19, 1992

Dear Cynthia,

Just a note to thank you for thinking about us during a difficult time for you and the children. Barbara and I are uplifted by the support of wonderful friends like you.

It was a tough campaign, but we are thankful for so many blessings -- among them our family and our friendships.

Barbara joins me in sending warm best wishes to you and yours.

We Love you

Sincerely,

THE WHITE HOUSE

cc: (in & out)
Rose Zamaria (1cc)

Mrs. Richard Colt
4002 Meadow Lake Lane
Houston, Texas 77027

J. Burmeister

The family of

Richard Colt

acknowledges with grateful

appreciation your kind expression

of sympathy

Your phone call was heartwarming at a time
when the children and I needed it - my
heartfelt appreciation. Affectionately,
Good luck next Tuesday! Cynthia

6

02



THE PRESIDENT

November 18, 1992

Dear Ruth and Bob,

Thank you so much for the wonderful truffles. It was so thoughtful of you to think of us, and we were delighted to have them. Mrs. Bush and I enjoyed our stay in Florida and hope to get back again someday.

Now, we're rested and ready to shift gears to private life and grandkids. With our best wishes to you both,

Sincerely,

cc: (in & out)
Rose Zamaria (1cc)
Charles Free (Gift
Unit - truffles
destroyed in Fl.

Mr. and Mrs. Bob Voruda
Sweet Things Ice Cream &
Yogurt Parlor
17284 San Carlos Boulevard
Ft. Myers Beach, Florida 33931



"We Make Our Own"

**SWEET THINGS
ICE CREAM & YOGURT PARLOR**

Featuring

Yesteryear Hand Dipped Chocolates

Bob & Ruth Voruda
(813) 466-1171
Indian Creek Plaza

17284 San Carlos Blvd.
Ft. Myers Beach, FL
33931

Dear President & Mrs. Bush,
Perhaps our handmade Truffles
will make your visit to Florida
"a little sweeter." Our chocolate
shop is pleased to present them
to you.

With admiration for your
dedication to our country

Bob & Ruth Voruda
Sweet Things of Florida



THE PRESIDENT

November 19, 1992

Dear Tip,

Thank you for your kind note and sharing your view about retirement. Barbara and I will always be grateful for the privilege that we have had of serving the American people.

Our best wishes to you and Millie.

P.S. we're OK -

*I hope in my
"new life" will
see more of you!*

Sincerely,

THE WHITE HOUSE

cc : (in & out)
Rose Zamaria (lcc)

The Honorable Thomas P. O'Neill, Jr.
1310 19th Street, N.W.
Washington, D.C. 20036-1602

Jan Barnmeister

Speaker
U.S. House of Representatives
1977-1986

Thomas P. O'Neill, Jr.
1310 Nineteenth Street, N.W.
Washington, D. C. 20036-1602

Member of Congress
8th District, Massachusetts
1953-1986

Dear Mr. President Bush-

Mellie joins me in sending
our love and best regards to you
and Barbara.

Many thanks for your years of
friendship.

Retirement is not that bad, it
is the commencement of a new life.

Hope to see you along the
way. America loves you both.

Sincerely,
Tap O'Neill



THE PRESIDENT

November 19, 1992

Dear Ernie,

Barbara and I are deeply grateful for your message about the election. Now that all is said and done, we especially appreciate our true friends who never gave up the battle. I have no rancor in my heart at all.

It was a tough campaign, but we are thankful for so many blessings -- among them our family and loyal, wonderful friends like you.

Barbara joins me in sending warm best wishes.

Sincerely,

THE WHITE HOUSE

cc: (in & out)
Rose Zamaria (lcc)

Mr. Ernest T. Guy
Apartment 204
815 Leicester Road
Elk Grove Village, Illinois 60007

11-4-92?

10-4-92

GB-70 (30 yrs. +
HB Sig. ✓ friendship)
"Dear Ernie"

Dear Mr. President:

During your tenure in office, you brought magnific
dignity, high honor and warm character to
U.S. Presidency. And, you did it with style and
class!

I will always value and treasure our long friendship
going back to the 60's when I was privileged to work with
you in Texas. I hope we can stay in touch in the
years ahead.

Thank you, Mr. President for having touched my life!

Respectfully,

Ernie



Ernest T. Guy
815 Leicester Rd., Apt. 204
Elk Grove Village, IL 60007



THE PRESIDENT

November 19, 1992

Dear Mary Louise,

Barbara and I are deeply grateful for your message about the election. Now that all is said and done, we especially appreciate our true friends who never gave up the battle. I have no rancor in my heart at all.

It was a tough campaign, but we are thankful for so many blessings -- among them our family and loyal, wonderful friends like you.

Barbara joins me in sending warm best wishes.

*We're OK
The sun is rising.*

Sincerely, *Love*
Bill

THE WHITE HOUSE

cc: (in & out)
Rose Zamaria (lcc)

Mrs. Elmer Smith
654 59th Street
Des Moines, Iowa 50312

10 1992

868493

MARY LOUISE SMITH
654 FIFTY-NINTH STREET
DES MOINES, IOWA 50312

November 4, 1992

Dear George,

That night during the election returns I cried. And then I heard you speak to the crowd gathered in Houston. What class and style, as always!

I have a feeling of great sadness today. The state analysis I will leave to the professionals, but about the outcome I do know this — you simply don't deserve it.

I don't worry about you and Barbara. Disappointed, yes ^{that's} ^{perhaps} but you won't be completely devastated because you are so strong and solidly based.

Whatever you do or wherever you are I hope we can stay in touch from time to time. I am indebted



THE PRESIDENT

November 19, 1992

Charlie
Dear Charles,

Thank you so much for your reference to Ike and the election. It was a tough campaign, but we gave it our best shot. Barbara and I will always be grateful for the privilege that we have had of serving the American people.

Our best wishes. *~ my profound thanks.*

Sincerely, *George H. W. Bush*

THE WHITE HOUSE

cc: Bucky Bush

cc: (in-&-out)
Rose Zamaria (lcc)

Mr. Charles Weymouth
Weymouth Architects
901 Washington Street
Wilmington, Delaware 19801

8

Weymouth Architects

901 WASHINGTON STREET
WILMINGTON, DELAWARE 19801
(302) 658-8760

JB
Dear Mr. President/George,
Frank Zulu on being the best
since Ike. Let us forget—
and for Yale. Go for it!

Best to Brother Buckley,

Charlie Weymouth

6 NOV '92

Per directory
assistance
listed as "Charles"

P.S.
Is Will still a long shot?



THE PRESIDENT

November 19, 1992

Dear Chris,

Barbara and I are deeply grateful for your message about the election. Now that all is said and done, we especially appreciate our true friends who never gave up the battle. I have no rancor in my heart at all.

It was a tough campaign, but we are thankful for so many blessings -- among them our family and loyal, wonderful friends like you.

Barbara joins me in sending warm best wishes to you and Lucy.

*Chris - I was especially
touched by your Sincerely,
words - Let's help (ours) B*

THE WHITE HOUSE

Mr. Christopher Buckley
3516 Newark Street, N.W.
Washington, D.C. 20016

cc: (in & out)

Rose Zamaria (1cc)

a lot, I treasure our

friendship and would

like to think that someday

I can repay you for your

loyal work at my side -

Ed

CHRISTOPHER BUCKLEY

p 70.
DB sig

November 10

92

Dear Skirl,

Would you please see
that this doesn't end up
on Dick Dorman's desk?

Sad times, but better times
will come. Keep us posted
as to your whereabouts.

Love love,

Christopher

P.S. I spoke with Teelley
yesterday and he says he's
going to stay in Ottawa until they
carry him out!

865625
CHRISTOPHER BUCKLEY
3516 NEWARK STREET, N.W.
WASHINGTON, D.C. 20016

November 10, 1992

The President
The White House
Washington, D.C.

Dear Mr. President,

You've been much in our thoughts this last week, and I wanted to wait to collect mine before writing. The first thing to say is the obvious one: I'm going to miss you. You were the reason I came to Washington eleven years ago; now you're leaving, I'm staying, and it won't be the same knowing that you and Mrs. B aren't just down the street. In a funny kind of way, it'll be like leaving home all over again.

You showed the fineness that is in you with that speech last Tuesday night. I've seen it in you on many an occasion, often in person. Remember the time in February, 1983 at London's Guildhall where you told Monsignor Bruce Kent (The Disarmament Padre) to go stuff it? I was very proud of you that day. And that speech you gave to Congress after Desert Storm. Many other occasions. Then last week. Bravo, boss, it was a real grace note.

I guess this is as good a time as any to say that serving you was the great experience of my life. You are as fine a man as I know, and it was a privilege and an honor be your inkstained wretch. Getting to know Mrs. B was, honesty bids me admit, nearly the best part of it all. Your children are lucky.

This isn't meant to be a farewell note, not by any means. If any man has nine lives, it's you, and I look forward to knowing you in your next career, whatever it is, and wherever it takes you. Let's stay in touch.

So, for the time being, accept my fondest regards, my thanks, my friendship, and the same, along with my love, to the great lady

Christopher

NO REPLY



THE PRESIDENT

November 19, 1992

Dear Cherry and Bart,

Barbara and I are deeply grateful for your message about the election. Now that all is said and done, we especially appreciate our true friends who never gave up the battle. I have no rancor in my heart at all.

It was a tough campaign, but we are thankful for so many blessings -- among them our family and loyal, wonderful friends like you.

Barbara joins me in sending warm best wishes.

*You're a good
man, Bart! May & hubs*

Sincerely,

THE WHITE HOUSE

cc: (in & out)

Rose Zamaria (1cc)

Mr. and Mrs. Bart Starr
Starr Sanders Properties
Suite 450
One Chase Corporate Drive
Birmingham, Alabama 35244



11
J. Burnette
November 4, 1992

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

Dear Mr. President:

You were not beaten, another simply won.

You have been and will remain a hero to millions out here who respect and trust you.

No single loss will tarnish the image of a loyal servant and exceptional leader who always represented his country with wisdom, class and dignity.

Thank you for the energy, commitment and contributions you made to this great nation.

May the knowledge that you are admired and loved by so many be a source of inspiration in the days ahead.

Cherry joins me in sending our best to you, Barbara and your family.

Sincerely,

Bart Starr

BS/km

NOV 16 1992

THE WHITE HOUSE
WASHINGTON

cc: (in & out)
Rose Zamaria (1cc)

November 19, 1992

Dear Sonia:

I just received your note and the copy of your book, Rajiv, which the Chargé d'Affaires, K. Sibal, kindly forwarded to me.

Thank you for this beautiful remembrance of your fine husband. I value it as a token of friendship and as a wonderful addition to my future Presidential collection.

Best wishes.

Yes - we did
hold each
other in
"warm regards"

Sincerely,



Mrs. Rajiv Gandhi
10 Janpath
New Delhi 110011
INDIA



वाशिंगटन, डी० सी०

EMBASSY OF INDIA

2107 MASSACHUSETTS AVE., N.W.
WASHINGTON, D.C. 20008

(GENERAL)

TEL: (202) 939-7000

FAX: (202) 939-7027

(CONSULAR)

TEL: (202) 939-9850

FAX: (202) 797-4693

K. Sibal,
Charge d' Affaires.

October 28, 1992

Dear Mr. President

I have the honour to forward along with this letter a copy of Mrs. Sonia Gandhi's book on her late husband Rajiv Gandhi. A note by Mrs. Sonia Gandhi accompanies the book.

Please accept, Excellency, the assurances of my highest consideration.

K. Sibal

(K. Sibal)

His Excellency George Bush,
President of the United
States of America,
The White House,
WASHINGTON D.C.

SONIA GANDHI
10 Janpath, New Delhi-110011

September 26, 1992

Dear Mr. President,

I am sending you a copy of my book "Rajiv".
This is in remembrance of the warm regard in which
you and Rajiv held each other.

*With warm regards,
Yours Sincerely,
Sonia Gandhi*

His Excellency Mr George Bush
President of the United States of America
White House
Washington DC

CC: (IN & OUT)

Rose Zamaria (lcc)

THE WHITE HOUSE

WASHINGTON

November 19, 1992

Dear Sally:

Barbara and I are deeply grateful for your message about the election and for the letters from Mr. Sheridan, Mr. Shawkat, and Dr. Demajo. Please pass along our appreciation to those fine folks for their steadfast support. It means a lot to us.

Now that all is said and done, we are especially grateful for our true friends who never gave up the battle. I have no rancor in my heart at all.

Barbara joins me in sending warm best wishes.

Sincerely, Love

*I tried to
return your call
hours!!*

The Honorable Sally J. Novetzke
American Ambassador
Valletta

MEMO FROM

THE AMBASSADOR'S OFFICE

I also wondered about Clinton's statement: in 50 years - this past 10 years are worse economic years ever - what about Clinton's years?

anyway, Best of luck on the next round of debates! Best ever for November 3rd!!

all love —
Jody

MEMO FROM

THE AMBASSADOR'S OFFICE

359582

OCT 13, 1942

Jan Burmeister
cc T Hecht
cc NSC

Dear G.B.,

I thought I would send on these "fan" letters to let you know that the people here in Malta really care about your "tough Policy" agenda.

I had a chance to review the JUST debate (had to be recorded) & I thought it went well on your part. It's hard to understand that "Treason" no longer makes any difference to the American people!! I'm stunned! Someone out there JUST care - it's definitely a character flaw. No matter when it happened!

MAILED 5/14/43 - 092 105 ST - 8 AUG 6 1943

Wanted to see you in Commission

Wanted to see you in Commission

Wanted to see you in Commission

Wanted to see you in Commission

Wanted to see you in Commission

Wanted to see you in Commission

Wanted to see you in Commission

Wanted to see you in Commission

Wanted to see you in Commission

Wanted to see you in Commission

Wanted to see you in Commission

Wanted to see you in Commission

Wanted to see you in Commission

Wanted to see you in Commission

Wanted to see you in Commission

Wanted to see you in Commission

Wanted to see you in Commission

Wanted to see you in Commission

Wanted to see you in Commission

Wanted to see you in Commission

Wanted to see you in Commission

Wanted to see you in Commission

Wanted to see you in Commission

Wanted to see you in Commission

Wanted to see you in Commission

Wanted to see you in Commission

Pilgrim Lodge
Main Str.
Balcan
Malta G.C.
Europe
Mediterranean.

2/10/92

Dear Mr. President,

I am writing this letter to wish you every success in your Presidential Campaign because I honestly and sincerely believe that you deserve it.

I would like to thank you for honouring Malta G with your presence at the Malta Summit in which you emulated the Greek hero Perseus when you slew the Medusa of the Iron Curtain.

I consider this to be the greatest achievement in your career because it happened so quickly and so unexpectedly.

As a small token of appreciation for your great feats I would like to present you with a memento which highlights a great historic occasion in Malta when King George VI visited our Islands fifty years ago. The flower-girl in the picture is my mother.

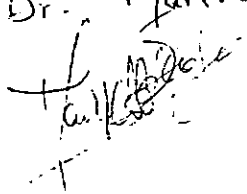
Pascal Demajo, a dentist, who was dating my
father-to-be Gunner 41685 Dr. Anthony Martin
Vella who fought side-by-side with you in
the cause of Freedom.

Dr. Demajo was a personal friend of Lord Gort,
Air Vice-Marshal Heywood, Air Vice-Marshal
Lloyd and Eric Taylor one of the pilots of
Faith, Hope and Charity Fame who tragically lost his
life over Sicily.

This was many years ago but I still - as a
son of a war-dog - would like to take the
opportunity of making up for some of the
bad weather you encountered at the Malta Summit
by expressing my fervent wish that the American
electorate will blow you back into the White House
where you belong.

God Bless you,

yours sincerely,

Dr. Martin Anthony Vella Demajo M.D.


A. CH. SHAWKAT

179, ST. MONICA ST

TARXEN

27th, AUG. 1992

Sir,

By this, I wish to express my appreciation and satisfaction for the decision taken by your President to protect my family and my city "Basrah in the South of Iraq.

please accept my heartfelt thanks.

Thanking you, I avail myself of this opportunity to accept my sentiments of my highest considerations

your sincerely,

To her Excellency,

The Ambassador of the United States of America,

Floriana, Malta.

Feverish work at Siege Bell memorial site

WORK continues apace on the site of the Siege Bell Memorial at the Lower Baracca, Valletta, where Friday afternoon the ceremony of dedication, presided over by Queen Elizabeth II and President Tabone, will take place before an invited audience.

Her Majesty and Prince Philip will arrive on Thursday morning, shortly after 10 a.m., in the Royal yacht *Briannia*, having sailed from Palermo the previous evening. The yacht will be accompanied by HMS *Battleaxe*.

The Royal visitors have a hectic programme during their short visit, one they would not have normally undertaken but for the island's special relationship with the Royal Family.

Over 800 guests have been invited to the ceremony at the memorial site, pride of place being given to the officials of the George Cross Island Association, which sponsored the monument. This has cost in all some Lm472,000 of which the GCIA has collected half, including a Lm60,000 contribution from the British government. The Maltese government contributed the other half in construction costs.

The Queen and Prince Philip will leave Gozo on Saturday as the concluding programme of their State visit.

"Royalty in Malta" photographic exhibition

PHOTOGRAPHS highlighting royal visits to Malta will be on display in a Press Club (Malta) exhibition from next Wednesday to June 5. The British High Commissioner, Mr. Peter Wallis, will officially open the exhibition on Tuesday at the Farsons premises in South Street, Valletta.

The photographs on display were submitted by press photographers Frank Attard, Gino Theuma and Lino Arrigo Azzopardi (on behalf of his father, the late Anthony Arrigo Azzopardi). The selection was carried out by a panel under the chairmanship of General Secretary Mr. Carmel Bonello-ordinated this exhibition.



MRS. MARY VELLA *née* Demajo, then the youngest and only female student at University and youngest daughter of Dr. Pascal Demajo, a dentist, presenting a bouquet of flowers to King George VI on behalf of her University colleagues, on June 20, 1943, in the Palace, Valletta. King George had afterwards visited Senglea. Dr. Pascal Demajo used to give free medical treatment during the war. Mrs. Mary Vella passed away last year. Her husband, Dr. Anthony Martin Vella, was a medical student at University and also a gunner with the RMA. Dr. Pascal Demajo who was a personal friend of Lord Gort, who at the time was Governor of Malta and who also attended the presentation, had presented one of the pilots Faith, Hope and Charity with a silver cigar case.

George Cross anniversary publications

Malta — *The Triumphant Years* 1940-43 has been reprinted in a special hardback edition by Progress Press to coincide with the 50th anniversary celebrations of the award of the George Cross. The author, George Hogan, is in Malta to attend the ceremonies during the state visit of Queen Elizabeth II.

Major Hogan edited *The Sunday Times of Malta* between 1945-53 at the time Malta was rebuilding after the war and when emigration reached its peak.

George Hogan served on the island during the siege and, with Major J.M.D. Booth-Tucker, formed 201 Malta Pioneer Group in 1942, mainly to keep the airfields in service.

He joined the army in 1918, serving for 27 years mainly with the Hampshire (now Royal) Regiment. He saw service in Germany after the First World War, later in southern Ireland and India, North West Frontier, Palestine, Egypt, the Western Desert in the Second World War, at the Battle of El Alamein.

The proceeds from the sales of the book are all devoted to the Siege Bell Memorial Fund.

Malta Defiant and Triumphant: Roll Calls 1940-43, has been published by the George Cross Island Association. This lists the names of 7,000 servicemen and civilians who were killed in defence of Malta during the Second World War and is also a comprehensive record, with illustrations, of the siege of Malta.

All the ships involved in each of the 36 convoys and the 26 operations to fly off aircraft to the island are recorded, together with the losses. They are short historical introductions to the four sections on the roles of the ships, army, air forces and civilians. The forward is by the Duke of Edinburgh.

The hard-back edition, A4 format, with 140 pages, sells at Lm12.50.

Copies are available from Captain A. Montalto, c/o Union, Club, 111A Pace Bonello, 109, High Street, Sliema (330251), Mr. S. A. Agius, Cloverhead, Upper Gardens, St.

SIEGE BELL MONUMENT

THE George Cross Island Association (Malta Branch) would like to thank the following for their generous contributions towards the Siege Bell Monument.

INDIVIDUALS

Mr. J.A. Agius
Capt. J.E. Agius
Major M.G. Agius
Mrs. M.B. Amato
Dr. & Mrs. V.P. Amato
Lt. Col. E. Amato Gauci
Major & Mrs. F.E. Amato Gauci
Major H.F. Anastasi
Anonymous
Mr. E. Aquilina
Major & Mrs. J.B. Arrigo
Major J.T. Arrigo
Miss M.C. Arrigo
Mr. & Mrs. J. Asphar
Sqn. Ldr. A.M. Attard R.A.F.
Mrs. H. Attard (in memory of her father, Dr. O.F. Gollcher LL.D.)
Capt. W.G. Attard
Lt. Col. W.J. Attard
Capt. A. Attard Montalto
Mr. J. Axisa
Chev. A.C. Azzopardi
Mr. & Mrs. G.H. Bannard
Mr. A. Bartolo Parnis
Major J. Bartolo Parnis
Mrs. A. Beacom
Major P.J. Beacom
Mr. J. Bishop
Mr. & Mrs. E. Bond Orchard
Chev. G.A. Bonello
Major Chev. J.L. Bonnici
Lt. Col. A.V. Borda
Mr. J. Borg
Lt. Col. L.A. Borg
Mr. V. Borg
Chev. V.G. Borg
Major & Mrs. A.P. Briffa
Capt. W.E. Brockman R.N.
Sqn. Ldr. H.C. Brownrigg
Mr. A. Bugelli
Mr. A.J. Buhagiar
Mrs. M.E. Bunford
Mr. J. Burlo
Mr. W.F.T. Burridge
Marquis A. Buttigieg De Piro
Fl. Lt. P.S. Buttigieg
Mr. F.X. Cachia
Mr. D. Cameron
Mr. P. Camilleri
Mr. E. Carbot
Lt. Col. G.P.J. Caruana
Mr. C. Cassar
Major Chev. V.J. Castillo
Mr. R. Casolani
Mr. E. Clantar
Lt. Cdr. & Mrs. G. Clarke
Major Chev. S.J.A. Clews
Mrs. L.M. Colomb
Mr. P. Copplini
Major F.E. Critien
Mr. & Mrs. A.J. D'Agatha
Mr. G. Darnan
Mr. M. De Gloriosa

Mr. J.V. Rausi
Mrs. F.M. Richardson
Chev. J. Runza
Mr. & Mrs. J.H. Salt
Mrs. E. Sambrook
Lt. Col. J.A. Sammut
Mr. A.J. Sant Cassia
Mrs. M.V. Saunders
Chev. J.C. Scicluna
Mr. W. Scicluna
Mr. N.F. Selvagi
Mr. A.H. Smith
Mr. C.V.A. Smith
Dr. & Mrs. W. Stellini
Mr. R.W. Stevens
Mr. E.N. Stuart
Mrs. J. Stubbs
Mr. C.J. Styles
Capt. Chev. H. Sullivan
Mr. W.E. Sullivan
Cdr. & Mrs N.E. Summers
Cdr. G.T.S. Suppiger Jnr. U.S. Navy
Col. G.Z. Tabona
Chev. V.G. Tabone
Mr. & Mrs. J. Terreni
Lady D. Thorpe
Major V. Tonna
Lt. Col. R.V. Trigona
Mrs. N.E. Turner
Mr. N. Vassallo
Miss E. Vella
Lt. Col. Baron E. Von Brockdorff
Col. T.B. Warrington
Mr. I. Wirth
Capt. W.H. Wirth
Surg. Comdr. H.L. Wismayer R.N.
Capt. J.M. Wismayer
Mrs. M. Xuereb
Chev. V.P. Zahra
Mr. & Mrs. W. Zahra
Consul Chev. A. Zammit
Mr. J.M. Zammit
Major A. Zammit Cutajar
Mrs. L. Zammit Cutajar

COMPANIES

Alfred Mizzi & Sons (Marketing) Ltd
Allied Newspapers Ltd
Andrews Feeds (Malta) Ltd
Angelo Xuereb Ltd
Anonymous
Auto Sales Ltd (Kinds)
Award Productions Ltd
Bank of Valletta Ltd
Bianchi Group of Companies
Borg Cold Stores Ltd
Brandstatter International
Carmelo Caruana Co. Ltd
Carmelo Caruana Cold Storage & Imports Ltd







THE PRESIDENT

November 19, 1992

Dear Young Friends,

Mrs. Bush and I loved your card. Thanks so much for thinking of us. We had a great time in beautiful Boca Grande.

Now, we are back in Washington. Hope you are having fun at the Boca Grande Child Care Center. Mrs. Bush and I wish you all the best for a bright future.

Sincerely,

THE WHITE HOUSE

The Kids at Boca Grande Child Care Center
Post Office box 1386
Boca Grande, Florida 33921-1386

cc: Rose Zamaria

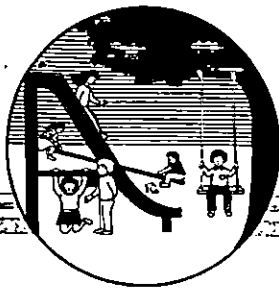
We welcome
to

BoCCA Grande

President and
Mrs. Bush

Love,
The Kids of Boca Grande
Child Care Center.

We think
you're
"funny"
Special!



Boca Grande Child Care Center



Richard, 2yrs
Nathan old



Spike, 3yrs
(Nicholas) old



Cara H. 2yrs.
old



NATT, 5yrs
old



Kara O. 2yrs
old



Kaycie, 3yrs
old



R.J. Flowers, 3yrs.
old



Tyler, 2yrs.
old



Felicia, 2yrs
old



Kayla, 2yrs
old



John 2yrs



Joshua
2yrs old



THE PRESIDENT

November 19, 1992

Dear Tim,

Thanks for your November 11th note. I appreciate your good wishes.

On January 20th we head back to Houston -- head back to a very different life. A life as you suggest that will be full of happiness.

Good luck and thanks.

Sincerely,

FROM
THE WHITE HOUSE
WASHINGTON, D.C.

Mr. Timothy J. Russert
Senior Vice President and
Bureau Chief
NBC News
4001 Nebraska Avenue, N.W.
Washington, D.C. 20016

cc: Rose Zamaria



THE PRESIDENT

Please type

Dear Tim,

YThanks for your Nov 11th note.

I appreciate your good wishes.

On January 20th we head back to houston ,
head back to a very different life;but ,as
you suggest, it will be full of happiness.

Good Luck and Thanks,



November 17, 1992

The President
The White House
Washington, D.C. 20500

Dear Mr. President:

On the day you were inaugurated, I became Washington Bureau Chief for NBC News.

It really has been a fascinating four years. Covering you and your Administration has been both challenging and rewarding. My only regret is not ever having the opportunity to interview you. Believe me, it would not have been anything like you were led to believe!

In any event, I hope you and Mrs. Bush have a wonderful Thanksgiving. Despite personal disappointments, it really is a time for all of us to count our many blessings.

I hope your years ahead are filled with happiness and good health.

God speed, Mr. President.

Sincerely,

A handwritten signature in dark ink, appearing to read "Tim Russert".

Timothy J. Russert

TJR:bf



THE PRESIDENT

November 19, 1992

Dear Kris,

Thanks so much for your kind letter. I am proud of my team here at the White House and appreciate all the hard work that everyone has put in, especially these last few months.

Barbara and I will always be grateful for the privilege we have had to serve the American people. Thanks, again, for your continued support. I wish you and your husband lots of luck and success in whatever the future may bring.

Sincerely

THE WHITE HOUSE

Mrs. Kris Dee
Office of Public Liaison
Second Floor, West Wing
The White House
Washington, D.C. 20500

cc:

Rose Zamaria

THE WHITE HOUSE
WASHINGTON

November 16, 1992

Dear Mr. President:

I wanted to thank you. Thank you for letting me see what first class leadership is all about.

The White House and the Administration has been an enjoyable, productive and rewarding place to work for the last four years. I truly believe that it is because of you.

The stress and the pressure must of seemed unbearable at times. I admire how you handled these pressures, often with a sense of humor. If more of the world could react with the coolness and grace that you have shown, the world would be a much better place.

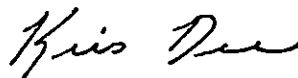
You don't know what a large role you have played in my life. I met my husband on your '88 campaign, was engaged in your beautiful rose garden and am now expecting a child in March.

I do sleep easier at night knowing that the cold war has ended. My child will know a world very different then that of so many generations. Thank you.

Someone that is close to you once told me she thought the American people didn't deserve someone as decent as you....I tend to agree with that.

Mr. President, you have touched my life in so many ways and I thank you. I am

Sincerely Yours,



Kris M. Dee
Special Assistant to the
Assistant to the President for
Public Liaison



THE PRESIDENT

November 19, 1992

Dear Bayard and Mary,

Here I am in front of my little computer-fingers all but frozen 'cause I can't think how to adequately say thanks for those 92 hours that literally changed our lives.

We went to Boca Grande, not "depressed" as the NYT reported, but certainly a little battered, a little on the blue side.

Then came the fabled Sharp hospitality-arms opened wide to the Bushes. Every thoughtful detail delivered. The vigorous exercise, enhanced by the dog-eat-dog competition on the links, even in the fishing boats, really whipped us back into shape.

Then there were the two dinners- one at your house, one at the restaurant. Both were extra special.

I am sending you a couple of pictures and a tiny souvenir, a feeble effort to say "thanks", but coming right from the heart at least.

After that early AM golf game, Bayard, and that vigorous schedule we were on, I thought I detected a slight sigh of relief *on your part* over the roar of the helicopter rotors; maybe not but you looked happy. Speaking of looking happy, Barbara and I looked at each other on the chopper, both with expressions

Sent photos w/2 silver frames w/photos

Bill Farish to hand carry over Thanksgiving weekend.

daily
Mr. & Mrs. Sharp



THE PRESIDENT

of disbelief (pinch me, was it real? type)
and joy.

We got back to some more ugly press and
nasty political revisionism; but none of
that laid a glove on us; for you see you
both gave us such a great layer of
happiness that even the meanest bastard in
the press couldn't get his lance through
it.

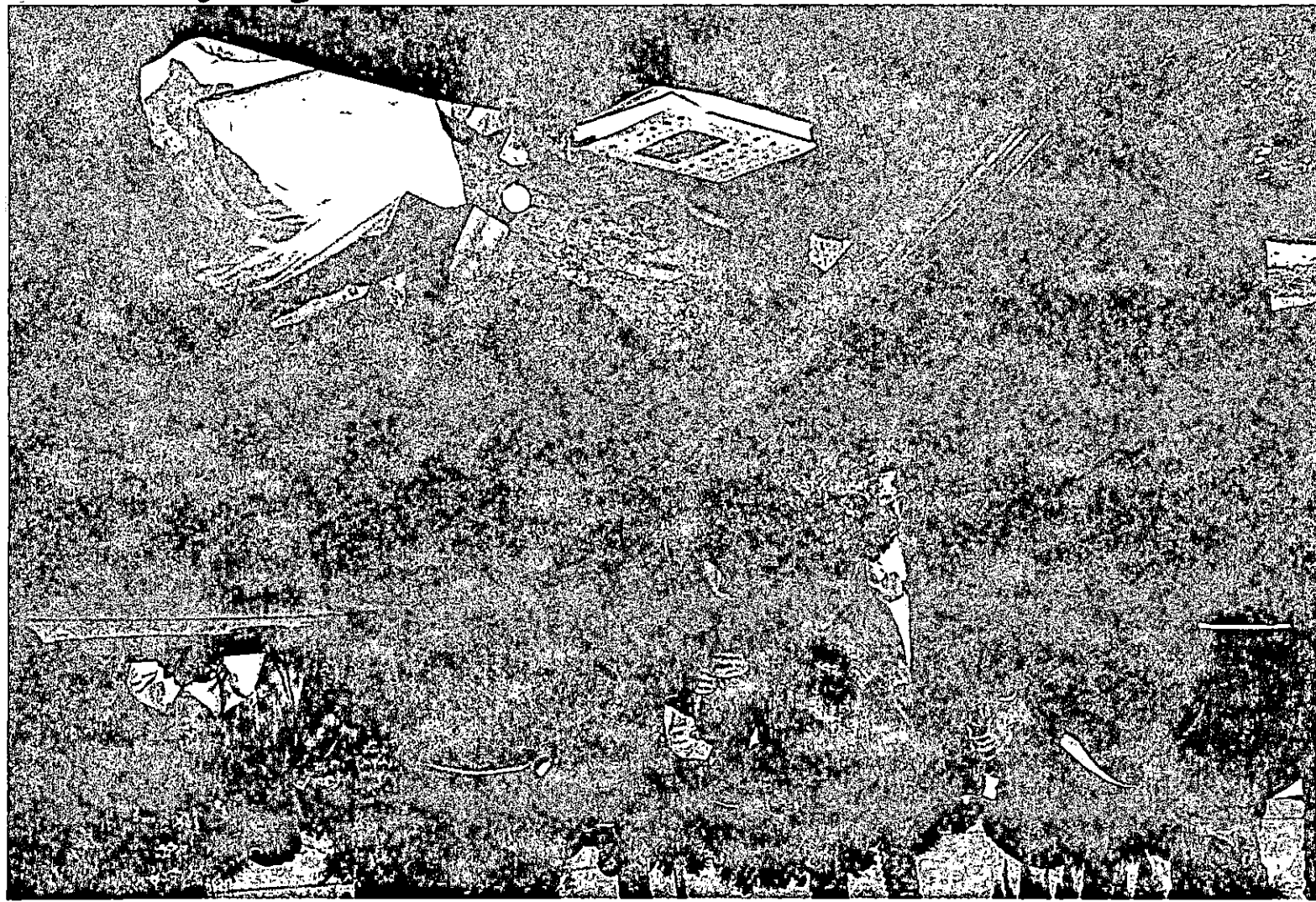
How do we reciprocate? Probably no way-
ever, but thanks, just plain thanks, for
what you gave to us-- comfort, r&r, and
friendship- most of all friendship.

Love,

A handwritten signature, likely "CJ", is written in dark ink. The signature is stylized with a large, sweeping 'C' and a sharp diagonal stroke.

P.S. pardon my compu-typing, but at least
you can read this- not so with my
handwriting.

Dear Mary -
Thanks for this warm welcome to Paradise
Love - Ed Bunt
Arrival Boca Grande 11-11-92



RM / The President wants
photos in frame for
Sharps

~~11~~

R2



THE PRESIDENT

November 19, 1992

flv

Dear Bayard and Mary,

Here I am in front of my little computer-fingers all but frozen 'cause I can't think how to adequately say thanks for those 92 hours that literally changed our lives.

We went to Boca Grande, not "depressed" as the NYT reported, but certainly a little battered, a little on the blue side.

Then came the fabled Sharp hospitality-arms opened wide to the Bushes. Every thoughtful detail delivered. The vigorous exercise, enhanced by the dog-eat-dog competition on the links, even in the fishing boats, really whipped us back into shape.

Then there were the two dinners- one at your house, one at the restaurant. Both were extra special.

I am sending you a couple of pictures and a tiny souvenir, a feeble effort to say "thanks", but coming right from the heart at least.

After that early AM golf game, Bayard, and that vigorous schedule we were on, I thought I detected a slight sigh of relief *on your part* over the roar of the helicopter rotors; maybe not but you looked happy. Speaking of looking happy, Barbara and I looked at each other on the chopper, both with expressions



THE PRESIDENT

of disbelief (pinch me, was it real? type)
and joy.

We got back to some more ugly press and
nasty political revisionism; but none of
that laid a glove on us; for you see you
both gave us such a great layer of
happiness that even the meanest bastard in
the press couldn't get his lance through
it.

How do we reciprocate? Probably no way-
ever, but thanks, just plain thanks, for
what you gave to us-- comfort, r&r, and
friendship- most of all friendship.

Love,

A handwritten signature in blue ink, which appears to be "G. H. W. Bush", is written below the word "Love,".

P.S. pardon my compu-typing, but at least
you can read this- not so with my
handwriting.



THE PRESIDENT

File

November 19, 1992

Bayard:

Here are the pictures.

Will you pass one or two along to Phil
please.

They capture the joy we felt.

THE WHITE HOUSE

WASHINGTON

Mr + Mrs. Bayard Sharp
The Sand Trap
Boca Grande, FL.

33921



THE PRESIDENT

November 19, 1992

Dear Elizabeth,

Thanks so much for writing me. It makes me very happy to know that you and your family supported me in the election. Although we did not win, we did our best.

Mrs. Bush and I had a great time in Boca Grande. We did a lot of fishing and golfing. Your Nana and Papa must love going there every weekend. Please tell them hello for me. I hope you like this picture of me and my dog, Ranger. He had a good time in Florida, too.

With best wishes to you and your family,

Sincerely,

FROM
THE WHITE HOUSE
WASHINGTON, D.C.

cc. (in & out)
Rose Zamaria (lcc)

Miss Elizabeth L. Daughtrey
c/o W.S. Badcock Corporation
2416 Fairmount Avenue
Lakeland, Florida 33803



To Elizabeth Daughtrey
With best wishes,

Cap Baul

11-21-82

Dear President Bush,
My name is Elizabeth
Daughtrey and I am in the First
Grade. I voted for You A+ MY

School and You Won. I Am
Sorry that You did not Win The Real
Vote.

I Watch Mrs. Barbata Bush

on Disney. When She does The
American Teacher Award. I hope She
Will Be able to still be on The

Prog Tam.

My Nana (grandmother) told me that you
and Mrs. Bush are going to
Boca Grande to Fish. I Am Good
at Fishing. Nana and Papa go to Boca
every Week-end. they live on Railroad
St. and the house is called

Carlew Cove. I put a picture of

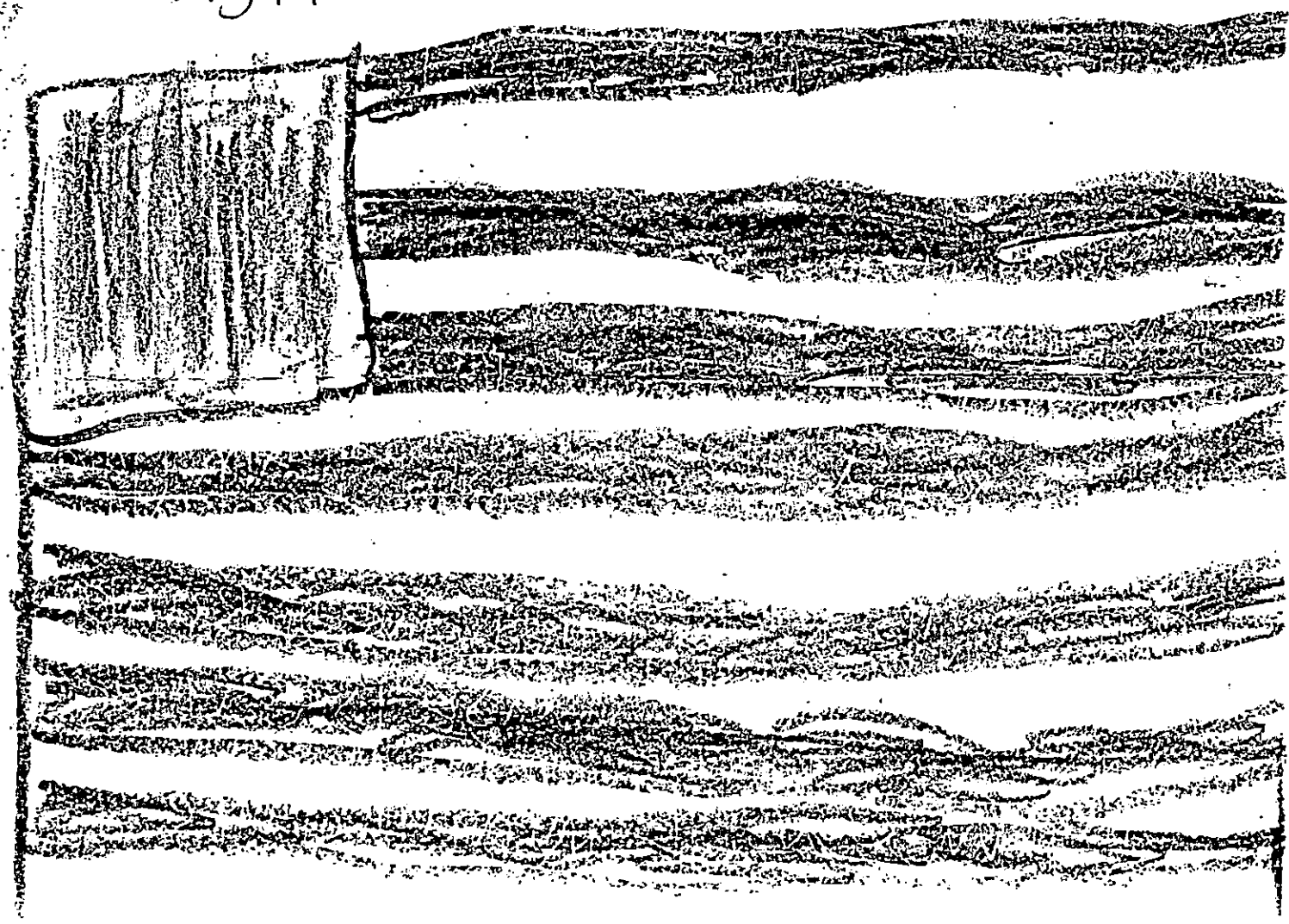
me in My letter so you Will Know
It is me Waving if you see A little
Girl.

You ARE A Good

President, I will Miss you

I Am going
to visit hahol

love,
Elizabeth



Nov. 8th

Dear Mr. President,

I knew if I mailed this letter to Washington it would not reach you in time; however I still am not sure you will receive this since I do not know how your security works. I promised Elizabeth that I would try to get her letter to you either before or while you were in Boca Grande!

Elizabeth has been so concerned about "the World" (as she says) and you and Mrs. Bush since learning the results of the election. She comes from a long line of

Republican's. Her other grandmother, Christine Daughtrey attended your inauguration and was your Campaign Headquarters Manager for Polk County in Lakeland, Florida this election. I am proud to say Polk County supported you!

Americans are funny people! They learn the hard way. How they have forgotten what you and Mrs. Bush did for our country!

At our dinner table the other night after we asked grace, Elizabeth again prayed for you and Mrs. Bush asking God to please protect our world and you.

God Bless You and Your Family.
Our Nation will truly miss you
and Mrs. Bush —

Liz Daughtrey
(Elizabeth's mother)

THE WHITE HOUSE

WASHINGTON

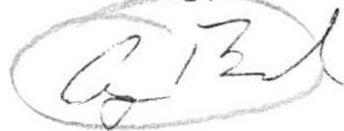
November 19, 1992

Dear Hank:

Thank you so much for your expression of confidence. It was a tough campaign, but we are thankful for so many blessings -- among them our family and millions of wonderful supporters like you. We have the satisfaction of having given it our best, but clearly victory was not to be.

Barbara and I will always be grateful for the privilege that we have had of serving the American people.

Sincerely,

A handwritten signature, likely of Bill Clinton, is enclosed in a hand-drawn oval. The signature is written in dark ink and appears to be "Bill Clinton".

Mr. Curtis H. Barnette
Chairman and Chief Executive Officer
Bethlehem Steel Corporation
1170 Eighth Avenue
Bethlehem, Pennsylvania 18016-7699

cc: (in & out)
Rose Zamaria (lcc)

THE WHITE HOUSE
WASHINGTON

November 19, 1992

Dear Judson:

Just a note to follow up on your interest in legislation that would foster charitable contributions of appreciated property. I'm certain you know that I did not approve the "Revenue Act of 1992," H.R. 11. While H.R. 11 incorporated several of the initiatives that we had proposed, I hope you will understand that, with its numerous tax increases and provisions to increase Federal spending, the bill would have had the overall effect of endangering economic growth.

Many thanks for sharing your views on this, and I was disappointed that Congress did not send me an acceptable bill. Enclosed is a copy of the Memorandum of Disapproval, which explains our position in more detail.

Best wishes.

Sincerely,



Mr. Judson Bemis
4900 IDS Center
Minneapolis, Minnesota 55402

[P.S. In 60+ days we go back to Texas. Love to your Barbara - ay

Incoming



THE PRESIDENT

November 19, 1992

Dear Chris,

Barbara and I are deeply grateful for your message about the election. Now that all is said and done, we especially appreciate our true friends who never gave up the battle. I have no rancor in my heart at all.

It was a tough campaign, but we are thankful for so many blessings -- among them our family and loyal, wonderful friends like you.

Barbara joins me in sending warm best wishes to you and Lucy.

*Chris - I was especially
touched by your words - Letting help
Sincerely, B*

THE WHITE HOUSE

Mr. Christopher Buckley
3516 Newark Street, N.W.
Washington, D.C. 20016

cc: (in & out)
Rose Zamaria (lcc)

a lot, I treasure our
friendship and would
like to thank that someday
I can repay you for your
loyal work at my side -

Les

THE WHITE HOUSE

WASHINGTON

November 19, 1992

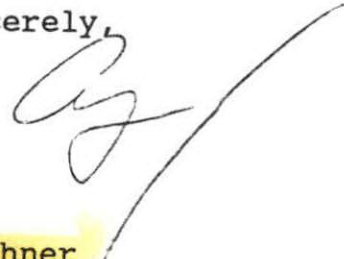
Dear Jack:

Thank you so much for your expression of confidence. It was a tough campaign, but we are thankful for so many blessings -- among them our family and millions of wonderful supporters like you. We have the satisfaction of having given it our best, but clearly victory was not to be.

Barbara and I will always be grateful for the privilege that we have had of serving the American people.

Best wishes to you and Nancy.

Sincerely,



The Honorable Jack Buechner
President
International Republican Institute
Suite 900
1212 New York Avenue, N.W.
Washington, D.C. 20005

FROM
THE WHITE HOUSE
WASHINGTON, D.C.

Mr. John E. Caulkins
25432 North Abajo Drive
Rio Verde, Arizona 85263



THE PRESIDENT

Nov. 19 92

Dear Jack,
That hooded rug looks
absolutely perfect. May I
suggest you mail it to
Don Rhodes, The White House,
Wash 20500. Put "Ranger"
on the mailing label.
What a fantastic
present; and yes all the
"landmarks" are there.

All's well here now - 60
days to go. Finish the course
with class, then Houston
where Bob has already
made a deal to build our
town house. Life's OK after all
Love to Patsy —
Your Friend, Jay

cc: (in & out)
Rose Zamaria (lcc)
Don Rhodes (lcc)
JAN BURMEISTER - (PRIV -
NEW ADDRESS)

Jan Burmeister



THE PRESIDENT

November 19, 1992

Dear Cynthia,

Just a note to thank you for thinking about us during a difficult time for you and the children. Barbara and I are uplifted by the support of wonderful friends like you.

It was a tough campaign, but we are thankful for so many blessings -- among them our family and our friendships.

Barbara joins me in sending warm best wishes to you and yours.

Love you

Sincerely,

THE WHITE HOUSE

cc: (in & out)
Rose Zamaria (lcc)

Mrs. Richard Colt
4002 Meadow Lake Lane
Houston, Texas 77027

THE WHITE HOUSE

WASHINGTON

November 19, 1992

Dear Gloria and Duke:

Thank you so much for your expression of confidence. It was a tough campaign, but we are thankful for so many blessings -- among them our family and millions of wonderful supporters like you. We have the satisfaction of having given it our best, but clearly victory was not to be.

Barbara and I will always be grateful for the privilege that we have had of serving the American people.

Sincerely,



The Honorable and Mrs. George Deukmejian
Sidley & Austin
Suite 3500
633 West Fifth Street
Los Angeles, California 90071

THE WHITE HOUSE

WASHINGTON

November 19, 1992

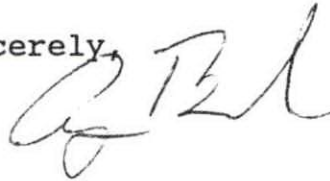
Dear Art:

Thank you so much for your expression of confidence. It was a tough campaign, but we are thankful for so many blessings -- among them our family and millions of wonderful supporters like you. We have the satisfaction of having given it our best, but clearly victory was not to be.

Barbara and I will always be grateful for the privilege that we have had of serving the American people.

Best wishes to you and Barbara.

Sincerely,

A handwritten signature in dark ink, appearing to be "Bill Clinton", written in a cursive style.

Mr. Arthur M. Dubow
Box 969
Wainscott, New York 11975

THE WHITE HOUSE

WASHINGTON

November 19, 1992

Dear Murray:

Thanks so much for your pre-election-day note and your analysis of my performance on Larry King Live. I'll try to keep your sports analogy in mind as we plan for the future.

It was a tough campaign, but Barbara and I are thankful for so many blessings -- among them our family and wonderful friends like you.

Also, I appreciate your passing along the news about Nancy. Please give her our sincere thanks the next time you see her in church.

Warm best wishes to you, Jane, and Jo, in which Barbara joins.

Sincerely,

A handwritten signature, likely of Bill Clinton, enclosed in a large, hand-drawn oval.

Mr. Murray P. Dwight
207 Hardenburgh Road
Demarest, New Jersey 07627

FROM
THE WHITE HOUSE
WASHINGTON, D.C.

The Honorable Thomas B. Evans, Jr.
Eighth Floor
1010 Wisconsin Avenue, N.W.
Washington, D.C. 20007



THE PRESIDENT

11-19-92

Dear Tommy,
Your words of good
cheer mean a lot to me.
There's a bright sunrise
out there. Now to finish
the course with a little
class. ~~There~~ Then, in 60
days, off to Texas into
that sunrise.

Love to Mary Page —
and, again, thanks my friend

by

(in & out)
Zamaria (lcc)

Jan Burmeister

cc: (in & out)
Rose Zamaria (lcc)

THE WHITE HOUSE
WASHINGTON

November 19, 1992

Dear Don:

Many thanks for your thoughtful note and kind words. It was a tough campaign, but Barbara and I are thankful for so many blessings. We, too, cherish the privilege that we have had of representing America around the world. Even more, we are grateful for loyal, wonderful friends who, like you, have been with us along the way.

You have been a great credit to our Administration, and I thoroughly enjoyed the piece from the Asian Wall Street Journal. Thank you for all that you have done, throughout your career, to serve our country.

Barbara joins me in sending best wishes to you and Meg.

Sincerely,

*You've served
so well, Don -
I'm very proud of that!*

The Honorable Donald P. Gregg
American Ambassador
Seoul



THE PRESIDENT

November 19, 1992

Dear Ernie,

Barbara and I are deeply grateful for your message about the election. Now that all is said and done, we especially appreciate our true friends who never gave up the battle. I have no rancor in my heart at all.

It was a tough campaign, but we are thankful for so many blessings -- among them our family and loyal, wonderful friends like you.

Barbara joins me in sending warm best wishes.

Sincerely,

THE WHITE HOUSE

cc: (in & out)
Rose Zamaria (lcc)

Mr. Ernest T. Guy
Apartment 204
815 Leicester Road
Elk Grove Village, Illinois 60007

FROM
THE WHITE HOUSE
WASHINGTON, D.C.

Mr. Jack O. Guy
F & G Institutional Trading,
Incorporated
Suite 260
2 Concourse Parkway
Atlanta, Georgia 30328



THE PRESIDENT

11-19-92

Dear Jack -

Not sure if we can
do what you ask; but
send me either a list or
an approximate number
of attendees. I'll see what
we can do.

On Jan 20th we're
off for Texas - 1/2 year
there - 1/2 in Maine. We've
already made a deal to
build a small house - room
for the Guy's to visit
Love to Bea -

cc: (in & out)
Rose Zamaria (lcc)

Jan Burmeister

THE WHITE HOUSE
WASHINGTON

cc: (in & out)
Rose Zamaria (lcc)

November 19, 1992

Dear Christine and Bob:

Thank you so much for your thoughtful message following the election and for your kind words about our visit with Elmore and Edna Drown.

It was a tough campaign, but Barbara and I are thankful for so many blessings -- among them our family and wonderful supporters like you. We will always be grateful for the privilege that we have had of serving the American people.

We're both doing fine and looking forward to the future, with no rancor in our hearts at all.

Best wishes, in which Barbara joins.

Sincerely,

*You are thoughtful
friends -- so
may my shake-
any*

Cy T2L

The Reverend and Mrs. Robert M. Howes
Post Office Box 586
Kennebunkport, Maine 04046

THE WHITE HOUSE

WASHINGTON

November 19, 1992

Dear Henry:

Thank you so much for your message about the election and for your outstanding efforts as National Finance Co-Chairman of Bush/Quayle '92. Well done!

It was a tough campaign, but Barbara and I are thankful for so many blessings -- among them our family and wonderful supporters like you. Although victory was not to be, Barbara and I will always be grateful for the privilege that we have had of serving the American people.

Our warm regards to you and Carlyne. *and my*
lasting gratitude Sincerely,



Mr. Henry R. Kravis
Apartment 8D
740 Park Avenue
New York, New York 10021

cc: (in & out)
Rose Zamaria (lcc)

THE WHITE HOUSE
WASHINGTON

November 19, 1992

Dear Edward:

Thanks so much for your letter following the election. It was good seeing you on the 26th. *COMT*
You're right. We all did try hard to win this one, but victory was not to be. We especially appreciate the support of friends who, like you, never gave up the battle.

Barbara and I will always be grateful for the privilege that we have had of serving the American people. We are also thankful that we have had fine people such as Manuel working in the Administration. He's done a great job!

Our best wishes to you and Virginia.

Sincerely,

From your friend
[Signature]

The Honorable Edward L. Lujan
2001 San Mateo, N.E.
Albuquerque, New Mexico 87110

[Handwritten mark]

cc: (in & out)
Rose Zamaria (lcc)

THE WHITE HOUSE
WASHINGTON

November 19, 1992

Dear A.C.:

Thanks so much for your message about the election and for your efforts to encourage support for our team. It was a tough campaign, but Barbara and I are thankful for so many blessings -- among them our family and loyal, wonderful friends like you.

We're grateful, too, for your letting us know about Pat Boone's efforts. We sent him a note this week.

Barbara joins me in sending best wishes to you and Martha.

Sincerely,

You have been
terrific "AC" - absolutely great!
Mr. A. C. Lyles
2115 Linda Flora Drive
Los Angeles, California 90077

THE WHITE HOUSE

WASHINGTON

November 19, 1992

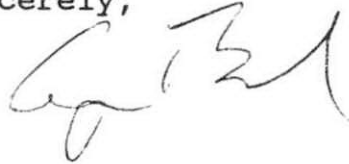
Dear Nancy and Brunson:

Thank you so much for your thoughtful message about the election and recalling our years in China. Barbara and I have good memories of the time we spent in Peking, and we appreciate all that you did to assist us there.

As for the campaign, we have the satisfaction of having given it our best. However, victory was not to be. Barbara and I will always be grateful for the privilege that we have had of serving the American people.

Our best wishes to you both.

Sincerely,



Mr. and Mrs. Brunson McKinley
7064 31st Street, N.W.
Washington, D.C. 20015

THE WHITE HOUSE

WASHINGTON

November 19, 1992

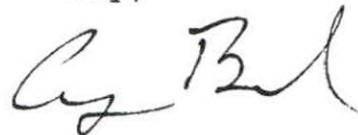
Dear Ron:

Thank you so much for your expression of confidence. It was a tough campaign, but we are thankful for so many blessings -- among them our family and millions of wonderful supporters like you. We have the satisfaction of having given it our best, but clearly victory was not to be.

Barbara and I will always be grateful for the privilege that we have had of serving the American people.

Best wishes to you and Kay.

Sincerely,



Mr. Ron Masak
100 Universal City Plaza
Universal City, California 91608





THE PRESIDENT

November 19, 1992

Dear Otis,

I hope you had a good trip to Europe. Thanks so much for taking the time to write your thoughtful message about the election. It was a tough campaign, but we are thankful for so many blessings -- among them our family and millions of wonderful supporters like you.

Barbara and I will always be grateful for the privilege that we have had of serving the American people.

Sincerely,

THE WHITE HOUSE

Dr. Otis A. Maxfield
Post Office Box 3587
Portland, Maine 04101

Gift

THE WHITE HOUSE
WASHINGTON

November 19, 1992

Dear Barbara:

The yellow roses were a terrific reminder
of Texas. What a great way to brighten our
day. Many thanks.

Barbara joins in sending best wishes.

Sincerely,

*Thanks, dear
friend!
am*

[Signature]

Mrs. Fred Melcher, Jr.
Route 3, Box 183
El Campo, Texas 77437

THE WHITE HOUSE

WASHINGTON

November 19, 1992

Dear Minor and Buck:

Thank you so much for your expression of confidence. It was a tough campaign, but we are thankful for so many blessings -- among them our family and millions of wonderful supporters like you. We have the satisfaction of having given it our best, but clearly victory was not to be.

Barbara and I will always be grateful for the privilege that we have had of serving the American people.

Sincerely,



Off to Houston
4 Jan 20th

Mr. and Mrs. Buck Mickel
Chairman Emeritus
Fluor Daniel, Inc.
301 North Main Street
Greenville, South Carolina 29602

cc: (in & out)
Rose Zamaria (lcc)

WASHINGTON, D.C.

General C. E. Mundy, Jr.,
U.S. Marine Corps
Commandant
Headquarters, U.S. Marine Corps
Washington, D.C. 20380-001



THE PRESIDENT

November 19, 1992

Dear Carl,

Thanks for your wonderful letter of November 12.
I can't begin to tell you how much it means to me.
My winning was just not meant to be, but Barbara
and I leave knowing that we gave it our best.

I will always be grateful to you and all in the
Marine Corps for your loyal and outstanding service
to Country. You have done well and I am proud of you.

As we shift gears to private life, Barbara and I send
to you, Linda, and all Marines our warmest best wishes.

Well Done, sir !!

Sincerely,



THE PRESIDENT

November 19, 1992

Dear Tip,

Thank you for your kind note and sharing your view about retirement. Barbara and I will always be grateful for the privilege that we have had of serving the American people.

Our best wishes to you and Millie.

P.S. we're OK -

I hope in my "new life" will see more of you!

Sincerely,

THE WHITE HOUSE

cc : (in & out)
Rose Zamaria (lcc)

The Honorable Thomas P. O'Neill, Jr.
1310 19th Street, N.W.
Washington, D.C. 20036-1602

Gift

THE WHITE HOUSE
WASHINGTON

November 19, 1992

Dear Barbara:

A belated, but sincere, thank-you for the great necktie that you gave on behalf of the Texas Delegation to the Convention. Barbara is equally delighted with her Texas-size scarf.

It was a tough campaign, but we are thankful for so many blessings -- among them our family and loyal, wonderful friends who, like you, never gave up the battle.

Please extend our appreciation to all the members of the Delegation for their loyal support. We will never forget their efforts in our behalf.

Barbara joins me in sending best wishes to each of you.

Sincerely *Love*



Mrs. Barbara Patton
28 West Oaks
Houston, Texas 77056

FROM
THE WHITE HOUSE
WASHINGTON, D.C.

Mrs. Davis Robinson
3729 Fordham Road, N.W.
Washington, D.C. 20016



THE PRESIDENT

11-19-92

Dear Susue,

You have been our
loyal friend - our devoted
cousin. Your caring really
helps. Now, we're focusing
on the future. It's bright. Love
As

cc: (in & out)
Rose Zamaria (2cc)

Jan Burmeister

THE WHITE HOUSE
WASHINGTON

cc: (in & out)
Rose Zamaria (lcc)

November 19, 1992

Dear Bill:

Thank you so much for your thoughtful message about the election. You're right about the networks. Although it was a tough campaign, we are thankful for so many blessings -- among them our family and millions of wonderful supporters like you. We have the satisfaction of having given it our best, but clearly victory was not to be.

Barbara and I will always be grateful for the privilege that we have had of serving the American people. She joins me in sending best wishes to you and Joan.

Sincerely,

*See you
soon. I'm
pleased about Hunt.*

Mr. William A. Schreyer
Chairman of the Board
Merrill Lynch & Company, Inc.
North Tower
World Financial Center
New York, New York 10281

Get Well

THE WHITE HOUSE

WASHINGTON

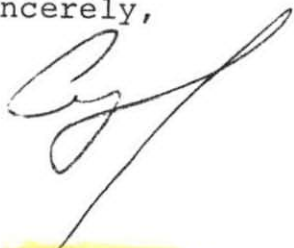
November 19, 1992

Dear Mike:

As one of your greatest admirers, I hope that you will be up and about quickly after your surgery. You have served magnificently as our Ambassador in Athens these past years. No one could have done a better job in improving our relationship with Greece.

Barbara joins me in sending best wishes to you and Estelle. You are in our prayers. Get well soon.

Sincerely,



The Honorable Michael G. Sotirhos
Box 1859
Rollins College
Winter Park, Florida 32789

FROM
THE WHITE HOUSE
WASHINGTON, D.C.

Mr. Craig R. Stapleton
281 Lake Avenue
Greenwich, Connecticut 06830



THE PRESIDENT

11-19-92

Dear Craig,

Things are clearer
now. There's a sunrise
out there.

Your letter helped us
see that. Love to all Stape's'

Cy

Jan Burmeister

THE WHITE HOUSE

WASHINGTON

November 19, 1992

To the Members of the Alibi Club:

Thank you for your thoughtful message. Barbara and I are grateful for the privilege that we have had of serving the American people. We also deeply appreciate the opportunities that we have had of getting to know many wonderful people along the way -- among them our friends at the Alibi Club. Our sincere thanks to each of you for the kindness and courtesies that you have shown us.

Best wishes, in which Barbara joins.

Sincerely,



Members of the Alibi Club
c/o The Honorable James W. Symington
Suite 800
1919 Pennsylvania Avenue, N.W.
Washington, D.C. 20006

DATE: NOVEMBER 19, 1992

CONTACT: KEITH WRIGHT

PRESS: 863-8550

THE DAILY NEWS SUMMARY



Republican National Committee

310 First Street, S.E., Washington, D.C. 20003

To: Jan Burneister

Bush expected to relax, not lift, Viet embargo

By Warren Strobel
THE WASHINGTON TIMES

President Bush will soon make new gestures toward Vietnam in return for its help in accounting for missing Americans but is unlikely to lift the economic embargo, U.S. officials and other sources said.

The lame-duck Bush administration is badly divided over how to respond to Vietnam's initiative, which analysts believe is timed to secure an end to the embargo before Bill Clinton's inauguration.

Wrapping up a visit to Hanoi yesterday, Sen. John Kerry delivered a letter from Mr. Bush to Vietnamese President Le Duc Anh in which he promised to improve relations with Vietnam. It was the first direct communication between the leaders of the two countries in almost two decades.

The Massachusetts Democrat, who heads a special committee investigating the fate of missing U.S. servicemen, urged Mr. Bush to act even before the Senate panel issues its final report at year's end.

"This cannot be a one-way street. It should not be. And I think it would be inappropriate for the United States not to reciprocate," Mr. Kerry said at a news conference in Hanoi.

Vietnam has dramatically accelerated cooperation with U.S. investigators in recent weeks, opening once-secret military archives detailing the deaths of American soldiers and holding some personal effects.

Mr. Bush's letter said such cooperation will bring the two countries closer together, U.S. officials said. But they said it did not promise specific action from the U.S. side.

The officials and other sources who follow U.S.-Vietnamese affairs predicted the president will respond, for now, with small steps that would ease but not nullify the embargo.

Such steps, taken from an April 1991 U.S. "road map" for normalizing U.S.-Vietnamese relations, could include:

- Allowing U.S. firms to sign contracts that would go into force when the embargo is lifted.
- Permitting U.S. companies to open offices in Vietnam, hire staff and conduct studies for future projects.

- Helping Vietnam to eliminate its arrears to the International Monetary Fund and ending opposition to IMF and World Bank loans to Hanoi.

Any action is likely to come after Mr. Kerry and two other senators return to the United States this weekend and confer with the White House.

Sen. Robert Smith, vice chairman of the Senate committee, predicted there will be a gradual warming of

relations, which he opposes.

"My sense is there's probably going to be a move . . . along the normalization process," said the New Hampshire Republican, who did not accompany the other senators to Hanoi. "I think it's regrettable this is going to happen."

Mark Van Fleet, director of Asia-Pacific affairs at the U.S. Chamber of Commerce, said: "I don't think we're going to have a dramatic lifting of the embargo. The outgoing administration is unlikely to take bold action like that without close consultation with the incoming folks."

"I think we'll see some movement, but it's going to be incremental."

U.S. businessmen are eager to have the embargo lifted so they can conduct operations on an equal footing with other countries, which already are contributing to southern Vietnam's fast-growing economy.

Japan's decision this month to break ranks with Washington and provide \$380 million in aid to Vietnam — its first since 1978 — has further weakened the embargo's usefulness.

Japan and France also have indicated they might pay Vietnam's \$140 million in arrears to the IMF, making it eligible for loans if the United States stops blocking Vietnam's applications.

If that happens and the United States does not drop the embargo, "that's the worst of all possible worlds for U.S. business," because Americans will be squeezed out of IMF-funded projects, Mr. Van Fleet said.

But the Bush administration remains cautious, wanting to ensure that the new data provided by Vietnam actually help resolve the fate of missing servicemen.

Mr. Smith said a cache of 4,800 photographs of killed or imprisoned U.S. servicemen that Vietnam provided last month is not "as critical and as important as I thought it was originally."

U.S. officials, saying Vietnam has failed to live up to its promises before, want to make sure this time is different.

"There's all sorts of pratfalls," one said.

The administration's divisiveness on the issue also may hamper action.

Most State Department officials favor lifting the embargo; the Pentagon opposes such a move.

The National Security Council staff, which also had been opposed, is thought to have a softer view now.

"There is an opportunity here," one policy-maker said, "but it is far from certain that anything is going to happen."

Bush briefs Clinton on world hot spots

'Helpful,' says president-elect

By Frank J. Murray
THE WASHINGTON TIMES

President-elect Bill Clinton — returning to the Rose Garden, where his White House dream began 29 years ago — was welcomed yesterday by President Bush with a handshake and "candid" foreign policy advice.

The 40th and 41st members of American government's most exclusive club met overtime in strict privacy, dissecting prospects in world trouble spots in the Oval Office.

"The American people were well served," Mr. Clinton told reporters as he headed off late for a visit with residents and businesspeople on Georgia Avenue in a gesture toward the generation of jobs in small businesses.

After the meeting, Mr. Clinton told associates privately that Mr. Bush had been "nice" to him although before the session the president-elect had trepidations, they said.

The president did not speak publicly in his welcome of Mr. Clinton, but press secretary Marlin Fitzwater put out a written statement describing "a warm and informative conversation" that satisfied both men.

After the first hour, Mr. Bush and Mr. Clinton dropped in at the White House's Roosevelt Room, where transition officials of the incoming

and outgoing administrations were meeting on technical issues involving such matters as security clearances, financial reporting and the procedure for appointments.

Attending that meeting was transition board chairman Vernon Jordan, who also hosted a private dinner last night with several journalists and Washington celebrities for Mr. Clinton, Vice President-elect Al Gore and their wives.

After a plane-side peck on the cheek and affectionate smoothing of her hair by Mr. Clinton at National Airport, Hillary Clinton went off by herself yesterday before making her first speech since the election last night at a fund-raiser for the Children's Defense Fund. She is a director of the organization.

Today, Mrs. Clinton was to meet with Barbara Bush for tea and a tour of the second-floor family quarters and notable spots in the historic mansion.

Mr. Clinton said his talks with the president focused on foreign policy areas in which he has remained relatively uncritical and sometimes even supportive, although Mr. Bush had said somewhat jocularly that his dog Millie knows more about international issues than Mr. Clinton and Mr. Gore combined.

Despite Mr. Clinton's new doubts about the administration's deficit estimate of \$268 billion, the men reportedly sidestepped thorny domestic economic issues that led Mr. Bush just three weeks ago to call Mr. Clinton a "bozo." During the campaign, Mr. Clinton responded that Mr. Bush was unprincipled.

"Campaign rhetoric ends with the campaign," Mr. Fitzwater said, a sentiment endorsed by Mr. Clinton whose apparent nervousness at the White House evaporated as soon as his motorcade headed up Georgia Avenue.

"It was very helpful . . . just very, very helpful. We talked about the kinds of problems I might face in the rest of the world," Mr. Clinton said of talks that touched on "more than a dozen actual or potential trouble spots in the world."

Neither the transition staff nor the White House would specify topics, but Mr. Clinton said they were "just what you would expect."

This was taken to include fighting in Bosnia, growing tensions surrounding Boris Yeltsin in Russia, election of a former communist leader to replace independence hero Vytautas Landsbergis in Lithuania, U.N. sanctions on Iraq, weapons sales to Iran, North Korea's nuclear capabilities, Haitian refugees, the growing isolation of China, and the Middle East peace talks.

"He was very candid and he gave me the benefit of his thinking about a lot of things. I asked him for his advice about a lot of things. It was a terrific meeting," Mr. Clinton said.

Yesterday Mr. Bush gave Mr. Clinton a public silent treatment and voiced none of the usual welcomes but posed for photos and appeared to get along well with the Arkansas governor, who will inherit his power and worries on Jan. 20.

The president strode briskly from the Oval Office to receive his successor just steps from the armored limousine that brought Mr. Clinton from National Airport precisely on time for his presidential appointment, a rare occurrence for Mr. Clinton, whose trademark is running behind schedule.

They paused briefly behind some bushes to thrash out ground rules before walking to the Rose Garden to face two dozen television cameras, three times that many still cameras and dozens of writers whose hopes were nipped by a curt announcement from Mr. Bush.

"He's going to be available to the press, I'm sure, before he leaves Washington, so we didn't want to get into a full-scale press conference," the president said, cutting off a flurry of shouted questions.

A confidant of Mr. Bush said the president felt "comfortable" before the one-hour, 45-minute session about renewing a civil relationship with Mr. Clinton, whom he has said he likes.

Before Mr. Clinton arrived, the president spent an hour discussing plans for his presidential library with James Cicconi, a former White House aide who is an official of the library.

Other officials at the technical meeting on transition activities were director Warren Christopher and deputies Mark Gearan and Alexis Herman. Administration officials were Transportation Secretary Andrew Card, Chase Untermeyer and Robert Zoellick.

Not first lady, but a 'partner'

By Frank J. Murray
THE WASHINGTON TIMES

Hillary Clinton came to town with the president-elect yesterday, seeking to redefine her title as "presidential partner" instead of "first lady" and doing something he didn't do — give a policy speech.

In Mrs. Clinton's first public address since the Nov. 3 election victory, she called on presidents to do better by American children.

"We have not done what we should have done. It is not just a problem for us as political citizens, it is a problem for us as human beings," Mrs. Clinton said in the keynote address last night at a benefit for the Children's Defense Fund.

During her Washington travels yesterday, Mrs. Clinton let it be known she wants to be referred to not as "first lady," but as "a presidential partner," WUSA-TV's Mike Buchanan reported last night.

Mrs. Clinton said nothing last night about how she might bring about solutions, although she has said she will use her legal and legislative experience to do more to solve problems than other first ladies, including Barbara Bush, have drawn attention to.

"There is a role for each of us as there is for every adult in this country to do better for our children and our youth," she said, calling on Americans as individuals, but particularly as "citizens," to stand up for those who cannot vote and have no choice.

"We all tonight are voices for children," she said.

President-elect Bill Clinton accompanied his wife to a reception but left to attend a social engagement before she spoke. She later joined him for dinner at the home of Clinton transition board chairman Vernon Jordan.

Since she was so familiar to her audience as a CDF board member since 1978, she also joked about the extra people with her on this trip.

"Apparently, when one is the president-elect, it requires a little more planning than it used to be when he would just show up, so we travel with a lot more people than usual and many of them are recognizable because they talk into their sleeves," the 45-year-old Mrs. Clinton said, alluding to her Secret Service

bodyguards.

"I've never missed a CDF benefit and I had no intention of missing this one," she said.

Meanwhile, wire services have resumed using her maiden name, reportedly at her request that she be identified as Hillary Rodham Clinton.

Last night's speech at the National Building Museum marked her return to an activist role with the organization from which she resigned after six years as chairman in February.

She attended the CDF board meeting yesterday afternoon without public announcement and addressed the board and staff privately.

Mrs. Clinton began soft-pedaling her own views after being criticized during the campaign for what some saw as intrusion on the role of an elected official. Some of those views included writings advocating that children have the right to sue parents who do not measure up, but last night's arguments included no specific calls for action.

"I hope and I trust it can be the great mission of this country and that together all of us will do all we can to make sure that no child is left behind and all children have the promise that America holds out," she said.

The speech seemed to reassert her arguments that government should intervene on behalf of children whose lives promise less, culturally or otherwise, although she also emphasized the role of family and private institutions.

"Each of us — parents or grandparents, aunts and uncles, friends or neighbors, teachers or coaches, as preachers or business leaders, as presidents — all of us have to recognize that we owe our children more than we have been giving to them," Mrs. Clinton said in her 15-minute speech to a crowd that had donated from \$300 a seat to upward of \$10,000 a table.

Speaking before a sign that included the Fund's motto, "Dear Lord, be good to me. The sea is so wide and my boat is so small," Mrs. Clinton wore a salmon-colored suit without

her trademark headband, although some in the audience wore headbands in her style.

In what sounded as if it might become a legislative action agenda, Mrs. Clinton spelled out the areas needing attention.

"We need to begin paying that to them in the way that counts for children: With love and attention, the right mixture of discipline and caring, with schools that work, with neighborhoods that are safe, with health care that is available, with role models that encourage young people to dream dreams and believe they too can lead productive lives," she said.

"What on earth could be more important than making sure that every child has a chance to be born healthy, to receive immunization and health care as that child grows, to be stimulated and to learn so that that child can be ready for school, to have parents and family members who believe with all their heart that caring for that child is their most important obligation?" she said.

Bush, Clinton Confer on the Transfer of Power

Two-Hour Talks Cover Domestic, Foreign Issues

By Ann Devroy
Washington Post Staff Writer

President Bush and President-elect Clinton, playing out one of the public rituals that signifies democracy's peaceful exchange of power, met at the White House yesterday in a dignified Oval Office session that launched serious preparations for the Democratic takeover of the government.

The glass doors to the empty Oval Office stood wide open as Bush marched down the South driveway shortly after 1 p.m. yesterday, his hand extended, when Clinton arrived on time for what turned out to be a nearly two-hour meeting. The two men held what both described as cordial talks about foreign and domestic issues, then strolled next door to the Roosevelt Room, where transition aides from both sides were meeting.

"I realize this is a hostile takeover," Transportation Secretary and Bush transition leader Andrew H. Card Jr. said later of the arrival of Clinton and his team. "But there was no hostility at all. We are committed to making it work. They are committed to having it work."

Along the iron gates that enclose the White House, hundreds waited, fruitlessly, for a glimpse of the new occupant of 1600 Pennsylvania Avenue. Clinton's motorcade—short by presidential standards—then sped him to one of Washington's struggling commercial areas on upper Georgia Avenue NW, where he spent 90 minutes shaking hands and engaging in his signature mini-debates over economic, health care and other policies with regular folks.

If the White House session was the symbol of power changing hands, the Georgia Avenue appearance was meant to be the symbol of political change from a Republican to Democratic administration. He was there, Clinton said, "to show America that I'm not going to lose touch with the people who put me in." Said one of the crowd, "You made a great move coming up here. You're here among the common people."

After a rest at the Hay-Adams Hotel, Clinton offered another view of how different his presidency will be from the one that precedes it. The president-elect, according to his schedule, "accompanied" Hillary Clinton, who was the main speaker at a Children's Defense Fund reception, the advocacy group for children whose board she once chaired.

The Clintons ended the day with a private dinner with the backbone of the city's Democratic establishment at the home of his transition chairman, Vernon E. Jordan Jr.

But it was the White House meeting that offered the clearest reality of the new order. The Rose Garden has not been as packed with media since the arrival of Mikhail Gorbachev, nor ever as devoid of senior aides. Usually the men who help the president run the country line the colonnade and peer out the windows or doors when a notable visitor arrives. This time, the men and women who came to signify the Bush administration, from Chief of Staff James A. Baker III to press secretary Marlin Fitzwater, remained in their White House offices, out of sight of the victor come to view the spoils.

Bush and Clinton agreed not to take ques-

tions, Bush said, as a thousand cameras clicked and the two were gone in two minutes. Afterward, the White House, treating the session like a meeting with a visitor from a foreign land, issued a written statement. "Warm and informative," it said. A review of "trouble spots around the world." Both men "expressed satisfaction."

Both are also keeping their counsel on whether anything of substance or emotion was discussed—there were no aides in the room when they talked—although some hints seeped out. Clinton asked Bush when the government would issue new Medicaid rules that govern state reimbursements, a problem for Clinton in Arkansas as well as other governors whose state budgets are severely affected by Medicaid costs. Bush told Clinton they would be out soon and a senior official who Bush queried later said they would be out probably by Friday.

One Clinton aide said in advance of the meeting that the Democrat "really is interested" in Bush's view of foreign policy issues. "He gave me the benefit of his thinking about a lot of things," Clinton said of his session with Bush, adding they had discussed a couple of domestic issues and "a dozen actual and potential trouble spots around the world."

As Bush and Clinton met, Clinton transition team members Jordan, Warren M. Christopher, Alexis M. Herman and Mark D. Gearan met for an hour with Card, Chase Untermeyer, who was Bush's transition and White House personnel director; and Robert B. Zoellick, deputy chief of staff who is overseeing much of the policy work of the Bush administration in these final months.

Participants described that session as a brief primer from those who have been there. They mentioned the problem of

lengthy FBI clearances, and told the Clinton team to get some aides cleared so they can read the FBI reports on potential nominees for top jobs. They talked about the ethics laws governing incoming officials and of the way the current White House is structured.

Card said he told the Clinton team that his marching orders from Bush were to make this "the best transition in history" and he said that he solicited any rumors, facts, reports about anyone in the Republican administration "trying to throw sand in the gears."

Another participant said the Clinton team asked little and made no demands, specific or otherwise. "We offered them a series of services and discussed how we are organizing to help them. We gave them benefit of our experience and said, here it is, take it or leave it. We said we have our contact points in each agency, you give us yours and we will go to work. It was very harmonious."

Outside the White House, Clinton was on familiar territory, peppered with questions at his Georgia Avenue event that he clearly enjoyed answering, following the pattern of his campaign.

As he glad-handed along the sidewalk in Northwest Washington, Clinton promised quick action on job creation and small business development—"if Congress goes along, and I think they will."

He shook hundreds of hands and heard hundreds of blurted messages. One woman buttonholed the president-elect and spoke urgently about crime. "You've got to do something about violence!" she shouted. "We need leadership from the White House."

"That's why I came here today," Clinton answered. "I want to send a message."

Staff writer David Von Drehle contributed to this report.

Target with political baggage Brosnahan's ties called a liability

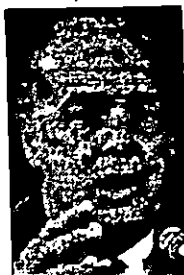
By Michael Hedges
THE WASHINGTON TIMES

James Brosnahan, the lawyer hired by independent counsel Lawrence Walsh to prosecute Caspar Weinberger, has had a dream: He wants a federal judgeship.

"His goal in life is to be a 9th Circuit judge," said E. Robert Wallach, a San Francisco lawyer who said he has been a friend of Mr. Brosnahan's for nearly 30 years.

"He has told me that himself. His agenda in life has been to elevate himself so that he would be acceptable for such an appointment."

Mr. Brosnahan, 59, an activist over the years in many liberal causes and a frequent supporter of Democratic political candidates, is a central figure in the bubbling controversy over the indictment of Mr. Weinberger, the former defense secretary, four days before Election Day.



Brosnahan

Senate Minority Leader Bob Dole, who formally asked the Justice Department to appoint a special prosecutor to investigate Mr. Walsh's office, demanded on Sunday that Mr. Brosnahan be fired.

It's not the first time Mr. Brosnahan tangled with the Reagan and Bush administrations over policy or personnel. Republican officials said the indictment — or more particularly a Weinberger memo attached to it that put Mr. Bush at a meeting at which an Iranian arms sale was discussed — was intended to stall President Bush's late re-election

campaign surge.

In addition to questioning the timing of the indictment, high-ranking Republicans charged that Mr. Walsh's office alerted the Clinton-Gore campaign in advance to give them time to prepare how best to exploit the news. The Clinton-Gore campaign news release about the indictment was dated Oct. 29, the day before the indictment was handed up. Clinton-Gore campaign officials said it was misdated by the typist but could not find the computer on which the news release was generated, which would have established the date the release was generated.

Nearly six years and \$35 million into his Iran-Contra probe, Mr. Walsh, 81, hired Mr. Brosnahan, chief partner in the San Francisco firm Morrison and Foerster, to prosecute Mr. Weinberger. A spokeswoman for Mr. Walsh said an outside prosecutor was made necessary after a defense motion was filed to disqualify Craig Gillen, Mr. Walsh's chief deputy.

Several Democrats privately express concern that the appointment of Mr. Brosnahan appears to have further politicized the Iran-Contra probe. "There are lots of competent, even brilliant attorneys who don't carry any political baggage," one Democratic lawyer said.

Asked a prosecutor, also a Democrat: "Is Walsh saying after six years and unlimited spending he had to bring somebody in from outside to handle this case?" At a minimum, what does that say about his competency?"

Mr. Brosnahan, who has a record of contributing to Democratic candidates, including Michael Dukakis in 1988, gave \$500 to the Clinton campaign this year, and members of his law firm gave another \$22,000, according to Federal Election Commission records.

Both Mr. Walsh and Mr. Brosnahan declined to be interviewed by The Washington Times.

Mary Belcher, a spokeswoman for the independent counsel's office, said of Mr. Brosnahan: "He isn't giving interviews to anyone right now. He is preparing for trial."

She said Mr. Walsh has 13 lawyers on his staff. None are considered by Mr. Walsh to be ready for the Weinberger case. Said his spokeswoman: "We don't have many highly experienced lawyers. We have a number of highly competent lawyers, but not with a lot of courtroom experience."

Mr. Wallach, 57, described Mr. Brosnahan as harboring a deep animosity for former President Reagan and his entire administration. "He hated Ronald Reagan and he hated Ed Meese," Mr. Wallach said. "That is one reason he didn't want to defend me [in the Wedtech case]."

Still, Mr. Wallach said Mr. Brosnahan, who was "one of my two or three closest friends" for a number of years, is "one of the 10 best defense attorneys in the country."

He said his friendship with Mr. Brosnahan cooled after he was charged in the Wedtech case. "I went to him three times and asked him to defend me," Mr. Wallach said. "After a quarter century of friendship he rejected me."

Mr. Wallach was convicted in 1989 of accepting money from Wedtech, a defense contractor since out of business, to lobby Mr. Meese while the latter was a high-ranking Reagan administration official. The conviction was overturned. He now faces retrial on the charges.

While defending a client in 1988, Mr. Brosnahan accused Mr. Reagan and then-Vice President Bush of

Operation Desert Storm drew Mr. Brosnahan's scorn.

"giving assurances" to former Philippine President Ferdinand Marcos that the Justice Department would prosecute a political foe of Marcos'. Mr. Reagan and Mr. Bush said the charge was false.

The case involved Steve Psinakis, who was accused of smuggling detonating wire and blasting caps into the Philippines to be used by those opposing the government. He was tried and acquitted.

Operation Desert Storm drew Mr. Brosnahan's scorn. When he saw anti-war protesters in front of the White House at the time, as he was quoted in the National Law Journal in January 1991 as saying, "I almost had the cab stop and let me out to demonstrate in my own humble way."

In 1986, he accused Supreme Court Justice William Rehnquist of having challenged the right of blacks and Hispanics to vote in Phoenix in 1962 on grounds that they were illiterate. Justice Rehnquist, then undergoing confirmation scrutiny as President Reagan's nominee for chief justice, denied the charge.

Mr. Brosnahan was put under oath by the Senate Judiciary Committee and questioned about what he

knew. He testified that he actually seen Justice Rehnquist challenge any potential vote.

"But no, I did not see him ample, go down the line, challenge a black or Hispanic the grounds they could not did not see that," he testified in the official transcript.

Under further questioning, Brosnahan testified that he Justice Rehnquist preside polling site, where there were gations that others challenge to read a card contain the Constitution.

Five other witnesses testified by Mr. Brosnahan report on the matter, who those believed to have voters, did not name Justice Rehnquist. The committee confirmed as chief justice. After Howard Metzenbaum, Democrat, told Mr. Brosnahan never seen a more competent American than you, Brosnahan later contributed \$50,000 to Metzenbaum re-election.

Mr. Brosnahan was also defense attorneys in the trial representing a group of illegally smuggling Americans into this country.

The federal judge in Earl H. Carroll, accused Brosnahan and other defense trying to provoke him in responses they might use as evidence of bias.

Mr. Brosnahan's client was that the illegal alien bringing into the United States escaping "religious persecution" in Central America. Most of those accused were convicted.

Dennis Riordan, a lawyer who also worked on behalf of aliens in the Sanctuary Movement, said of Mr. Brosnahan: "He was for the dedication of a million dollars' worth of legal service movement."

Mr. Riordan added: "I believe in political labels, I would probably find 'liberal' label for him."

In one 1990 case in which representing an accused launderer, Mr. Brosnahan federal District Judge J. Irving of driving his client attempt. He repeated the judge's order not to case during the trial. The asked for sanctions against Brosnahan. No misconduct were filed. His client was of taking money from drug smugglers.

Inquiry Finds File Searchers

Tried to Aid Bush

By Walter Pincus
Washington Post Staff Writer

A State Department investigation concluded yesterday that officials who directed searches of passport and consular files of Bill Clinton during the presidential campaign were attempting to help President Bush win reelection, but added that "no evidence" was found that "the White House—or any other external source—orchestrated" the operation.

"There was indeed an attempt to use the Department of State, the records and the people of the Department of State, to influence the outcome of the election," said

Sherman M. Funk, the department's inspector general who headed the month-long inquiry. At a news conference releasing a thick report on the probe, Funk called the searches "a very heinous activity," adding they had cast "shame" on the State Department.

While the investigation absolved the White House of directing or encouraging the searches, which took place Sept. 30 and Oct. 1, the inspector general's detailed report raised questions about the role played in the affair by assistant to the president for political affairs Janet Mullins, a top aide to White House Chief of Staff James A. Baker III.

The report said Mullins told investigators that "all she knew about the [State] Department's handling" of the searches, which officials initially had said were in response to Freedom of Information Act (FOIA) requests from three news organizations, "was what she had read in the newspaper." But the report also said Baker told investigators "the first he had heard about the search was on Sept. 30 or Oct. 1 from Mullins"—which was just the time the searches were taking place.

The report went on to quote Baker as saying "no one at the department was feeding a 'blow-by-blow' account of the progress of the file search to the White House."

Funk placed primary blame for the searches on Steven K. Berry, acting assistant secretary of state for legislative affairs, and Elizabeth M. Tamposi, who was assistant secretary of state for consular affairs before her dismissal last week. Funk said that no one above them in the department "had been involved in any way or had given direction in any way."

The report said Berry "frequently talked with [Mullins] about the Clinton FOIA requests," but the investigators gave no indication when those conversations took place.

Questioned about these conversations,

Funk told reporters: "We have not a scintilla of evidence, not a scintilla of evidence—and believe me, we tried to find such evidence—that Ms. Mullins instructed, suggested or did anything to get Mr. Berry in turn to pass on to Ms. Mullins . . . anything that was improper."

Acting Secretary of State Lawrence S. Eagleburger, who dismissed Tamposi Nov. 10 at the urging of the president, announced yesterday that as a result of the inspector general's report, he had ordered Berry, a political appointee, to step down from his post. Berry could remain at the department, Eagleburger said, but still faces administrative disciplinary action from the director general of the Foreign Service.

A longtime Foreign Service officer himself, Eagleburger said the department's "reputation had been tarnished," and he took personal responsibility for that. Before the Nov. 3 election, he said, "I offered the president personally my resignation. He refused to accept it."

"This building has no business being engaged in partisan political efforts of this sort . . . I'm sorry it happened but it did, and we've now got to try to clean it up," Eagleburger said. He added, however, while disciplinary action would likely be taken against a number of additional officials, there were no plans to recommend criminal action by the Justice Department against anyone.

In explaining the origins of the affair, Funk said department officials had been correct to search Clinton's files in response to the FOIA requests, because searches of the files of public figures are allowed in order to determine whether they contain information in the public domain. But Funk said officials had been wrong to expedite the FOIA requests and concluded that the manner in which the searches were carried out was anything but routine.

He said never "has there ever been a FOIA search conducted with such urgency, scope, thoroughness and grade-levels of participants."

Investigators also looked into the publicized searches of the passport files of Clinton's mother, Virginia Kelley, and independent presidential candidate Ross Perot, but dismissed them as largely technical.

The report said the search of the files of Clinton's mother was done to "cross-check" for possible material on Clinton. It said the Perot passport files were picked up from the National Records Center warehouse in Suitland as part of an effort by Tamposi to keep all the presidential candidates' records in a sin-

gle safe place. The report confirmed Tamposi's story that she had ordered the retrieval on Oct. 2, but it was not carried out until Oct. 13.

"Our inquiry uncovered no evidence which would suggest that Ross Perot's passport files were searched by Tamposi's aides with the hope of finding anything politically useful," the inspector general's report said.

The report offered some new details to what was already known about the passport affair, and also raised new questions.

At one point, for example, Tamposi apparently made copies of Clinton's records, then shredded them during the week of Oct. 11. There is no explanation in the report of why the copies were made or whether there were others.

The report also said that one of Tamposi's senior assistants, Carmen A. DiPlacido, took Clinton's file to his home the night of Oct. 1 to keep it secure.

A longtime career civil servant, DiPlacido, who was the on-scene search director, was criticized in the report for having "crossed the line from appropriate conduct of duties into carrying out a politically motivated search." For demonstrating "poor judgment," he was recommended for disciplinary action.

The report said the searches had been undertaken amid rumors circulating in Washington that somewhere there existed copies of a purported letter to the State Department from Clinton while he was a Rhodes scholar at Oxford in the late 1960s in which he wrote that he renounced his U.S. citizenship or was considering doing so. In some versions, Clinton included plans to take up residence in Norway.

This alleged letter, according to the report, was apparently what the searchers were looking for.

The report revealed that as early as Sept. 24, Berry "unofficially and off-the-record" was inquiring within the State Department about where records on dual citizenship might be located.

Berry, a political appointee who worked for two years as Mullins's chief deputy until she went to the White House in August, had formerly been Republican staff director of the House intelligence committee and the House Foreign Affairs Committee.

According to the report, Tamposi called Berry on the afternoon of

Sept. 30 to tell him the search of Clinton's files was underway. About that time, Tamposi also called another top Baker aide, Margaret Tutwiler, who is assistant to the president for communications. But the report said that Tutwiler refused to take the call as a matter of policy because, according to the report, she had sought to sever all connections with the State Department since moving from there to the White House in August.

The report went on to say, however, that when Tamposi tried to reach her, Tutwiler "raised her eyebrows," according to Mullins, and said she would not return the call, adding "that she did not think it would be appropriate for her to become involved in the Clinton file matter."

The report did not indicate how Tutwiler knew at that moment that the Clinton file was to be the subject of Tamposi's call.

Rep. Howard L. Berman (D-Calif.), who along with Sen. John F. Kerry (D-Mass.) has ordered a General Accounting Office review of the matter, said yesterday that the inspector general's report "is a beginning, not an end to the investigation. Many issues remain to be addressed." Berman said he and Kerry would ask the GAO, the investigative arm of Congress, to widen its probe to include questions raised by the report.

'A Series of Blunders ... Lapses in Judgment'

Reuter

Excerpts from remarks by acting Secretary of State Lawrence S. Eagleburger:

First, this entire episode put the State Department front and center in the one place it should never be—the political arena. Both Secretary Baker [former secretary of state James A. Baker III, now White House chief of staff] and I have always sought to conduct the business of this building on the basis of the country's national interest, nothing less and nothing more.

The State Department is composed of individuals dedicated to serving their country with the highest standards of conduct. I truly regret, therefore, anything that has been done to undermine the integrity of this institution. As the head of this department, I must and I do take responsibility for the events that Mr. Funk [State Department Inspector General Sherman M. Funk] will detail to you shortly.

On the basis of his report, I will take appropriate steps to begin the process of restoring the tarnished image of this department.

Second, I want to note that this has not been a criminal investigation, and that the inspector general has not found evidence of criminal wrongdoing. I should note in this regard that I and I alone made the decision on the recommendation of the inspector general to ask the Department of Justice to call in the FBI to investigate possible criminal tampering of Governor Clinton's passport application.

As you know, the FBI has determined that there was no evidence of such tampering. The FBI is also now looking into the past practice of telephone monitoring by the department's operation center.

Third, I want to emphasize the conclusion in the report that there is no evidence to support

the allegation that any official in the State Department above the assistant secretary level instigated, ordered or authorized any of the searches in question. Similarly, there is no credible evidence to support the allegation that anyone in the department was acting at the direction of someone outside the department.

I would be naive if I did not expect that people will question these conclusions. But I urge each of you to suspend your critical judgments until you too have had an opportunity to review the inspector general's report in its entirety. It is in my judgment an impressive document. . . .

There are professionals in this building, civil service and foreign service. Their obligation and their responsibility is to serve the political masters that the American people have chosen. There is absolutely nothing wrong in Mr. Bush or Mr. Clinton, or anybody else putting political appointees in this department that will carry out his policies, and that are familiar with and sympathetic to the directions in which he wants to go.

The issue is not whether you should have political appointees. The issue is the kind of people you appoint.

Excerpts of remarks by State Department Inspector General Sherman M. Funk:

. . . The basic conclusion of the report is that there was indeed an attempt to use the Department of State, the records and the people of the Department of State to influence the outcome of the presidential election.

That is a very heinous activity, and shame on the Department of State that it happened. I suspect it was rather disingenuous to say why was it—received such coverage in the press. I would be surprised and disappointed if activity like that, once it became public, was not covered adequately in the press. . . .

Our conclusions, basically were, as I men-

tioned at the outset, yes, there were people who used for political purposes, people and records in the State Department.

Two, we found no evidence that this had been anything other than the way we describe it. We found no evidence that it had been orchestrated or directed by the White House or by anybody else. We found no evidence that anybody above the level of assistant secretary had been involved in any way, or had given direction in any way.

We concluded that there had been a series of blunders in some cases, a series of incredibly poor lapses in judgment in other cases, some politically motivated, some not. We concluded that there were procedures in the Department of State that needed tightening and in some cases substantial revision.

We concluded that maybe even one of the laws involved, the Freedom of Information Act, and possibly the Privacy Act, required some tightening, and I discussed that with a member of the Hill this morning.

And finally, we concluded that there were a number of people who merited, in our view, disciplinary action. Our normal process for disciplinary action is to make a recommendation to that effect, to the director general of the department, who is also the director of personnel. . . . The individuals that we were talking about are for the most part civil service.

And finally, we concluded that it was important that whatever we can do to institutionalize the process to prevent this kind of thing from happening again, that we should do. But . . . you're dealing with human beings, with frailties, with ambitions, with hopes, and although you can put up all kinds of bars, you can put up all kinds of prohibitions, you can put up all kinds of safeguards and caveats, the fact of the matter is when the push comes to shove we basically are going to rely upon the integrity of our people.

Reconciliation

Bush and Clinton Proclaim End to the Election's Rancor

By GWEN IFILL

Special to The New York Times

WASHINGTON, Nov. 18 — President Bush and his successor, President-elect Bill Clinton, today declared a peaceful end to a rancorous campaign year, smiling, shaking hands and chatting about world and domestic affairs at the White House.

Sweeping noisily into Washington for the first time since the election, Mr. Clinton moved swiftly from the grandeur of the White House to the proletarian bustle of Georgia Avenue, from cocktails with a Washington interest group to dinner with the Washington elite.

Mr. Clinton's wife, Hillary, gave a speech at the reception for the Children's Defense Fund, of which she is a director. Mrs. Clinton is to receive her own tour of the White House on Thursday and is examining a list of schools for their 12-year-old daughter, Chelsea.

Focus on Foreign Affairs

Mr. Clinton later described his meeting with Mr. Bush as "terrific" and told reporters the President "was very helpful."

"He gave me the benefit of his thinking on a lot of things," Mr. Clinton said.

According to accounts provided by both Mr. Clinton and by the White House, the discussion focused more on Mr. Bush's favorite subject, foreign affairs, than on Mr. Clinton's preferred turf, domestic concerns. Both men then walked into the Roosevelt Room at the White House to meet with their transition staffs.

"We talked about a couple of domestic issues," he said. "We talked about more than a dozen actual and potential trouble spots in the world."

Mr. Clinton said he and the President discussed Bosnia, Somalia and the republics of the former Soviet Union, and that they also talked about the North American Free Trade Agreement "in general terms."

"He gave me a lot of insight," Mr. Clinton said.

Moments of Awkwardness

There were warm words but also, perhaps inevitably from men who just finished calling each other bozos and hypocrites, there was some awkwardness.

Mr. Bush strode into the driveway to greet Mr. Clinton as he emerged from his limousine, and the two men posed for pictures before disappearing inside.

Even as the President put the best possible face on his first public task related to the imminent transfer of power, some of his White House aides were less happy with the whole ceremony, greeting the Clinton aides who accompanied the President-elect with what one Bush assistant described as "bare civility."

"Bush is being O.K. about it," one official said, describing the strain behind the smiles. "The fishing trip helped. But the President basically still believes he's the better man for the job. And if you still think you're better than someone and more competent and capable than someone, it's awfully hard to show him around the White House."

Some of the awkwardness spilled over onto the White House lawn, where Bush aides began herding reporters back indoors after they began interviewing Mr. Clinton's spokeswoman, Dee Dee Myers.

Several transition aides to both Mr. Clinton and Mr. Bush met at the White House today as well. Andrew Card, the Secretary of Transportation; Chase Untermeyer, who headed the personnel operation under Mr. Bush, and Robert Zoellick, a White House official, represented Mr. Bush.

Mr. Clinton's representatives were Vernon E. Jordan and Warren Christopher, who are heading his transition team, as well as Alexis Herman of the Democratic National Committee and Mark Gearan, a senior Clinton adviser.

3 Transition Phases

Marlin Fitzwater, Mr. Bush's spokesman, said the transition would have three phases: establishing an office for the President in Houston, transferring authority to the incoming Clinton Administration and overseeing the transport of Presidential papers to the National Archives or a new Presidential library.

Mr. Clinton said today that he made one request of the President. He said he asked him to speed up the release of regulations governing the states' ability to bill the Government for reimbursement under the Medicaid program. State officials have long complained that the process is too cumbersome and drains state coffers unnecessarily.

Ms. Myers said Mr. Clinton, who has had his share of troubles on the subject as Governor of Arkansas, secured the President's commitment to release a new set of guidelines next week.

Along Georgia Avenue, in a working-class neighborhood of small businesses and single-family homes, Mr. Clinton walked the street from storefront to storefront with a cadre of local officials, reveling in questions on the domestic issues that are closest to his heart.

He was accompanied by Mayor Sharon Pratt Kelly, Eleanor Holmes Norton, the District of Columbia's non-voting delegate in the House of Representatives, and a half-dozen members of the District Council. The Rev. Jesse Jackson, who was elected to serve as a "shadow senator" for the District of Columbia, was not present.

Mr. Clinton told a woman in the crowd, however, that he had spoken to Mr. Jackson Tuesday night and that Mr. Jackson had recommended that he see the new movie "Malcolm X."

Along the way, he also reiterated his support for granting statehood to the District of Columbia. "I was for it early and I'm still for it," he said.

And he attempted to reassure the hundreds of people who came out to see

him that his visit to the neighborhood was more than symbolic.

"I expect to be out in the city a lot," he said.

At the White House, Mr. Clinton's visit was not the day's chief concern, but remnants of the bitter campaign still dominated the thinking. One Bush aide said most Administration officials were more preoccupied with the contents of the State Department inspector general's report on the search of Mr. Clinton's passport files than they were with Mr. Clinton's visit.

In other ways, it was difficult to discern where the campaign ended and the transition began today. Along Georgia Avenue, Mr. Clinton offered snippets of his standard stump speech in response to questions about crime, small-business development, health care and the value of shoe repair. "I run through shoes faster than anybody you know," he told a cobbler.

Warm words
during Clinton's
visit, but some
awkwardness.

U.S. Officials Defend Their Economic Data

By ROBERT D. HERSHEY Jr.

Special to The New York Times

WASHINGTON, Nov. 18 — Still smarting from election-week attacks on the integrity of Government statistics, the Commerce Department today took the highly unusual step of inviting closer scrutiny of its methods for compiling reports on gross domestic product, the broadest gauge of American economic performance.

Top officials summoned reporters from The New York Times and The Wall Street Journal to deny strenuously that there was any "cooking" of the data in the department's report on Oct. 27 — the week before Election Day — that the gross domestic product grew at a 2.7 percent annual rate for the third quarter. That was well above the 1.5 percent that expert consensus had predicted.

High figures for military spending, personal consumption and inventories — all components of the G.D.P. figure — met with skepticism among Wall Street and other private economists, leading to news accounts that raised the possibility that the Bush Administration had intervened in the process for political advantage. The

Taking pains to say that the books were not cooked.

strongest allegations were made in The New York Post, which also charged the Administration in a front-page article on Nov. 5 with subverting the employment data for September.

Commerce officials said that Dan Rather, in his CBS news report the following evening, used a picture of The Post's article to help illustrate his report on the October employment figures.

Another prominent account appeared in The Christian Science Monitor on Nov. 2, the headline reading "Bush Team Said to Skew Latest Economic-Growth Data."

In response, various officials at the Commerce Department and Labor Department have insisted that there had been no effort to meddle in a process carried out at all stages by career civil servants; political appointees within the departments see

the results only on the morning of publication. The officials also said that the system's internal checks made tampering virtually impossible.

Both departments have responded with plausible, generally persuasive explanations of suspiciously high numbers over the last three weeks. But officials said they feared that confidence of was not fully restored in the Government data, which are closely scrutinized by the investment community for indications of the economy's strength.

"It's really a very serious thing" to be accusing the Government of, said Carol S. Carson, director of the Bureau of Economic Analysis. "It still hasn't been put to rest."

Robert P. Parker, associate director for national economic accounts added that that while the economic fraternity might well come to accept the figures and be reassured, "Outside the Beltway, the notion that this could happen is not very far-fetched."

The allegations may have received more credibility than they normally would because of the Bush Adminis-

tration's political use of some other Government agencies, most visibly the State Department's passport office, which investigated the files of President-elect Bill Clinton during the campaign.

Revisions Due Next Week

Today's session took place in anticipation of the publication next Wednesday of revised figures for third-quarter growth but before officials had knowledge of what they would show. The figures are routinely revised, sometimes up and sometimes down, with the average change about four-tenths of 1 percent.

Still, a downward revision exceeding that average would almost certainly touch off a new round of questions about the reliability of the original data, since this would tend to support suspicions of overstatement in the closing days of the campaign.

Although the Wall Street G.D.P. consensus was generally too low, Mr. Parker noted that the 10 most optimistic forecasters polled by Blue Chip Economic Indicators offered predictions that on average called for a 2.9 percent rate of increase — a figure even higher than the Government's. There are about 50 participants in this survey.

Ultimately, a Judgment Call

The officials also described an intricate system for internal questioning of suspicious numbers and of cross-checking the results for consistency.

But they admitted it was often difficult to arrive at estimates for international trade and some other categories for which hard figures arrive too late for inclusion. The department, though it uses various rules of thumb to serve as benchmarks, ultimately relies on its best judgment, they said.

Assuming, for example, that missing figures for September would eventually prove to equal the average for July and August, would have resulted in a 4 percent G.D.P. rate of advance for the third quarter, Mr. Parker said. Extrapolating the rate of change from the preceding months, on the other hand, would have produced a figure of only 2.1.

The officials, using their judgment, selected a number in between those two extremes.

Greenspan Says Credit Crunch May Be Easing

DATE: 11-19
PAGE: 2

Regulators, Capitol Hill,
Banks and White House
Must Change, He Asserts

By DAVID WESSEL

Staff Reporter of THE WALL STREET JOURNAL

WASHINGTON — Federal Reserve Chairman Alan Greenspan said the nation's credit crunch "may finally be retreating."

In a speech outlining the outlook for bank lending and the causes of the credit crunch—which he said "has been so debilitating to the economic performance in this country over the past two to three years"—Mr. Greenspan criticized regulators, Congress, the administration and bankers themselves. All of them, he said, must change for the sake of the economy.

"It is essential that the bank loan markets be restored to a semblance of vigor if adequate financing of overall growth is to re-emerge," he said.

Mr. Greenspan's speech was prepared for delivery last night to the annual dinner of the Tax Foundation in New York. A text of his remarks was released here.

Although he acknowledged that "more banks will fail, perhaps some sizable ones," Mr. Greenspan criticized suggestions that the banking system is entering a crisis that will rival that of the savings-and-loan industry. "Remnants of past mistakes will continue to plague the financial system and the economy for some time," he said, but the nation's banks are in "sufficiently reasonable shape" to finance an expanding economy.

Mr. Greenspan also denied that new international bank capital standards are shutting off bank lending by leading banks to put money in Treasury securities rather than loans, as some analysts, including some of President-elect Clinton's advisers, have suggested. Surveys of bankers indicate that a bigger motivation is that Treasury securities have been more profitable than loans, he said. He also noted that credit unions, which aren't affected by the new rules, have also been accumulating government securities.

Mr. Greenspan made no reference to recent indications that insurance companies are tightening their lending standards, exacerbating the credit crunch.

The Fed chairman said weak demand for loans has been the biggest factor for the decline in bank lending, but also said banks may have overreacted to earlier mistakes.

"An impressive number of worthy applicants has been rejected," Mr. Greenspan said. "When real estate loans became a black mark against bank credit ratings, such loans were reduced" partly "by pressing solvent borrowers to repay because they were the only ones who could," he said. "That sounds more like fear than sound banking practice."

At the same time, Mr. Greenspan said, Congress has raised bank costs and discouraged lending by trying to micromanage banks, imposing onerous record-keeping requirements and making it difficult for banks to recruit directors. "The recent thrust of legislation and the associated supervision has virtually eliminated the so-called character loan that had so dominated lending practices of a large number of banks . . . to the detriment of the economy," he said.

DATE: 11/19
PAGE: 16

Crowd of Usually Stalwart Pro-GOP Industries Stopped Feeding Elephant as Clinton Surged

By JILL ABRAMSON

Staff Reporter of THE WALL STREET JOURNAL
WASHINGTON — When it comes to large political donations, late is always better than never.

An analysis of large, so-called soft money contributions, made outside the federal election laws, from an array of companies and industry groups shows a stampede of corporate money to the Democratic Party following the masterful national convention performances of Bill Clinton and Albert Gore. Conversely, many industry groups and companies that had long favored the Republican Party and George Bush drifted away late in the campaign season.

Money always follows a winner, of course. But a Wall Street Journal analysis of late soft money contributions, compiled by the nonpartisan Center for Responsive Politics, shows an extraordinary shift in political giving among five traditionally Republican industry groups: investment and securities; oil and gas; pharmaceutical and health; beer, wine and liquor; and insurance.

"This confirms the investment theory of politics," says Ellen Miller, executive director of the center, a watchdog group that tracks political money and contribution patterns. "These industries want to invest in the next president for access and influence. When they saw the tide turn to Clinton, they began to use their money as an investment."

Soft money contributions to the political parties are supposed to be used for general party-building activities. However, since 1988, soft money from big business has been used heavily to aid the presidential candidates. In 1988, George Bush, through soft money contributions to the Republican Party and a fund-raising effort known as Team 100 (where individual donors and companies each gave \$100,000 to the GOP) enjoyed a huge fund-raising advantage over the Democrats. This year, although the Republicans were again favored in the soft money game, the Democrats closed the gap and even pulled ahead in the critical fund-raising period of July 1 through Oct. 14.

In the case of the securities and health industries, for example, the Republican Party had enjoyed an advantage over Democrats of more than 4 to 1 before July. But after July 1, donors from those industries switched their allegiance and went for the Democrats. Donations from the alcohol industry, another GOP soft money stalwart in recent years, also tilted heavily Democratic late in the campaign. Moreover, the Democratic Party was able to narrow radically the soft money gap among corporate contributors from the insurance and oil and gas industries.

Oil Firms Turn Away

President Bush's Texas roots and background in the oil business had made him a heavy favorite of the industry. But his weakness in the polls, combined with low oil prices and Mr. Clinton's perceived friendliness toward natural gas, derailed Republican money prospects in the oil patch.

At the presidential level, for example, there had been few more stalwart GOP givers than Phillips Petroleum Co. The company's chairman, C.J. Silas, was a charter member of Team 100 in 1988. This year, Mr. Silas was one of the executives who accompanied President Bush on his trip to Japan. Before July, the company

Shifting Allegiances

Large soft money contributions from five industries swung Democratic late in the campaign.

INDUSTRY	DEMOCRATS JULY-OCT. 14	DEMOCRATS '92 CYCLE	REPUBLICANS '92 CYCLE	REPUBLICANS: DEMOCRATS JULY-OCT. 14	REPUBLICANS: DEMOCRATS BEFORE JULY
Securities & Investment	\$1,255,050	\$2,000,621	\$4,222,079	1:1.3	4.3:1
Oil & Gas	479,538	1,229,020	3,724,587	2.1:1	3.6:1
Pharmaceutical & Health	434,234	951,335	1,798,178	1:1.2	2.8:1
Beer, Wine & Liquor	401,731	599,527	1,081,443	1:1.5	4.2:1
Insurance	244,300	771,200	2,173,481	1.3:1	3.5:1

Source: Center for Responsive Politics. Party Financial Disclosures

economy, economy, economy and jobs, jobs, jobs. And that's certainly very important to our industry," the Phillips chairman said earlier this month at the American Petroleum Institute's annual convention in New York.

Playing 'Both Sides'

"A lot of big companies play both sides," observes Ed Rothschild, energy policy director at Citizen Action, a public-interest group based here. "They want some ability to say we supported you, even if in their hearts they would have preferred Bush."

In the alcohol industry, the most abrupt about-face came from Edgar Bronfman, chairman of Joseph Seagram & Sons. He had been one of the GOP's biggest soft money contributors this year, giving \$450,000. In October, Mr. Bronfman and his son, Edgar Jr. (also a top executive at Seagram) each wrote \$100,000 checks, this time to the Democratic Party. A spokesman for Seagram said the company had no comment on the contributions.

With health care looming as a key campaign issue, health-industry corporations gave more than \$280,000 in soft money to the Democratic National Committee between Sept. 1 and Oct. 14. For more than 30 of them, it was their first soft money contribution to the committee. Among the health groups that swung Democratic after the party's convention was the Pharmaceutical Manufacturers Association, which gave the Democratic Party \$25,000. Mark Grayson, a spokesman for the association, says the donation wasn't tied to any particular issue. The association gave nearly \$9,000 to the GOP.

Wall Street Support

On Wall Street, where Mr. Clinton gained early support at securities firms such as Goldman, Sachs & Co., the Democratic Party surged in late soft money contributions. With a late donation of \$25,000, First Boston Corp. was one of an array of Wall Street firms that hurried over to the Democrats at convention time and in

the home stretch of the campaign. In First Boston's case, the contribution was notable because the company's chairman, John Hennessy, had given \$85,000 in soft money contributions to the Republicans earlier this year. First Boston declined comment.

The late surge of investment and securities money was so great that by mid-October, the Democratic Party easily overcame a more than 4-to-1 GOP advantage in soft money before the Democratic convention. In the insurance industry, the trends

were similar, with big, late infusions from Equitable Cos. and Metropolitan Life Insurance Co., among others.

Along with strength in the polls, the Democrats timed their soft money solicitations well, waiting to rake in the big soft money after the Republican convention when the Clinton-Gore ticket was galloping ahead in the polls. "The calendar worked to their benefit," observes Kenneth Gross, a Washington lawyer and election law expert.

Finally, the enforcement of labor rights, in particular, is central to the underlying economic arguments for the trade pact.

Nafta will guarantee Mexico privileged access to the most lucrative market in the world. This access will greatly enhance Mexico's ability to attract the foreign capital it needs to modernize its economy and finance its burgeoning trade deficit and large foreign debt. Much, if not most, of that capital is likely to come from the U.S. Fine, say the free traders. Foreign capital will improve Mexico's productivity, raise its wages and thereby increase Mexican demand for our goods. Any American jobs lost through plant shifts to Mexico will be more than offset by new jobs in the U.S. export sector. The standard of living will rise on both sides of the border, illegal

Powell Relents On Defense Cut, But Not on Gays

By John Lancaster
Washington Post Staff Writer

The nation's top military officer yesterday signaled his acceptance of President-elect Clinton's plans to cut the defense budget but indicated he will continue to oppose lifting the ban on gay service members.

Gen. Colin L. Powell, chairman of the Joint Chiefs of Staff, said in a speech yesterday that the Bush administration's plans for a post-Cold War "base force" of 1.6 million service personnel is not "locked in concrete" and can probably be cut further without jeopardizing security.

The comments marked a significant retreat for the chairman, who last year described the Pentagon's base-force blueprint as "the minimum force that . . . we must have in order to represent our enduring interests in a rapidly changing world." Clinton, during his campaign, said he would cut the base force by an additional 200,000 people and pare defense spending by an additional 5 percent over five years. But if Powell seemed willing to be accommodating on the sizing the armed forces, he drew a harder line on lifting the gay ban.

"It is a very big problem for us, and it is not just the generals and the admirals who are saying it," Powell said. "We continue . . . to believe that the policy we have been following is a sound one, that there are issues of enormous legal and administrative difficulty associated with a change in that policy, and there are significant issues of privacy associated with it."

Clinton pledged during his campaign to lift the Pentagon's 48-year-old ban on allowing gays to serve, although he also has hinted in recent days that the new policy will not be implemented overnight.

In general, Powell's remarks to the Professional Services Council here appeared to reflect a wary acceptance of the incoming administration's defense plans, combined with a warning to move slowly on the emotional question of gays in uniform. Powell, appointed by President Bush, will not complete his second two-year term as Joint Chiefs chairman until next September, and aides say he has no plans to cut short his tour.

"Sure, you can always cut further," Powell said of the base force plan. "We are not locked in concrete at the Pentagon . . . So we can modify the base force and make it dynamic and change it . . . We are looking for every opportunity to reduce."

Powell said, however, that Clinton and Congress should not speed up the reductions. "Last year we reduced our size by 178,000 people in a 12-month period," he said. "I don't want to have to do that any faster in order to generate savings."

Although Powell expressed resistance on the gay ban, he also seemed to acknowledge its inevitability. "At the end of the day . . . it's a judgment that will have to be made . . . by our civilian political leaders," he said. "And the armed forces will do what we are told to do."

Space Panel to Call For Replacement of Shuttle

Air Force Would Develop New Launch System

By Kathy Sawyer
Washington Post Staff Writer

A panel of experts will recommend today that the Air Force assume sole responsibility for developing a new all-purpose national launch system called the "Spacelifter" by the end of the decade. It would phase out the shuttle fleet "at the earliest opportunity."

The sometimes-harsh, 40-page report, to be released today at a White House briefing, is aimed at ending the deadlock that has developed between the administration and Congress over the most pressing issue facing the space program—lack of modern transportation into orbit.

A copy was obtained by The Washington Post.

Vice President-elect Gore has criticized the administration's handling of the issue, but policy analysts said the report, commissioned by the National Space Council under Vice President Quayle, is bipartisan and should be useful to the deliberations of the Clinton administration.

Significantly, the report does not call for a large, heavy-lift vehicle of the Saturn V moon-rocket class, which Gore and other critics have called unrealistic. It focuses instead on development of lower-cost, medium-size rockets that could satisfy virtually all known payload needs and be tailored to carry cargo or people.

There is virtual consensus among government experts that, as a succession of studies has warned, the shuttle fleet is too costly and fragile a system to dominate the space program much longer. The first shuttle flew in 1981.

However, the report acknowledges that some of its recommendations involving the shuttle "will be controversial."

The proposed "new" launch system would be a clean break from the troubled old New Launch System (NLS) program that the National Space Council has advocated since 1990 but which Congress has refused to fund.

That program has been managed jointly by NASA and the Air Force.

A "lack of focus" in the NLS pro-

gram has given it "a 'tainted' name in the industry, government and Congress," the report said. It has been "incorrectly tied to" the heavy-lift vehicle concept favored by the Strategic Defense Initiative and the president's Space Exploration Initiative to send humans to the moon and Mars, both considered impractical in the current budget environment.

The recommendations of the special task force of the Vice President's Space Policy Advisory Board, chaired by former Air Force secretary Edward C. "Pete" Aldridge Jr., include:

- Creation of a single national "space launch authority." An administration source said this person presumably would be in the Air Force, since it is managing the launch program.

- Development of a "single, 'core' vehicle" that can meet all the needs of civil, Defense Department and commercial users and carry 20,000- to 50,000-pound payloads into orbit. It "could cut launch costs in half."

- The Air Force should open competition to all interested U.S. companies, individually or in teams. The advanced engine being developed for the NLS no longer would have the inside track.

- The government should offset development costs for Spacelifter by reducing shuttle operations costs and reallocating personnel from the shuttle to the new system.

- NASA should stop studying development of a heavy-lift cargo vehicle composed of shuttle parts to assist shuttles in boosting the planned space station into orbit.

The panel "does not recommend the use of Russian-manufactured equipment on multiple, routine or critical space missions," but said such hardware "might be appropriate on a one-time basis" for unique missions, such as orbiting pieces of the space station.

"This is a report done by top professionals in the field" on a bipartisan basis, said John Logsdon, a space-policy analyst at George Washington University. "The incoming administration . . . would be silly to ignore it. And they aren't silly."

U.S. Trade Gap Near Highs

 DATE: 11-19
 PAGE: 16

Despite Record Exports

 By Stuart Auerbach
 Washington Post Staff Writer

Led by overseas sales of chemicals, semiconductors and other high-technology products, American exports set a new monthly record in September, but a surge of foreign goods into the country kept the U.S. trade deficit close to its highest mark in two years.

The September deficit of \$8.3 billion was a slight improvement from the revised \$8.95 billion deficit recorded in August. The August and September numbers, though, were the highest since November 1990's \$9.5 billion deficit.

Based on figures for the first nine months of the year, the deficit for 1992 will reach about \$80 billion, far higher than last year's deficit of \$65.4 billion. Although U.S. exports have continued to grow, they have not kept up with imports from abroad, and to finance the recurring trade deficits that began in the 1980s, the United States has had to sell vast amounts of bonds, real estate, companies and other assets to foreigners.

Nonetheless, Commerce Secretary Barbara Hackman Franklin looked at the bright side of the report and called the record export level of \$38.2 billion "good news for America and the American economy."

And Steve Cooney, director of international investment at the National Association of Manufacturers (NAM), noted the "strong and broad-based rebound of manufactured exports," which set a record.

Chemical exports increased \$350 million, semiconductor exports grew by \$250 million and exports of aircraft engines, general machinery, computers, computer equipment and telecommunications equipment each increased by \$100 million to \$200 million.

Economist Bruce Steinberg of the New York brokerage house Merrill Lynch & Co. took a more pessimistic view. He agreed that there was "surprising strength on the export side," but said the continued recession in

major U.S. markets of Europe and Japan means that overseas sales next year "will almost assuredly be weaker." Steinberg predicted the trade deficit would grow to \$100 billion next year.

That spells trouble for the incoming Democratic administration of President-elect Clinton, who likely will inherit a 1992 trade deficit that is worse than last year's as he tries to get the U.S. economy moving again. Exports had provided what little bounce the U.S. economy had over the past three years, but Steinberg said a decline in overseas sales next year means "growth in 1993 will have to come from domestic sources."

House Majority Leader Richard A. Gephardt (D-Mo.) blamed the poor U.S. trade position on "the economic

stagnation that has plagued our country for the past 12 years under the Reagan-Bush administrations and indicates more hard times to come for American workers and American industries."

Imports jumped to \$46.5 billion, a new record, on increased shipments of foreign cars and other consumer goods. The NAM's Cooney said that increased imports of diamonds, clothing and footwear were normal for this time of year, although "other Christmas sales items, such as furniture, toys, games and stereo equipment, all showed seasonally adjusted declines."

The trade deficit with Japan, the largest by far, jumped 19 percent to \$4.4 billion, its highest level in more than a year and about half of the United States's total trade imbalance.

Gephardt called that increase "especially disheartening" and tied it to the loss of American jobs.

The trade deficit with China, the second-largest, jumped 21 percent, to \$2.3 billion.

"Japan and China remain special cases," said John Endean, vice president of the Washington-based American Business Council. "While the United States managed to export more to Canada, Mexico, Germany, France, Brazil and the newly industrialized countries, exports to Japan fell 4.4 percent and exports to China fell 31 percent. . . . It is hard to avoid the conclusion that Japan and China raise unique issues that the next administration will not easily be able to avoid."

Reality Sets In

Clinton Advisers Find Promises Are Easier To Make Than Keep

They Are Drawing Up Lists Of Tax Increases and Cuts In Entitlement Programs

One Target: Big Corporations

By DAVID WESSEL
And JEFFREY H. BIRNBAUM

Staff Reporters of THE WALL STREET JOURNAL

WASHINGTON—Bill Clinton's advisers are already realizing that campaign promises are easier to make than to keep.

During the campaign, Mr. Clinton promised not only to shield the middle class from tax increases but to cut their taxes. He promised to halve the deficit in four years. He said his rivals—not he—were the ones who would slash government benefits that go to the middle class.

He also vowed to revive the economy and reform the health-care system.

But now, a sobering reality is sinking in at the drab Little Rock office building that serves as "Transition Central."

The president-elect's new economic transition team, headed by Harvard Prof. Robert Reich, is drafting lists of spending

Plan for Inner Cities

President-elect Clinton held a private meeting with President Bush, and later said he would push a plan to revive inner cities. Meanwhile, contributions to the presidential campaign show an extraordinary shift to the Democratic Party among five traditionally Republican industry groups. Articles on page A16.

cuts and tax increases — euphemistically described as "loophole closers" — that go well beyond those in the economic plan set forth during the Clinton campaign. One juicy target for new taxes: U.S. corporations. A potential source of big spending cuts: the costly, fast-growing "entitlement" programs, many of which shower benefits on the middle-class people Mr. Clinton promised to protect.

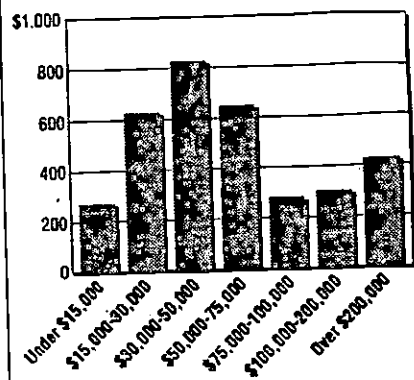
Such moves would be painful and politically difficult no matter what, but they would take Mr. Clinton a long way toward his stated deficit-reduction goal—provided he doesn't simultaneously have to find a way to finance the middle-class tax cut that he also promised. Many budget analysts say that cutting taxes on the middle class would probably push his deficit target beyond reach.

Mr. Clinton "has always left open the possibility of cutting spending more," says his communications director, George Stephanopoulos. But for the moment, Mr. Stephanopoulos draws the line at new tax increases, despite the preparations being made by Mr. Clinton's economic team.

Simply put, Mr. Clinton has to decide—much as President Bush did four years ago—whether to break his campaign promises early on, when he has the most

The Middle Class: Where the Money Is

Bill Clinton said he wouldn't raise taxes on families with incomes below \$80,000, but they account for 75% of the personal income reported to the IRS in 1990. The chart shows total income, in billions of dollars, for each adjusted gross income group.



Note: Adjusted gross income includes capital gains and excludes income of Americans who aren't required to file tax returns.

Source: Internal Revenue Service

political capital, or later, when he might hope the public has forgotten them.

Mr. Clinton was more careful than Mr. Bush was, of course; he never said anything as memorable as "Read my lips. No new taxes." But he did pledge to protect the middle class, which he defined as families with annual incomes below \$80,000. "The middle class got the shaft in the '80s," Mr. Clinton declared as he attacked suggestions by Ross Perot and some others that gasoline taxes be raised.

'Not Looking for Excuses'

The Clinton camp isn't acknowledging that the sound you are about to hear is the sound of campaign promises being bent. "We still believe that our numbers added up in the campaign and they add up now," says Bruce Reed, a domestic-policy adviser. "We're not looking for excuses to back down on our promises."

Yet many budget experts in both parties — and some of them under consideration for senior posts in the Clinton administration — say it is almost impossible to exempt the middle class from pain and reduce the deficit substantially.

Take Alice Rivlin, the former director of the Congressional Budget Office and said to be a leading contender for a top economic post. She has described herself as an unswerving advocate of higher gasoline taxes and published a book suggesting a new value-added tax, a sort of national sales tax with revenue to be shared by

state and federal governments. And she won't be satisfied with halving the deficit; she wants to eliminate it over time. "Even with declining defense spending," the economist wrote in a book published earlier this year, the federal government "cannot balance the budget . . . without raising taxes." And she didn't mean just taxing the rich or foreign corporations, as Mr. Clinton suggested in the campaign.

Rep. Leon Panetta, a California Democrat and House Budget Committee chairman, says, "If you're putting together a significant deficit-reduction package, the middle-class is going to carry part of the burden. There's no way to avoid that."

The hard numbers thus threaten to thwart Mr. Clinton's intention of exempting the middle class. The Congressional Budget Office's latest projections show that without any change in policy, the deficit will be \$254 billion in fiscal 1996, which ends a month before the 1996 election. To truly put the deficit issue behind him, Mr. Clinton must outline a credible plan that brings that closer to \$150 billion (about half the \$290 billion deficit in fiscal 1992) and shows smaller deficits thereafter.

Credibility is in the eyes of the beholder. A deficit-reduction plan that financial markets believe in will tend to push down interest rates and give Mr. Clinton a little more leeway in stimulating the economy right away. A plan that relies too heavily on assumptions that the economy is about to surge miraculously or on saving money by streamlining the bureaucracy won't qualify.

"If he only does the short-run stimulative things," Ms. Rivlin said on a recent radio-talk show, he can make the long-run deficit problem worse "and send signals to the rest of the world and to the markets that could give us very much higher long-run interest rates and damage our potential for investment."

The economic plan published by the Clinton campaign said that if all his plans are carried out, the fiscal 1996 deficit would be only \$50 billion smaller than the then-current projections. But Mr. Clinton's team is now working from a much bleaker deficit outlook, and, privately, some of his advisers won't defend all the estimates in the earlier plan.

"What he was saying in the campaign isn't really credible," says Jeffrey Garten, an author and investment banker in Blackstone Group. "The numbers aren't real."

Despite differences on some issues, several of Mr. Clinton's economic advisers now agree that he should and probably will tie together his remedy for the economy's short-term malaise and his remedy for the longer-run deficit disease. "If you link the two, you get a

DATE: 11-19
PAGE: 1

DATE: 11.19
PAGE: 1

better chance of getting your spending cuts, which are otherwise less popular," a senior aide says. "The campaign is getting down to serious business and taking a closer look where the deficit can be reduced."

But it is no small challenge to fashion a plan that accomplishes the two goals of stimulating the economy now with less taxes and more spending, while shrinking the deficit later with more taxes and less spending. During the campaign, Mr. Clinton said he would propose an investment tax credit and a big increase in federal infrastructure spending without widening the deficit. He rejected calls from advisers such as Princeton University economist Alan Blinder to accept a temporary increase in the deficit as a necessary byproduct in designing an economic stimulus.

Much rides on the state of the economy, which lately has been showing signs of health — a dip in new claims for unemployment benefits and upturns in retail sales, bank lending and consumer confidence. If these positive signals turn out to be harbingers of a rebound, Mr. Clinton will face less pressure to spur the economy right away. "Obviously, I want to wait and see what each month brings," he said this week.

But Mr. Clinton's advisers acknowledge that whatever shape the economy is in, he can't ignore the deficit because it undermines the economy's future growth and severely limits what the government can do to enhance prospects for a rising standard of living.

Paring Plans

Ira Magaziner, a business consultant and Clinton friend who has been working with the president-elect's other economic advisers since last spring, wanted to increase planned spending on education and training by a couple of billion dollars — until he confronted the dimensions of the deficit. "You've got to get the deficit halved in four years. That has to be the driving force," says Mr. Magaziner, who is working on the transition team.

Mr. Clinton himself still insists his first priority is "getting our economy moving again," but his rhetoric on the deficit has changed noticeably since the election.

In the Oct. 15 debate, candidate Clinton declared: "I don't think a president should be judged solely on the deficit."

But at a news conference last week, President-elect Clinton said: "The goal should be to restore economic growth, create jobs, raise incomes, but you have to do it with a multiyear deficit-reduction plan and with an aggressive health-care cost-control plan." He spoke about the importance of sending "a clear signal to the markets at home and abroad that we're going to bring this deficit down . . . gradually and within a framework which permits us to substantially increase investment."

In another warning suggesting that he is thinking more seriously about the deficit, he recently said that "all have to sacrifice and contribute over the long run."

When pressed about his promised tax cut for middle-class families — his published plan dangled "a choice between a children's tax credit or a significant reduction in their income-tax rate" — he didn't exactly offer any guarantees. "I've not made any decision to change what I advocated in the 'Putting People First' book on the economic issues," he said at his first post-election news conference. The cognoscenti inferred that he might abandon or scale back the middle-class tax cut. After all, a \$15-billion-a-year tax cut would make it all the harder for him to craft a deficit-reduction program.

Spreading the Pain

Before Mr. Clinton socks it to the middle class — either by imposing a broad-based tax increase or by taking a slice out of middle-class benefits — he must demonstrate that he has hit everyone else. During the campaign, he aimed almost exclusively at the rich, the foreign companies, the defense budget and inefficient government bureaucracies. Although he could offer deeper cuts in the defense budget, he probably can't squeeze much more from the rich than he projected in his plan and isn't likely to get nearly what he expected from foreign companies. Convincing the public that he has improved government efficiency is important but probably won't yield major savings in the short run.

So now, some of his advisers are considering U.S. corporations. Although resurrection of the investment tax credit remains likely, his team is looking at raising billions by limiting the tax breaks or subsidies that powerful industries get. Some proposals circulating among the Clinton transition task forces envision getting as much as \$25 billion or \$30 billion a year this way. A budget plan to be issued

soon by the Progressive Policy Institute — headed by Clinton transition adviser Robert Shapiro — is likely to tap this pot.

Mr. Clinton already has proposed prohibiting companies from deducting lobbying expenses. Permitting businesses to deduct half their meal, entertainment and travel expenses — instead of the current 80% — would raise about \$4 billion a year, according to Congress's Joint Committee on Taxation. Repealing tax breaks for drug companies and other manufacturers with plants in Puerto Rico would raise about \$4 billion. Raising the top corporate income-tax rate to 36% (which happens to match the personal income-tax rate in Mr. Clinton's plan) from the current 34% would yield about \$4 billion a year.

And then there are the entitlements that consume so much of the federal budget — Social Security, the Medicare health program for the elderly, the Medicaid health program for the poor, farm subsidies, veterans' benefits. They add up to about \$750 billion a year, half of all federal outlays.

A growing proportion of this spending goes for health care, and Mr. Clinton promised this week "to present a plan within the first hundred days" to arrest the growth in health-care costs. But his deficit-reduction plan probably can't rely on the success of his health-care strategy. Even if he can convince skeptics that his plan has a good chance of cutting health-care costs, he also plans to extend health insurance to millions of now-uninsured people.

During the campaign, Mr. Clinton explicitly said upper-income Americans should pay more for Medicare and pay higher taxes on their Social Security benefits. He might get \$10 billion or so a year from such changes.

Increasing corporate taxes and forcing the rich to take less from the government can reduce the deficit by tens of billions of dollars, but that still falls short of Mr. Clinton's goal of halving the deficit by 1996 and putting it on a downward trajectory. To accomplish that, he almost surely must look to the middle class, the benefits they receive and the taxes they pay.

—Rick Wartzman contributed to this article.

Clinton Still Alternating Between Mr. Outsider and Mr. Insider

By Dan Balz
Washington Post Staff Writer

He ran for president as a Washington outsider, an "agent of change" with no ties to the mess inside the Beltway, no connection to the influence peddling and cozy deal-making of the capital, no responsibility for the gridlock of government.

He ran for president, too, as the nation's senior governor, a man who has spent his adult life in politics and public policy, an experienced politician who could make government work, he said, because he already had.

NEWS ANALYSIS

Yesterday the two Bill Clintons met in Washington for the beginning of what could be an uneasy coexistence.

The formal transfer of power from President Bush to President-elect Clinton will come later, in the cold of a January afternoon. But the fusing of the two Clintons began with a two-minute photo opportunity outside the Oval Office and a walk along a block of Georgia Avenue NW that is in many ways as far from the White House as is Clinton's home town of Hope, Ark.

For two days on his carefully scripted "first visit" to Washington, Clinton is moving back and forth between the worlds of Mr. Outsider and Mr. Insider: from Georgia Avenue to Georgetown, from the Hill to the Hay-Adams Hotel (not official Blair House but not exactly Motel 6 either), from private meetings and meals with the practitioners of power to brief, symbolic forays into the "real world" to see and be seen by the ordinary Americans whose votes signaled a readiness to change the way Washington works.

It is impossible for any president-elect to avoid the clutch of the Washington establishment. Clinton's presidency will in fact define the standards of the new establishment beginning in January, signified by the cascade of resumes arriving at transition headquarters and the endless networking to secure jobs.

But for Clinton, the dangers of being captured by Washington are especially acute, given the overwhelming mandate for change that the election two weeks ago provided. Some Democrats are already nervous that the transition from outsider to insider has been too swift and too obvious, that so far in the transition there is too much Georgetown and not enough Georgia Avenue.

Stan Greenberg, Clinton's pollster during the campaign, disagreed. "Insider is a label," Greenberg said yesterday. "What people associate with a label is a do-nothing government owned by special interests that doesn't address the country's needs. If Bill Clinton comes to Washington on behalf of the people and gets the country moving, that's the people's work, it's not politics."

As they plan the new administration, Clinton and his advisers have two powerful images in mind: One, which comes from a year spent on the campaign trail, is of an electorate fed up with gridlock, fearful about the economy and resentful that government has been taken hostage by special interests. The other image, just as powerful as they come closer to Inauguration Day, is of Jimmy Carter's failed administration.

Clinton's advisers know he must avoid Carter's mistakes if he is to succeed with his legislative agenda on the economy and health care, but to the degree he is co-opted by Washington to make that happen, the greater the danger that the public will see business as usual prevailing.

Carter's biggest mistake, or so it is explained, was his failure to win over the Washington establishment, from the Democratic Congress to the power brokers who outlast administrations and maintain the social order of the capital. That requires Clinton to hobnob with the power elite and to send olive branches out to Congress—as he did yesterday and will again today—all to reassure the establishment that he is not coming to make war on them.

Throughout his campaign, Clinton appeared frequently with members of Congress. But he refused to embrace the institution, and when it suited his political purposes, he attacked Congress. One of his earliest ads, after all, condemned the pay raise Congress voted itself, which brought a cry of foul from some Democrats on Capitol Hill.

Now the success of his prospective presidency likely will hinge on his ability to prod Congress to act quickly on an economic agenda (and perhaps on a reform agenda as well), and on Monday in Little Rock, he appeared with the Democratic congressional leadership to pledge a new era of cooperation between Congress and the White House.

"What is 'outside' is the ideas he brings to Washington, an approach to government that is new and fresh," said Mark D.

Gearan, who is director of Clinton's Washington transition office. But Gearan said that Clinton's many years as a governor, which included time spent lobbying Congress on welfare reform and other issues, give him an understanding of "the workings of government" that will mesh well with the existing order.

At the same time, Gearan said, the president-elect is "very mindful and thoughtful of the bubble" around a president, adding that the schedule in Washington yesterday and today is evidence of his desire to maintain contact with the voters.

But the photo ops and the staged block walks are no substitute for the kind of searing, day-in, day-out experience of the campaign Clinton just concluded, and it will be difficult to maintain from the office he will soon occupy the mind-set—and the hungry edge—of an outsider.

Clinton advisers see an unlikely model for their balancing act. "Ronald Reagan went to Washington but he was never an insider," Greenberg said. "He fought for change and he stuck by his convictions. . . . We need to keep Ronald Reagan in our heads when we think of this problem."

Recruiting

Clinton Economic Advisers Get Their Assignments, and Heads Turn

By STEVEN GREENHOUSE
Special to The New York Times

WASHINGTON, Nov. 18 — Robert B. Reich, the head of President-elect Bill Clinton's economic transition team, has made assignments to a dozen advisers to help frame specific economic proposals for the new Administration, several advisers said today.

As Washington is abuzz with speculation about who will be nominated for top positions, the assignments, made at a meeting in Little Rock, Ark., on Tuesday, give some indications of who may be named to economic policy posts.

Mid-December Target Date

The team is being asked to develop the proposals made in Mr. Clinton's campaign program and to speak to a variety of economists, government experts and business executives about the pros and cons of the proposals.

Clues appear as to who may get economic posts.

Several advisers said in interviews that Mr. Reich had asked the following people to oversee work in specific areas and present firm policy proposals by the middle of December:

¶Lawrence H. Summers, a Harvard economics professor on leave to be chief economist at the World Bank, will oversee work on economic policy, including tax policy and whether fiscal stimulus is needed. Mr. Summers is often mentioned as a possible future chairman of the President's Council of Economic Advisers.

¶Laura D'Andrea Tyson, a professor of economics and business administration at the University of California, Berkeley, will oversee work on policies regarding technology and manufacturing. Professor Tyson favors a more active approach by government, through increased research spending, for example, to help high-tech industry.

¶Derek Shearer, a longtime friend and adviser to Mr. Clinton and an economics professor at Occidental College in Los Angeles, will head the team working on improving education and job training to help increase the nation's competitiveness.

¶Letitia Chambers, a consultant who specializes in budgetary matters, will oversee work on the budget.

¶Ira Magaziner, a longtime friend and a Rhodes scholar with Mr. Clinton, will oversee developing proposals to make long-term cuts in the budget. Mr. Magaziner, a business consultant based in Rhode Island, has long talked about saving money by making government more efficient.

¶Barry Carter, a Georgetown University law professor who has advised Mr. Clinton on international relations, will develop trade positions.

The advisers interviewed said several other experts would work with Mr. Summers on economic policy. They include Robert Shapiro, an economist at the Progressive Policy Institute; Robert Rubin, co-chairman of Goldman Sachs, and Roger Altman, a friend of Mr. Clinton's from their Georgetown University days and now a partner in the Blackstone Group, a New York investment bank.

DATE: 11.19
PAGE: 16

Clinton to Push for Development Banks As Part of Bid to Revive the Inner Cities

By JEFFREY H. BIRNBAUM
And GERALD F. SEIB

Staff Reporters of THE WALL STREET JOURNAL

WASHINGTON — President-elect Clinton held a private, Oval Office meeting with President Bush, and then stepped out among the residents of his soon-to-be home to say he would push a plan to revive inner cities.

In particular, Mr. Clinton trumpeted his proposal to create community banks that would provide capital for small businesses, which, he told people on Georgia Avenue here, are the real engine for job creation. Providing more funds for small-business start-ups, he assured one business owner, "is the quickest way to generate jobs in America."

Community-development banks are financial institutions that target small loans to individuals and businesses in inner-city neighborhoods. Chicago's Shorebank Corp., for example, which Mr. Clinton praised yesterday, has financed the renovation of one-third of the buildings on Chicago's South Shore.

During the campaign, Mr. Clinton described community-development banks as one of the most successful "empowerment" tools to help low-income people pull themselves up by their bootstraps. The concept has been embraced by many of the nation's governors, including Mr. Clinton, who promoted the concept in Arkansas.

Speaking of a proposal that would establish a nationwide network of community banks, he said "we've got some plans and we'll put them in if Congress goes along, and I think they will."

Mr. Clinton chose to visit the predominantly black neighborhood after going to the White House to show that he intends to remain close to the people who elected him. "That's why I came here today; I wanted to send a message," he was overheard saying on a microphone that he wore as he shook hands along the street.

Mr. Clinton described his hour-and-45-minute meeting with President Bush as "terrific," "friendly," and "helpful." He said Mr. Bush candidly shared his views about a dozen current or potential "trouble

spots," including the Middle East and the republics of the former Soviet Union. A White House statement described the meeting as "warm and informative."

One of the issues the two men discussed was the conflict in the former Yugoslavia and the United Nations naval blockade that is being established to enforce economic sanctions against the government in Belgrade. The North Atlantic Treaty Organization, which includes the U.S., yesterday agreed to participate in the blockade; the goal is to stop fuel and other goods from reaching the Serbian government, which has been helping Serbian fighters who are trying to drive other ethnic groups out of neighboring Bosnia.

Mr. Clinton has called for a more aggressive U.S. policy to rein in Serbian leaders and to help Bosnia, including use of American military power under certain circumstances. American participation in the naval embargo probably means that U.S. warships already in the Adriatic Sea will work with allied vessels to stop and board ships suspected of carrying banned cargo toward Yugoslavia, officials said.

In addition, the U.S. is likely to contribute intelligence it gathers concerning shipments heading toward Yugoslavia.

After their private discussion, Messrs. Bush and Clinton joined a meeting of their top aides, who were discussing how to cooperate in the transition. In that meeting, participants said, the Clinton side requested permission to begin sending teams of transition officials into government agencies to begin examining operations. Within the next few days, the Clinton transition team expects to begin naming the leaders of 10 "clusters" of officials who will be in charge of delving into the operations of government agencies and preparing reports for the leaders of the transition effort.

Last night, Mr. Clinton was to attend a fund-raiser for the Children's Defense Fund and a private dinner with some of Washington's leading citizens.

—Timothy Noah contributed to this article.

On Georgia Avenue, Cheers, Hugs and Carryout

By Michele L. Norris and Ruben Castaneda
Washington Post Staff Writers

For all the planning, the neighborhood primping and the metal detectors, President-elect Clinton strolled Georgia Avenue yesterday like a regular guy, handing out high-fives, sampling Chinese food and greeting a fellow Georgetown University alumnus with a hearty "Yo, my man!"

Cheered on by hundreds of onlookers, Clinton visited for an hour with merchants between Hamilton and Ingraham streets in one of the city's prime black business districts. Then, to the delight of onlookers, he walked the length of the police barricade to shake hands and hear what was on people's minds.

"Welcome to your new home town, President Clinton," yelled Charles Edward Jones Jr., who carried his 3-year-old son, Charles III, on his shoulders. "We've been waiting a long time for someone who was willing to bring some pride back to this city."

The walking tour along a commercial corridor beset by crime gave Clinton a chance to reaffirm his campaign commitments to rebuilding inner cities and supporting small businesses.

It also was a bright moment for the city's elected officials, who said they hoped Clinton's street tour would mark the beginning of a more amiable relationship between the White House and the D.C. government. Clinton was flanked yesterday by the District's top elected officials, including Mayor Sharon Pratt Kelly, Del. Eleanor Holmes Norton (D) and several members of the D.C. Council and the school board.

"This is going to be a source of hope and pride for years to come," said council member Charlene Drew Jarvis (D-Ward 4), whose district includes upper Georgia Avenue. Clinton's visit was a political coup for Jarvis, who as a national co-chairman of the Clinton-Gore campaign may be in line for an appointment in the new administration.

The first business Clinton visited when he emerged from his limousine shortly after 3 p.m. was the Hamilton Seafood and Grocery Store, owned by Tesfaye Kumbi.

"He said he used to work in a family store like this and knows what it's like for small businesses," Kumbi said. When he asked whether Clinton would be making any purchases, Kumbi said, the president-elect "checked his pockets and said, 'Not today.'"

Nonetheless, Kumbi said Clinton's visit gave him a "great feeling. We have seen presidents come and go, but none of them came to Georgia Avenue, let alone here to the stores."

As he made his way down the block, Clinton stopped to chat with 9-year-old Tiara Dews, a Hyde Elementary School student who presented him with roses. Tiara, who wore a tiara and a glittery banner proclaiming her Miss Metropolitan Princess, proudly told Clinton that 80 percent of the students at her school had voted for him in a mock election.

In her most polite and princess-like voice, Tiara asked Clinton for an invitation to the inauguration, one of the hottest tickets in town come January. Clinton took her name and address and promised that she would be invited.

"I felt so happy," Tiara said. "I almost forgot half my speech."

A few doors down, Jing Qiang Chen, who owns the Sing Long Chinese carryout, had a surprise waiting for Clinton, presenting him with a container of the house specialty, large fried scallops.

Not known as one to pass up a snack, a delighted-looking Clinton dug in. With his mouth half full, he passed the container to an aide. "Put this in the car," Clinton said.

"He said it was delicious," Chen said.

Time and time again, Clinton told the shopkeepers that the revitalization of small business would be one of the cornerstones of his economic recovery plan. He talked specifically about strengthening the federal government's Small Business Administration and changing the way banks are structured to increase incentives for loans to mom-and-pop operations.

"We've got to get people back to work," Clinton told Yong Chong, who owns Hamilton Beverage. "Most Americans don't know this, but

"It lets me know he's all right, that he is going to do what he says. I mean, he didn't have to come here."

— Tijuana Roberts

almost all of the jobs created during the past decade were created by small businesses, fifty units or under."

With an ear-to-ear smile and a hearty handshake, Chong told Clinton, "You're going to be a great president."

At Bernie's Hair Salon, beauticians in pastel smocks talked to Clinton about statehood for the District—"He said he's for that and will try to get that through," said stylist Althea Wims, 63—and health insurance for the self-employed.

When Clinton greeted the group from Bernie's, Tijuana Roberts, 33, let out a wail. "Whooooeee! Their prices are going to go up now," said Roberts, who lives nearby. "Yep, they're going to get good business now."

Roberts, who was pressed against the yellow police ribbon, has been looking for a job since July. To her, Clinton's visit was a sign of hope. "It lets me know he's all right, that he is going to do what he says. I mean, he didn't have to come here," she said. "Bush didn't come here."

The businesses in the 5200 block of Georgia Avenue are an ethnically diverse mix: a Korean-owned liquor store, a West Indian restaurant and a shoe store owned by a black family.

Almost every store on the block has been broken into at least once, and merchants there take

great pains to shield themselves from crime. Bernadine Cary, the owner of Bernie's, keeps the front door locked and requires patrons to use a doorbell.

But the area also is peppered with working- and middle-class neighborhoods whose streets are lined with tidy, meticulously landscaped houses.

Many who went to see Clinton said they were struck by his informal demeanor. "He's so normal-looking," said Adiam Berhane, 20, a Howard University student. "Look at him, he talks to people as if he's really one of them."

Perhaps it was Clinton's informal demeanor that led so many in the crowd to call him by his first name. "Bill! We love you, Bill! We want you, Bill!" the crowd yelled.

Rachelle Boucree, however, told others that it was impolite to call the president-elect by his first name. The 16-year-old Banneker High School student yelled, "Mr. Clinton, Mr. Clinton, I love you, Mr. Clinton," holding her hand out and jumping up and down. "We're the future, Mr. Clinton, and we are going to take good care of you."

When Clinton shook her hand, Boucree rolled her eyes backward in the classic "I'm going to swoon" gesture.

The sixth-graders from Truesdell Elementary School had been waiting more than two hours behind the police barricade when the president-elect finally reached them and the sign they had made in language arts class. It showed pictures of all three Clintons—Hillary, Bill and Chelsea—under a banner headline that said, "Change."

"Did you do this?" Clinton asked, eliciting an excited chorus of yeses from the girls.

"What are your names?" he asked.

The girls shouted their names.

"Where are you from?" Clinton yelled above the cheering crowd.

"Truesdell Elementary," came the enthusiastic answer.

Someone in the crowd yelled, "Give them a hug," and Clinton leaned over to give bearhugs to Johnaan Battle, Erica Skrine, Shani Carter and Niccole Gibson. Clinton offered to autograph the sign for the girls, but they shouted for him to keep it.

After all, it was meant to be a gift.

Staff writers Mae Ghalwash, Nell Henderson and Molly Sinclair contributed to this report.

big time. Clinton decided to stride up the block, past the police barricade, when he heard them calling, "Governor, Governor."
He signed his autograph for Cliff and Christine Greer (7 and 9 years old) and dated it, probably because of the historic significance. He shook some hands, patted some shoulders. And as a small mob gathered around him, the scottie dog was nearly trampled by a big fellow carrying a TV camera.
The few wet members of the press remaining shouted questions.
"Are you looking forward to being president, Governor?"
"Yes," he said, "I am looking forward to it."
"Are you happy about coming here?"
"I've been coming here for years," he said. "I lived here for four years. I think it will be a good home."
And then, before joining the small group of 40 invited to what one guest called an "intimate, upbeat" dinner at the Jordans', Clinton said something reminiscent of Ronald Reagan's remarks 12 years ago at the F Street Club during his own transition: "I hope I'll be a good neighbor." Guests last night included Sen. Jay Rockefeller (D-W. Va.), Sen. Bill Bradley (D-N.J.), Pamela Hartman, Ted Koppel, Jim Lehrer, AFL-CIO President Lane Kirkland, Del. Eleanor Holmes Norton, Democratic National Committee Chairman Ron Brown, Richard Moe, Sen. Lloyd Bentsen (D-Tex.), John Hechinger, Kennedy Center Chairman James Wadsworth, Reps. Bill Jefferson (D-La.), Bill Richardson (D-N.M.), A. Michael Espy (D-Miss.) and Bob Matsui (D-Calif.).

When the Gore motorcade arrived, the vice president-elect went straight to the Jordans' door. And, after her speech at the National Building Museum, Hillary Clinton crossed town and arrived at the Jordans' without much fanfare or circumstance—just a wave to the sparse crowd still gathered and a flip of blond hair.
The mood at the party? "We were savoring the joy of victory," Ron Brown said.
At 11 o'clock the front door opened again, but it wasn't the guests of honor who were leaving—people must stay up later in Little Rock. Said one guest: "That's Bill Clinton."
Staff writers Donnie Radcliffe and Martha Sherrill contributed to this article.

In another part of the cavernous room, Glenn Close was listening as a mother, "I have a huge sense of hope and relief that she is going to be in the White House. I think she will be a huge force . . .," said the award-winning actress, one of five people who presented last night's awards to local students. "It is very emotional for me. I have a 4½-year-old daughter and I have despaired over her future and the future of other children in this country because I thought it was being sold out from under their feet. I feel a great commitment."
For 30 minutes before the dinner, the Clintons met with 100 invited guests and local students at a closed reception. One of last night's honorees, Rhondee Johnson, a student at Banneker High School, said she hadn't known what to expect of Clinton.
"We started talking about college. I told him I had applied to Spelman, Northwestern, Smith and the University of Pennsylvania. He said they were all good choices but he knew among the award presenters) and Maya Angelou (the writer who was gested to Hillary Clinton that her daughter, Chelsea, attend Banneker. The other students honored for "beating the odds" were Charles Preston of Cardozo, Henry Meledez of Duke Ellington School of the Arts, Leonard Tucker of Phelps Center and Sharonda Watts of Spingarn High School.
When the Clintons walked into the reception, many of the guests were craning for a view. Bill Clinton spotted Jerry M. Hultin, Yale classmate of Hillary and an Ohio organizer for the campaign. "I just knew he wasn't going to be able to see me, especially with all these lights," said Hultin. "But he said, 'Jerry, you know what John Kennedy said about Ohio, 'I go there often and get few votes.' We beat Kennedy in Ohio.' And we did, we won Ohio by a 2 percent margin and Kennedy lost Ohio," said Hultin. After the reception, Bill Clinton headed for Vernon Jordan's new-old brick townhouse in upscale Foxhall/Wesley Heights. A crowd of neighbors—moms and dads and kids and wheat-colored scottie dog—waited on curbs in the light rain to catch sight of the president-elect. They lucked out

Rather Peterson, a Washington institution who has worked for Democratic presidents back to Franklin Delano Roosevelt, said, "It gave me a renewed sense of 'this is going to happen, it can happen.' Her remarks were informal, not pretentious. And she talked about the left-out people. Asked if she could compare her to any other First Ladies, the consumer advocate said, "She reminded me a little bit of Eleanor [Roosevelt]. She had content, Eleanor had feeling, emotion, but Hillary Clinton has more context. It was backed up, more than just emotion; the specifics she came up with were very real."

able because they talk up their sleeves," she deadpanned about the omnipresent Secret Service agents. Marian Wright Edelman, the founder and president of CDF, predicted Clinton would execute "what-ever role she continues to play personally and professionally . . . with extraordinary effectiveness, grace and care." Edelman, who has been mentioned for several posts in a new administration, flatly denied any interest.
Kathleen Peterson, a Washington institution who has worked for Democratic presidents back to Franklin Delano Roosevelt, said, "It gave me a renewed sense of 'this is going to happen, it can happen.' Her remarks were informal, not pretentious. And she talked about the left-out people. Asked if she could compare her to any other First Ladies, the consumer advocate said, "She reminded me a little bit of Eleanor [Roosevelt]. She had content, Eleanor had feeling, emotion, but Hillary Clinton has more than just emotion; the specifics she came up with were very real."

There is a role for each of us as there is for every adult in this country to do better for our children and our youth," Hillary Clinton said. "We have not done what we should have done. It is not just a problem for us as political citizens. It is a problem for us as human beings. . . . all of us have to recognize that we owe our children more than we have been giving to them."
A member of the CDF board since 1978, and its chairman from 1986 until the presidential campaign, she worked as a lawyer for the group in the early 1970s.
"If we do our part in our professional lives and in our personal lives . . . this country will again be able to say it is fulfilling the most fundamental obligation that any generation has, to care and nurture the next," Clinton said. Her voice had some of the raspiness of her husband's and she used no text for her 15-minute remarks.
Showing a sly sense of humor, she acknowledged the change in the couple's status. "Apparently as president-elect it requires a little more planning than it used to when we would just show up. We have a lot more people than usual, and many of them are recognizing because they talk up their sleeves," she deadpanned about the omnipresent Secret Service agents.

Clinton's much-anticipated "inaugural" address. In her first post-election Washington speech, she took center stage last night at the annual awards dinner for the Children's Defense Fund.
The president-elect had joined his wife in greeting 1,200 old and new friends at the reception at the National Building Museum, but left before her speech to attend a dinner in their honor at the home of transition chairman Vernon Jordan.

By Jacqueline Trescott
Washington Post Staff Writer

The Clintons, Making Their Presence Known Hillary Speaks at Benefit For Children's Defense Fund

The Man in Transition

Vernon Jordan, From Civil Rights and Big Business to the Clinton Team

By Lloyd Grove
Washington Post Staff Writer

It was Vernon Jordan's third visit to the Bohemian Grove, but the first time he'd been asked to give the "Lakeside Talk," a special honor certifying his membership in the American Power Elite.

His own 6-foot-4 frame was dwarfed by a mossy sculpture of a 30-foot owl—the mascot of this woodsy encampment frequented by Walter Cronkite, George Shultz, Richard Nixon and Ronald Reagan. Jordan joked about the title of his speech: "The Coming Revolution."

"I figured that would interest people—or scare them—enough to boost attendance," he told his audience of about 500 Bohemians on July 19, 1991. The khaki-clad crowd that afternoon in Monte Rio, Calif., included Treasury Secretary Nicholas Brady and former secretary of state Henry Kissinger, numberless CEOs and celebrities—but only a handful of African Americans. "There was always the possibility that some people might think I would show up wearing bandoliers and carrying grenades," Jordan quipped—to appreciative laughter (and the croaking of frogs in the nearby pond). "But I was with the Urban League, not the Black Panthers. . . ."

Then he preached a fiery sermon on U.S. race relations, drawing on his experiences "from the public housing projects of Atlanta where I grew up, to the many corporate boardrooms where I now sit." He blamed the recent veto of the civil rights bill—which he'd just spent much personal and political capital trying to pass—on "President Bush, my friend," and Bush's "cynical political consultants who saw another Willie Horton-style vote-getting issue," and chided business leaders in his audience for playing along. "Because," Jordan reasoned, "anything that draws minorities and women into the mainstream and ends discriminatory practices is better for America and therefore better for business."

"Even the hard-bitten were touched," recalled Bohemian Najeab Halaby, former chairman of Pan Am and father of the queen of that other Jordan.

But if there is an irony here—that the Bohemian Grove, despite loud protests, simply refuses to admit women—it's lost on Vernon Jordan.

"I went. I had a great time, and I make no apologies about it," Jordan said the other day. "I have a pretty good record on these issues. I don't think my credibility with the women's movement is destroyed by three trips to the Bohemian Grove."

The chairman of Bill Clinton's transition team undoubtedly has a point.

In a sense, Jordan's impressive career speaks for itself. For two decades he risked life and limb as a lawyer in the civil rights movement, working to open segregated colleges and register black voters in the South, arguing eloquently for minority issues to six different presi-

dents and compelling Corporate America to see and act on its social responsibility—to say nothing of being wounded and nearly killed by a sniper in 1980.

He has, over the years, earned a slew of accolades and honorary doctorates, as well as other trappings of influence and prestige: directorships of the Ford Foundation and the Brookings Institution; membership in the Trilateral Commission and the Bilderberg Meetings (the European enclave of policy mavens, business barons and heads of state to which he brought Bill Clinton as his guest last year); as well as service on the board of the Children's Defense Fund (where he became close to fellow children's advocate Hillary Clinton) and countless other good works.

But Jordan's career since 1981, when he left the helm of the New York-based Urban League to become a partner in a blue-chip law firm, and rocket to the very top of the American Establishment, is a far more complicated matter. In recent days, as he's helped his old friend the president-elect organize a government, while being touted himself for a Cabinet post—mentioned most often as the nation's first black attorney general—Jordan has faced a brightening spotlight on his lucrative corporate entanglements.

"Vernon has, inescapably, within himself, the desire to do good as well as to do well," said the Rev. Gardner Taylor, a renowned Baptist preacher whom Jordan calls "my main man and spiritual adviser" over a 20-year friendship. "With the opportunity to be a member of all these corporate boards," Taylor added, "with all of the influence they lend, and the aura, there is always in him a feeling that *that* is not enough." If Jordan were offered a Cabinet post, Taylor ventured, "he would have to have a great deal of soul-searching between the 'well' and the 'good.'"

Along with his handsome share of the profits as a senior partner and rainmaker at Akin, Gump, Hauer & Feld—the Texas-based corporate law firm with a powerhouse office in Washington—Jordan receives more than half a million dollars annually, according to an eye-popping estimate by the Investor Responsibility Research Center, from his directorships on a dozen corporate boards, all companies with a keen interest in the business of the executive branch.

Thus newspaper editorialists have wrung their hands over "Vernon Jordan's Ethics," as the New York Times put it in a headline last week, and public policy groups have worried aloud about his loyalties (for instance: Should a director of RJR Nabisco, the tobacco and food conglomerate, be participating in the selection of the Health and Human Services secretary?). Meanwhile, some of his former civil rights comrades wonder if he can consort with capitalist titans and still be true to his ideals.

It's a new and not necessarily welcome experience for this proud emigre from Jim Crow Atlanta, where he learned to mix drinks—and mix with people of different races and social status—as a tall, skinny teenager toiling in his mother's catering business, honing the self-assured bonhomie that he brings to Georgetown dinner parties.

"I know who I am," Jordan said recently at one of the fancy Washington hotels where he stages his power breakfasts, though not to the exclusion of making small talk with hostesses and bellhops. "I am the custodian of my morality and ethics," he added. "I am, on that, answerable to myself."

Such self-knowledge aside, he was forced this week to announce an unpaid leave of absence from his law firm and his boards—a condition that will become permanent should he join the Clinton administration.

Jordan's friend Ron Brown, the chairman of the Democratic National Committee as well as a high-powered lawyer himself, attributes the glare

on Jordan's business relationships to "the dilemmas that African Americans face."

"Asking me questions about Vernon is like asking me questions about me," Brown said, adding that he doubts that a white man in Jordan's position—say, a Robert Strauss (the wheeler-dealer and sometime ambassador who lured Jordan to Akin, Gump)—would be forced to grapple with such sticky wickets.

"The frustrating thing is that we're expected to limit our horizons, to be pigeonholed, so to speak, and not break out and accept responsibility and leadership beyond the traditional civil rights movement," said Brown, who worked for Jordan in the 1970s as the director of the Urban League's Washington lobbying operation. "Things that are successful and praiseworthy are somehow called into question. Vernon has been an incredible achiever, and has the kind of career that most people would die for, because he's a major force in the American business world."

Yet it was Jordan's civil rights credentials as president of the Urban League—equal parts advocacy group, job-training program and the movement's link to Corporate America—that brought him his first invitations to join the governing boards of Fortune 500 companies. He has thrived in these climes since 1972, when the chairman of Celanese asked him to serve after hearing him inveigh in a speech against all-white corporate boards. Twenty years later, Jordan is still the only black director in all but two of his companies.

"I'm a director—period," Jordan said, dismissing the suggestion of tokenism. "There is nothing in any company's articles of incorporation that makes me any different, in terms of responsibilities to the corporation, of any other director. Secondly, I am there *not* as some constituent representative. I am there elected by the shareholders—not by Ward 8."

But whether he likes it or not, Jordan has been assigned the role of Designated African American by whites and blacks alike—a son of the oppressed who moves and shakes with the onetime (and occasionally continuing) oppressors.

"In forming the strong adult friendships of my life, my issue always was: Is this person a person I would trust to be alone in a roomful of powerful white people?" said George Mason University history professor Roger Wilkins, who has known Jordan since the mid-1960s, when Jordan was the NAACP's Georgia field director and Wilkins was an assistant attorney general in the Johnson administration. "All my good buddies were people who passed that test," Wilkins added. "With respect to Vernon, it is *still* my test. But I do not have enough information to say one way or the other."

As a member or chairman of the public responsibility committees for at least five of the corporations on which he serves, Jordan has had the chance to pass the "Wilkins test," and, by most accounts, he's tried—especially at American Express, where he's been on the board since 1977.

"On minority recruitment, Vernon spent a significant amount of time with senior management, actually instructing them how to go about doing it," recalled former American Express executive Harry Freeman, who was assigned to work with Jordan on the public responsibility committee. "He would call for very precise written reports . . . and it wasn't some kind of abstraction. It was, 'How many women do we have at a certain level? How

many blacks?' He would demand reports, and if you didn't have one it was, 'Why *don't* you have one?' 'What colleges have you been recruiting at?' And, boy, you would be in real trouble if the list was strictly white Establishment colleges."

But another, less heroic, glimpse of the corporate Jordan is provided by the recent book "Vendetta: American Express and the Smearing of Edmond Safra." In it, author Bryan Burroughs cites the aforementioned Freeman as complaining about Jordan and fellow director Charles Duncan, who spearheaded the audit committee's internal probe of the scandal in which various executives, including Freeman, were accused of trying to ruin a respected Swiss banker. Jordan and Duncan "seemed less interested in getting at the truth," Burroughs wrote, "than shielding [Chairman] Jim Robinson from embarrassing disclosures."

As a director of RJR Nabisco, Jordan rates a dozen mentions in "Barbarians at the Gate," Burroughs' best-selling chronicle, written with John Helyar, of RJR's controversial leveraged buyout in 1988. Jordan is portrayed, variously, as unsuccessfully pressing the then-CEO, Tylee Wilson, to steer more legal work to Akin, Gump; worrying about what the deal would mean for his \$50,000 annual pension; and being "well disposed to any chairman who put him on his board."

Jordan declined to comment on these accounts, saying that what happens on his boards is "privileged." But Burroughs recalled his surprise when Jordan, who didn't cooperate with the authors, showed up at the "Barbarians" 1990 book party at the Hudson River Club in the financial district of Manhattan.

"At one point in the middle of the crowd, I suddenly found myself moved into a corner, looking up at this huge man, who took my little hand into his own crushing handshake and said something to me in a low voice," recounted Burroughs, who is about six inches shorter than Jordan. "I can't remember exactly what he said, but the clear feeling of it, over five minutes, was, 'I am not happy with this book, young man. I am not an ass-kisser to corporate boards.' I was very impressed by the physical presence."

Jordan remembers the encounter somewhat differently. He casts himself in the role of Southern gentleman, facing down Burroughs and Helyar—"in front of their wives," he stressed—to defend the honor of the young wife of CEO Ross Johnson, about whom he thought the authors printed salacious gossip. "Burroughs said, 'We're first on the New York Times bestseller list,'" Jordan recalled. "I made my point. He made his."

Yet the point made in the Burroughs version is clearly a touchy one. Over breakfast, Jordan leaned toward his questioner and lost his ready smile when told that "someone on [The Washington Post's] business staff" had remarked that "you don't get invited onto that many corporate boards if you have a reputation of sticking it to the CEO."

"Someone on your business staff," Jordan replied in a low voice, "doesn't know what the [bleep] they're talking about."

Jordan's friends talk of his mother, Mary, as the dominant force in his life—a woman of 86 who, until recently, was still active in the successful catering business that she started 60 years ago because she wanted to work for herself, not someone else. Before long, on the strength of her skills in the kitchen and the force of her personality, she was delivering her services to some of Atlanta's finest families.

"If you gave parties in Atlanta when I was growing up, you knew about Mary Jordan's catering service," said her middle son, recalling his initiation at age 10, when she brought him in to replace a missing bartender at a Georgia Tech-Vanderbilt football party. "My daddy [the late Vernon Jordan Sr., a Postal Service employee] told me about the different drinks. I tended bar then, and I've been doing it ever since."

"To know Mary Jordan is the key to understanding Vernon," said D.C. Del. Eleanor Holmes Norton, who has known him for 25 years. "This is a son who always has been truly close to his mother."

"Mary Jordan always said, when you left her house to go anywhere else, 'What did you see? What did you hear? What did you learn?'" recalled Vernon's younger brother Windsor, noting that their mother named him for the Duke of Windsor, much as she named Vernon for George Washington's Mount Vernon (taking her cue from her husband's mother) and her eldest son, Warren, for President Harding.

"We got along [during segregation] because of my mom," Windsor added. "We never did go to the marches and things like that. She didn't push us to do that. But she said, 'If you're going to live in the North, get educated in the South. And if you're going to live in the South, go to school up North.' She was a person who believed that the greatest education in the world was exposure to different places and people. Because of my mother, we looked at people from the standpoint of what the people as *individuals* had to offer." Windsor said she also taught her sons to "never forget your base, never forget where you came from. But even if you were born in the projects, always carry your smile, and that smile will carry *you* a long way."

Vernon, for one, seems to have learned these lessons well. He has managed to collect an amazing array of friends—from former secretary of state Cyrus Vance to current White House Chief of Staff James Baker, who called him, in a quote dictated to his secretary for this article, “a man —

VERNON JORDAN'S CORPORATE BOARDS

COMPANY	1991 ANNUAL PAYMENTS*
AMERICAN EXPRESS	\$48,000
BANKERS TRUST	\$67,381
CORNING	\$24,700
DOW JONES	\$34,200
J.C. PENNEY	\$49,000
RJR NABISCO	\$50,000
REVLON GROUP	(Not Available)
RYDER	\$63,700
SARA LEE	\$58,500 **
UNION CARBIDE	\$58,000
XEROX	\$51,000
TOTAL	\$504,481



*These figures, based on compensation for a director who attends all board meetings, do not include such perks as the use of corporate jets and automobiles, travel and accommodations for spouses, insurance policies, stock options and retirement packages—notably Bankers Trust's annual payment of \$20,000 for life, and Dow Jones's annual payment, for up to 15 years after leaving the board, of an amount equal to the final retainer received.

**Sara Lee figure is for the period July 1, 1991, to June 27, 1992.

SOURCE: Investor Responsibility Research Center

THE WASHINGTON POST

of great capacity and integrity.” Since setting up house in Washington, Jordan has become one of the city’s social lions, with just the right sort of weakness for gossip and funny, bawdy stories, while gaining a reputation as a lady-killer—a subject he refuses to discuss, except to say: “I like people. I’ve always liked people. I like all kinds of people. And I’m not going to stop liking people. The interpretation of people’s thoughts about that has absolutely nothing to do with my professional responsibilities.”

“I’m sure women find him attractive—I do,” said his wife, Ann, a former University of Chicago social worker whom he married in 1986, and who serves on four corporate boards herself. They married after the death of Jordan’s first wife, Shirley, from multiple sclerosis.

He also seems to have inherited some of Mary Jordan’s steely resolve.

“He can be wonderfully accommodating, and he will go out of his way to help people he barely knows,” Norton said. “On the other hand, he cannot be manipulated. He’s a tough customer. You can never get Vernon to do something just because you want him to do it. He knows how to say no.”

In 1961, he was fresh from How-

ard University’s law school (having followed his mother’s North-South maxim and done his undergraduate work at Indiana’s DePauw University) when he escorted Charlayne Hunter-Gault, as she is known today, to the University of Georgia’s registrar’s office, ignoring cries of “nigger” as she became one of the first blacks to enroll. It was the sort of courage not uncommon in the civil rights movement, but Vernon Jordan obviously had it—even after his near-death experience in May 1980, getting shot in the spine in the parking lot of a hotel in Fort Wayne, Ind., an incident widely believed to have been racially motivated.

And it may have been his mother’s low threshold for nonsense that prompted Jordan, more recently, to give the facts to Ross Perot during the Clinton camp’s October pilgrimage to Dallas, when the tycoon was claiming his decision to reenter the presidential race would depend on “the volunteers.” “Tell the volunteers,” Perot kept repeating as Sens. Lloyd Bentsen (D-Tex.) and David Boren (D-Okla.), among other Clinton emissaries, made their cases for his staying out.

According to Clinton economic adviser Gene Sperling, who was present in the conference room where Jordan sat to Perot’s right, the lawyer leaned over the diminutive Texan, folding his arms in front of him in his most imposing fashion. “Ross, you know about leadership, and I think I know about leadership,” Jordan said. “And I think we both know that you’re going to make this decision, not the volunteers.” At which Perot, his game unmasked, was momentarily rendered speechless.

It was the same month that his mother was felled by a stroke—Jordan’s good fortune, as has often been the case, leavened by adversity. Now she lies in an Atlanta hospital room, unable to move or speak, and transition chairman Jordan stops in to see her on his way to and from Little Rock, Ark.

“She’s sort of in negotiation with the Lord,” Jordan said. “My mother was quite something—still is. I’m sorry she’s not aware of all this. But they read to her on the theory that people who are comatose can hear. I expect she knows what’s going on.”

The Tour Of a Lifetime

First Ladies' First Peek At the White House

By Carl Sferrazza Anthony
Special to The Washington Post

Eleanor Roosevelt wanted to see the kitchen. Lou Hoover wouldn't dream of showing it to her.

"I'm sorry," said Mrs. Hoover, a white-haired grandmother whose husband had lost his reelection bid because of a souring economy, "but the housekeeper will have to show you the kitchens. I never go into the kitchens."

They shook hands and parted ways with Mrs. Roosevelt, already forecast as an entirely new kind of First Lady, striding into the kitchen to talk to the help in the first of many egalitarian gestures.

Sixty years later two not dissimilar women—Barbara Bush guiding; Hillary Clinton following—today will act out a ritual that is as much a part of American political culture as the inaugural oath. The traditional tour of the White House conducted by the departing First Lady for her successor is a mostly private moment in the process of presidential transition, but just as much a symbolic transfer of power.

The first such tour began with the first presidential transition of the 20th century, when Mrs. Theodore Roosevelt guided Mrs. William Howard Taft through the mansion on March 2, 1909—two days before the old Inauguration Day of March 4. Previous to that, an informal dinner on Inauguration eve hosted by the outgoing couple for the incoming couple was often the new First Lady's initial glimpse of her new digs.

Edith Roosevelt brought order and protocol to the presidency, and in her compulsion for ceremony, invited Nellie Taft to preview her new home, a convergence less than harmonic. Although William Howard Taft had been anointed by Roosevelt as his Republican successor, indomitable Nellie neither personally liked nor politically trusted the Roosevelts. Tensions rose dramatically when, after Edith pointed out a table, Nellie loudly whispered, "I would have put that table over there."

The 1920 tour was punctuated with similar fireworks. That year, two of the most formidable matrons to preside in the White House had hat-to-hat combat. The fuse was sparked

when incoming Republican Florence "Duchess" Harding's request to bring her friend Evalyn McLean, the morphine-addicted multimillionaire's owner of the Hope Diamond, was rebuked by a nasty note from outgoing Democrat Edith "Mrs. President" Wilson. Arriving in blue feathered hat, her deeply-rouged face covered by a black veil on top of which were affixed pince-nez spectacles, the Duchess tackled Mrs. President.

"Her manner was so effusive, so voluble, that after a half-hour over the teacups I could hardly stem the torrent of words to suggest I send for the housekeeper," Edith Wilson recalled. Haughtily, Edith decided to let the housekeeper give Florence the tour. The Duchess retaliated by refusing to shake the housekeeper's hand and declaring on the spot that she would be replaced.

Still recovering from her Cesarean surgery just 14 days before, Jacqueline Kennedy was permitted by her doctor to take her Dec. 9, 1960, tour with Mamie Eisenhower on the condition that she be pushed in a wheelchair. "Oh, dear, I wanted to take her around alone," Mrs. Eisenhower told Chief Usher J.B. West. She decided to have a wheelchair ready—if Mrs. Kennedy asked for it. That day—which West said "neither lady had looked forward to"—Mamie marched Jackie up and down the grand staircase, in and out of halls, proudly pointing out a dentist's chair and a water fountain along the way, inspecting rooms decorated in "Mamie Pink." Mrs. Kennedy later said the "remoteness" of the place made her think of Lubianka, the Russian prison.

The next morning, as she speared grapefruit, Mamie arched a disapproving eyebrow when she spoke about "that girl" to West. "She's planning to redo every room in this house."

Torch-passing to another party is not always marked with white-gloved fisticuffs. Outgoing Democrat Lady Bird Johnson warmly welcomed her old Senate Wives colleague and incoming Republican Pat Nixon with a kiss and hug at the front door during their 1968 tour. The Atomic Age passed peacefully to the Fabulous Fifties on Dec. 1, 1952, when Bess Truman gave her tour to Mamie Eisenhower. Although their husbands were feuding, the folksy Midwestern matrons Bess and Mamie were "girlfriends," according to the latter, having played bridge, taken Spanish lessons and cooked Cuban food together. Privately, Bess warned the staff that they would be seeing "a lot of pink."

When Rosalynn Carter led a tour for the wife of the man who had defeated her husband, Mrs. Reagan sensed a "chill in her manner," and was "disappointed" at Mrs. Carter's reluctance to personally take her into the family rooms, scattered with shipping boxes, but said she "understood."

Kerry Says Bush Letter Promises More Gestures Toward Hanoi

By Thomas W. Lippman
Washington Post Staff Writer

HANOI, Nov. 18—Vietnam's decision to cooperate with U.S. efforts to track the fate of missing servicemen continued to pay off today as President Bush promised further "reciprocal actions."

Sen. John F. Kerry (D-Mass.), chairman of a Senate panel trying to get answers about American troops still unaccounted-for from the Vietnam war, said the promise was contained in a letter from Bush that he delivered to Vietnamese President Le Duc Anh.

While Kerry would not elaborate on the contents of Bush's letter or speculate on what new actions Bush might take or when, he left little doubt what his committee's recommendation will be: early lifting of the U.S. trade embargo on this impoverished country, perhaps even before the committee issues its final report next month.

Two weeks ago, the Bush administration, in appreciation for Hanoi's increased cooperation on the MIAs, dropped restrictions on Vietnam's collection of U.S. dollar payments for phone calls made to that country by Vietnamese Americans and said a higher level U.S. aid mission will be sent soon to assess the country's humanitarian needs.

Today, at a news conference that the Vietnamese viewed as such an important event that they invited Hanoi's diplomatic corps, Kerry said he and senators who accompanied him here will report to Bush when they return to Washington, perhaps Monday.

"It's my sense that if he feels cooperation has been forthcoming," Kerry said, "he won't necessarily wait" for the committee's formal report before making a new, significant gesture toward Hanoi.

[In Washington, Sen. Bob Smith (R-N.H.), vice chairman of the Select Committee on POW/MIA Affairs, said Wednesday that he was "very disturbed" by reports from Hanoi that the United States "is on a fast track to normalize economic and diplomatic relations with Vietnam." He said that "until we are certain Vietnam and Laos are providing full answers" on the MIA issue, he remains "vehemently opposed" to lifting the trade embargo imposed against Hanoi in 1975.]

Kerry and Sen. Thomas Daschle (D-S.D.) left no doubt that they will tell Bush the Vietnamese have been "forthcoming." For three days Vietnamese officials have buried the senators and Defense Department investigators here with documents and photographs, granted them access to previous-

ly closed facilities, and said yes to every request for additional assistance in resolving the remaining MIA cases.

For nearly 20 years, the issue of the 2,265 servicemen still officially listed as unaccounted-for was only one of many barriers to a reconciliation between Washington and Hanoi, outweighed by disputes over

"It's my sense that if [Bush] feels cooperation has been forthcoming, he won't necessarily wait" to make a new gesture toward Hanoi.

— Sen. John Kerry (D-Mass.)

U.S. opposition to Vietnam's invasion of Cambodia and U.S. support for China.

But now it is the only barrier, and Vietnam appears determined to surmount it. White House officials who were here last month said Vietnamese leaders expressed to presidential envoy John Vessey Hanoi's

determination to satisfy U.S. demands for information about the missing, and they have been delivering.

According to Vietnamese and U.S. officials and diplomatic analysts here, there are multiple economic and political reasons for the policy shift, which has not surprised students of Vietnamese history. When Emperor Le Loi defeated China's armies in the 15th century, one analyst said, he nevertheless went to Beijing to pay tribute to the Chinese ruler. In a similar way, Vietnam is maneuvering to its own advantage by allowing a powerful rival that it vanquished to dictate the terms of peace.

Analysts agree that Hanoi's overriding objective is economic. The country needs roads, transportation and communications equipment, housing, electricity, oil refineries, aircraft, schools and hospitals. Elimination of the U.S. trade embargo would give it access to World Bank loans, international bank credit and direct U.S. investment.

By including the MIA issue as one of the landmarks on the so-called "road map" to normal relations, a source who knows Vietnam's leaders well said, the Bush administration scrapped the fiction that it was merely a humanitarian issue rather than a political one. Vietnam began to feel it was

finally dealing with an administration in Washington that would not lie to it or keep changing the requirements for lifting the embargo. Once Vietnam had withdrawn its troops from Cambodia and agreed to elections there, resolution of the MIA issue became a matter of timing.

Political events in the United States and other countries shaped Vietnam's thinking, diplomats said. The Senate's decision to create a special panel created a useful bipartisan conduit for information Vietnam was prepared to reveal.

Meanwhile, a Foreign Ministry official said, Hanoi began to believe last spring that Bush could lose the election, and saw the potential change of leadership as an opportunity to deal either with a president politically liberated by defeat or a newcomer unencumbered by past policies.

Vietnam understood, analysts said, that Japan's decision to abandon the U.S.-sponsored embargo and resume aid to Vietnam increased pressure on Washington from the U.S. business community, which wants the embargo lifted. Vietnam was delighted with Japan's decision, a longtime analyst of Vietnamese policy said, but at the same time does not want to become an economic hostage to Japan, and envisions the United States as an economic counterweight against Tokyo.

DATE: 11.19
PAGE: 4

Rabbi, governor defend Fordice

By Ralph Z. Hallow
THE WASHINGTON TIMES

A prominent rabbi and the Republican governor of Wisconsin yesterday defended Mississippi Gov. Kirk Fordice's "Christian nation" remarks while most Jewish and liberal groups went on the attack.

The Mississippi governor's ringing endorsement of family values on Tuesday omitted the "Judeo" prefix, sparking the furor.

"The United States is a Christian nation," he said at the end of a news conference Tuesday with other GOP governors in Fontana, Wis. "The less we emphasize the Christian religion the further we fall into the abyss of poor character and chaos in the United States of America."

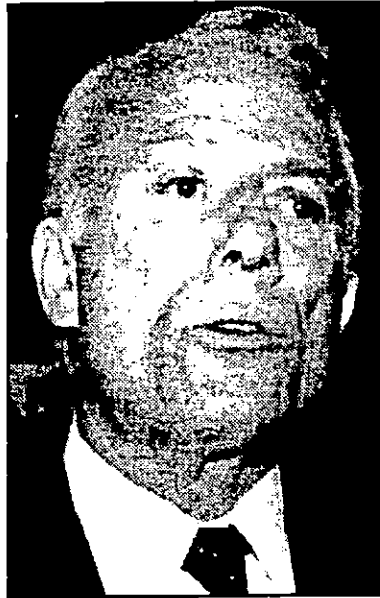
Yesterday, Mr. Fordice defended his remarks, saying: "I simply made a clear statement of truth. It has nothing to do with running down anybody else's religion. That's a very far stretch that I just can't imagine people making."

"There is a powerful secular bias in the mass media against the fact — and it is a fact — that religion is a fundamental and active category of American life," said Rabbi Jacob Neusner.

"The media rarely represent religion as a normal and important dimension of people's everyday life, but it really is," said Mr. Neusner, professor of religious studies at the University of South Florida in Tampa. "Fordice wants to remind people of that fact. While he might have chosen somewhat more inclusive language, his meaning is clear and entirely constructive."

Finding prominent Republicans to comment — even those who tried to make traditional values the core of their campaign — was another matter.

Pleading in person or through spokesmen that this was not their issue, several potential GOP pres-



Mississippi Gov. Kirk Fordice's statement drew scorn and support.

idential candidates and some Republicans campaigning for national party chairman declined to comment.

"The cultural war in America between the 'anything goes' forces and defenders of traditional values has, it seems, come home to the Republican Party and is being treated as an unwelcome visitor," said Michael R. Pence, Republican president of the Indiana Policy Review Foundation in Indianapolis.

Wisconsin Gov. Tommy Thompson was the one prominent elected Republican to defend Mr. Fordice and the point the governor tried to make on behalf of the GOP.

"Kirk Fordice was speaking from his heart," Mr. Thompson told The Washington Times yesterday. "This country has some basic values that we have to adhere to and I see nothing wrong with those values. The vast majority of Americans agree with them."

Mr. Pence bemoaned "the schism in the party between those who believe that it has to dilute its message so as not to frighten people and those who want it to stand for traditional values as well as limited government and free markets."

"I'm one of those Republicans who reject the notion that the key to resurgence at the national level is to retreat from the basic values that brought Ronald Reagan to the White House," Mr. Pence said.

Although Mr. Fordice said during the Tuesday news conference that his comment was not meant to imply "at any time that religious intoler-



Wisconsin Gov. Tommy Thompson defends his fellow Republican.

ance or ... dogma is being forced on anyone," South Carolina Gov. Carroll Campbell said he wanted to add "Judeo" to the Christian heritage of the nation. Mr. Fordice snapped back that if he had wanted to add it, he would have done it himself.

Khalil Jahshan, a National Association of Arab-Americans official, said statements like Mr. Fordice's "unfortunately tend to raise fears and apprehension on the part of minorities, and even persons of the Christian faith such as me find these statements unnecessary and divisive."

Most Jewish leaders were equally incensed.

"Unfortunately, Governor Fordice has yet to learn that America is not a country that is defined in terms of religion or race," said Kent E. Schiner, president of B'nai B'rith International. "The United States is a pluralistic society, as any high school civics course could have taught him."

In a letter to the governor, Melvin Salberg, Anti-Defamation League national chairman, and Abraham H. Foxman, ADL national director, said Mr. Fordice's rejection of Mr. Campbell's "Judeo-Christian" comment "reflects a shocking and incomprehensible insensitivity to Jews and Judaism."

Arthur J. Kropp, president of People for the American Way, said the party "seems to be practicing a systematic politics of exclusion — first women are pushed out, then gays, now Jewish Americans and others who don't happen to be Christians."

House is ready to shift gears

DATE: 11.19
PAGE: 9

By Richard Wolf
USA TODAY

Frustrated by petty scandals, partisan bickering and a partially paralyzed leadership, the House is on the verge of becoming leaner and meaner.

No fewer than four proposals for changing the way the House does business await lawmakers when they return to Washington in early December to prepare for the 103rd Congress.

Most of the reforms are not dramatic, dealing more with legislative efficiency than perks, pork or politics. But taken together, they could represent the biggest upheaval of internal House affairs since the post-Watergate election of 1974.

When the dust settles Dec. 10, House Speaker Thomas Foley, D-Wash., and the Democratic Caucus should be the winners. The key question is how much power committee chairmen — a few in particular — lose.

"Make no mistake about it: Congress is in trouble," says a report out today by the Brookings Institution and the American Enterprise Institute, two Washington think tanks. "And the time to do something about it is at hand."

The 76-page report is a harbinger of things to come on Capitol Hill after a 102nd Congress and an election that demonstrated the need for change:

► The past two years of divided government between the White House and Congress produced a paltry list of achievements and a fat list of embarrassments, led by bouncing checks at the House bank.

► One in four House members retired, resigned or lost reelection this year, creating a 110-member freshman class bent on avoiding the mistakes — administrative, legislative and political — of the past.

One of the most closely watched committees in the coming year will be the new Joint Committee on the Organization of Congress, headed by Sen. David Boren, D-Okla., and Rep. Lee Hamilton, D-Ind.

But before that panel even gets rolling, House Democrats and Republicans will meet separately next month to make some internal changes.

Among the proposals:

► A group of Democrats backed by the leadership has proposed cutting at least 16 subcommittees — about 10% of the current number — and giving rank-and-file members greater clout in setting a policy agenda and vanquishing committee chairmen.

"These things are not necessarily exciting, but they're really going to make this House work better," says Rep. Louise Slaughter, D-N.Y., prime author of the leadership-backed plan.

► The Democratic Study Group, dominated by liberal lawmakers, has a similar proposal, but would reduce chairmen's policy-making role.

"We've got some excellent chairs, and we've got some who

need to be made more accessible to the caucus," says Rep. Robert Wise, D-W.Va., chairman of the group.

► In their report, *Renewing Congress*, political scholars Thomas Mann of Brookings and

Norman Ornstein of American Enterprise propose a new agenda-setting panel and fewer subcommittees. But they also urge a cut in lawmakers' personal staffs from 18 to 15 and a variety of scheduling changes.

"Congress' ability, at least implicitly, to set its legislative priorities and then to act on them in a timely and orderly fashion has nearly disappeared," they write, "contributing mightily to public disillusionment and congressional frustration."

► Republicans, who will reorganize their own minority conference next month, are expected to propose much more radical reforms in January — including establishing term limits for committee heads.

Those are certain to fail when the full House opens the 103rd Congress in January, but the changes each party makes for its own internal operations will go into effect.

The main battleground is clear: On one side, rank-and-file Democrats seeking a greater policy role. On the other, omnipotent chairmen whose power base may be threatened.

"This is a 1974 period again," says Wise, recalling the last time rank-and-file lawmakers claimed greater power. "These opportunities for reform seem to come around about once every 15 years, and you'd better take advantage of it."

Committee fights likely, but House leadership stable

By Richard Wolf
USA TODAY

The faces in the House will change dramatically next year, but the big names will remain largely the same.

What once loomed as a major reshuffling of the leadership deck — the result of scandal, legislative lethargy and an upheaval at the polls — now looks more like minor tinkering.

When House Democrats and Republicans meet privately early next month, the biggest comeback will be made by House Speaker Thomas Foley, D-Wash., whose 3½-year tenure appeared jeopardized this year by his handling of the House bank scandal.

Foley and his leadership team — Majority Leader Richard Gephardt, D-Mo.; Majority Whip David Bonior, D-Mich.; Democratic Caucus Chairman Steny Hoyer, D-Md.; and Vice Chairman Vic Fazio, D-Calif. — seem assured of re-election by a 258-member caucus with 63 new faces.

On the Republican side, Minority Leader Robert Michel, R-Ill., and Minority Whip Newt Gingrich, R-Ga., also will be unchallenged. The hottest GOP race pits moderate Republican Conference Chairman Jerry Lewis, R-Calif., against conservative Rep. Richard Armey, R-Texas.

More intriguing than the leadership races will be the changes atop committees, where some unexpected challenges could materialize:

► Rep. Jamie Whitten, D-Miss., 82 and in weak health after 26 House terms, is virtually certain to be stripped of his Appropriations Committee. The likely successor: 83-year-old Rep. William Natcher, D-Ky., a 20-term veteran who has not missed a House floor vote in 40 years.

But challenges could come from two younger Democrats with links to the leadership: liberal Rep. David Obey of Wisconsin, 54, and moderate Rep. John Murtha of Pennsylvania, 60.

► Rep. G.V. "Sonny" Montgomery, D-Miss., faces a potential fight to retain his seat atop the Veterans Affairs Committee. Montgomery, 72, a decorated veteran of World War II and Korea, could face a generational battle with Rep. Lane Evans, D-Ill., 41, a Vietnam-era veteran.

► Rep. Henry Gonzalez, D-Texas, chairman of the Banking, Finance and Urban Affairs Committee, is perennially vulnerable because of his quixotic style. But he has been the leading voice against the Bush administration's pre-war Iraq policy, firming up his standing among Democrats.

Three departing committee chairmen likely will be replaced without a skirmish:

► Foreign Affairs: Rep. Lee Hamilton, D-Ind., will replace retiring Dante Fascell, D-Fla.

► Public Works and Transportation: Rep. Norman Mineta, D-Calif., will replace retiring Robert Roe, D-N.J.

► Merchant Marine and Fisheries: Rep. Gerry Studds, D-Mass., will take over for the late Walter Jones, D-N.C.

Then the real battles will begin for plum committee spots: 19 vacancies on Appropriations, 13 on Ways and Means, 12 on Energy and Commerce. With a 110-member class flexing its muscles, even freshmen are expected to win top assignments.



MONTGOMERY:
Veterans Affairs



EVANS: May challenge Montgomery

GOP newcomers of the House gather to map out strategy

By Judi Hasson
USA TODAY

A group of newly elected Republicans, not waiting for the new Congress to be sworn into office, meets in the middle of the country Monday to plan its agenda.

The meeting, known informally as the "Omaha Conference" because of its location in Nebraska's largest city, was the brainchild of GOP candidate Tom Huening of California.

Huening didn't win his race, but his idea for an independent gathering of freshman lawmakers outside of Washington was picked up by Rep.-elect Lincoln Diaz-Balart of Florida.

At least 20 Republican freshmen are expected to be on hand to discuss term limits, the line-item veto, fiscal responsibility and congressional reform.

"I see us as taking our responsibilities very seriously to constituents who don't have incumbents with 20 or 30 years of service to rely on," says Diaz-Balart, who represents a new minority district near Miami.

Rep.-elect John Mica of Florida says the lawmakers span the spectrum from conservatives to moderate Republicans. "The purpose was to be a bipartisan gathering, but the Democrats threw cold water on that by not attending."

The group extended an invitation to every new member of Congress — 47 Republicans and 63 Democrats. But only about 20 Republicans decided to come.

And while the group also invited President-elect Clinton to speak to them, it's unlikely he'll appear.

House Minority Leader Robert Michel, R-Ill., isn't coming either. He's sending an aide.

But Mica says: "It's a good opportunity to talk about the direction the freshman class should take."

Two years ago, an impromptu meeting of seven freshman Republicans became known as the "Gang of Seven." It later led a reform movement on Capitol Hill.

The "Gang" blew the whistle on the scandal-ridden House bank, forcing the disclosure of all members who had overdrawn checks during a 39-month period, and publicized perks and privileges members of Congress received.

For now, the new GOP members have no plans to agitate. "I always liked the idea of meeting with my colleagues," says Diaz-Balart, "seeing if friends and allies develop."



By Doug Jennings, AP
DIAZ-BALART: Organized conference

The House Recruits a General

Administrator's Mission: Clean Up After Bank, Postal Scandals

By Kenneth J. Cooper
Washington Post Staff Writer

A general is coming to clean up the House.

By bipartisan agreement, retired Army Lt. Gen. Leonard P. Wishart III takes command in the next Congress of the nonlegislative services that in the past year tarnished the House's reputation—its 11 restaurants, postal operations and the payroll functions of the defunct House Bank.

Members authorized the hiring of the first professional House administrator in April amid an uproar over House Bank overdrafts, and House leaders recruited Wishart after a six-month national search conducted with help from an executive personnel firm based here, Korn/Ferry International Inc.

Wishart, 58, retired from the Army last fall after a 34-year career that included stints as a combat officer in Vietnam, a staff officer at the Pentagon and a top commander of two posts in Kansas, Forts Leavenworth and Riley. When he assumed his first command—at Fort Leavenworth in 1983—Wishart succeeded Colin L. Powell, who had left for Washington to begin his rise to chairman of the Joint Chiefs of Staff.

Rep. Jim Slattery (D-Kan.) met Wishart in Kansas several years ago and touted him for the House post.

"He's a first-class professional, a first-class soldier. I think he'll be appreciated and admired on both sides of the aisle," Slattery said.

Speaker Thomas S. Foley (D-Wash.), Majority Leader Richard A. Gephardt (D-Mo.) and Minority Leader Robert H. Michel (R-Ill.) said they hired Wishart, who will be paid about \$119,000 a year, because of his "progressive leadership and management experience." A spokeswoman for Michel said the GOP leader also favored the retired general as an "outsider" on Capitol Hill.

Wishart said he became interested in the job when the media first reported on the House's plans to hire a professional administrator. Since retiring, he has worked as a business consultant for Burdeshaw Associates Ltd. in Bethesda.

"My wife and I were sitting at the table in the spring, when all this broke," said Wishart, a resident of



"I have no political affiliation. I vote, and that's it. I'm not registered in any party, and I call myself an independent."

—Retired Lt. Gen. Leonard P. Wishart III

Burke, Va. "I said, 'What they probably need is somebody from the Army.'"

At a time when Congress has fallen in voters' esteem, Wishart described his new post as a patriotic way to help the House carry out its legislative duties without worrying about housekeeping matters involving the operation of several restaurants and cafeterias.

"I believe in our Congress," he said.

Wishart's experience in a military service known for its standard procedures contrasts with a House where customs, favors and whims have governed nonlegislative affairs.

A 1957 West Point graduate and holder of a master's degree in nuclear physics from the University of Virginia, Wishart joins a new breed of professional managers in replacing patronage employees who worked their way up from low-skilled House jobs.

The acting sergeant-at-arms, Werner W. Brandt, received a history degree from Hamilton College in New York and was a Foreign Service officer for a decade. Michael J. Shinay, the acting postmaster, spent two decades as a U.S. Postal Service executive and received an MBA at the University of Vermont. House Clerk Donald K. Anderson has a traditional House background, but his office is regarded as professionally managed.

During the Ford administration, Wishart served as a senior military aide to two secretaries of the Army, who are civilian political appointees. One was Howard H. "Bo" Callway, now chairman of the Colorado Republican Party and a contender to chair the national party. The other was Martin R. Hoffmann, a former GOP House aide and now vice president of Digital Equipment Corp.

"I didn't serve a particular personality. I worked for the office," Wishart said. "I have no political affiliation. I vote, and that's it. I'm not registered in any party, and I call myself an independent."

His last jobs commanding "military communities" with large budgets and staffs, Wishart said, prepared him for the House post. He will oversee member and staff payrolls, restaurants, internal mail, barber and beauty shops, and office supplies, among other functions. In addition, he is to implement personnel policies that are supposed to end the influence of patronage in the jobs under his purview.

Next week, Wishart is to meet with Rep. Charlie Rose (D-N.C.), chairman of the Committee on House Administration, which will oversee the new director of nonlegislative affairs. Wishart's hiring will lighten the committee's burden: It has operated House restaurants since a private contractor left last year.

Buchanan cronies planning institute

By Ralph Z. Hallow
THE WASHINGTON TIMES

Pat Buchanan opened his McLean home last night to friends and donors, as he had last year on the eve of his decision to challenge President Bush for the Republican presidential nomination.

This time he had in mind something to last longer than the bruising and unsuccessful primary campaign he mounted 10 months ago: He wants to create a foundation to spread his "America first" views around the nation.

The Buchanan Foundation? No, a source close to him said yesterday. Too ponderous. The Institute for the 21st Century? No, "institute" is also ponderous. The Council for a New Majority? That sounds better, the adviser said.

The conservative intellectuals, campaign financiers and think-tank heads from outside the Beltway were to help Mr. Buchanan decide on the name last night.

Will the foundation compete with the Republican Leadership Council, which his friend William Bennett, the former secretary of education, is thinking of starting with Housing and Urban Development Secretary Jack Kemp and retiring Minnesota Rep. Vin Weber?

"No. In fact, I wish the RLC well," said the source, a top official in Mr. Buchanan's primary challenge.

Why does a man who could resume his nationally syndicated column and return to television on a regular basis feel the need for an organization to spread his word?

"We want to reach middle America. We feel we speak for them. Our issues are their issues. We could be the channel by which their ideas get out to the public," the adviser said.

The plan is to bring together scholars, writers and activists who share Mr. Buchanan's views but are unknown to talk-show hosts and radio interviewers, several of the group's founders said.

"We might put forward a professor at the University of Dallas who nobody knows to call for a TV or radio panel or interview. Maybe we can get whole teams of experts who can be out there on our behalf," the source said.

A purpose that parallels Mr. Bennett's RLC proposal is tracking the Clinton administration's policies and actions and responding to them with conservative criticism and alternatives.

"We have a list of Pat's people who will be approached," the former campaign official said. "They will have access to our seminars and literature that the foundation puts out as it is developed. They'll get our bimonthly newsletter and a correspondence."

The target for unveiling the Buchanan organization is January, and last night's brainstorming and fundraising session will not be the last.

Meanwhile, Mr. Buchanan is working on a book about his campaign. He hopes to show a first draft to publishers in the next three months.

Overhaul Plans Proceed At FEMA, Agriculture

White House Opposes Disaster Agency Changes

By Bill McAllister
Washington Post Staff Writer

The director of the troubled Federal Emergency Management Agency this week announced plans for a major reorganization of the agency despite White House instructions to avoid significant policy initiatives until President-elect Clinton takes office.

Congressional and Bush administration sources said yesterday that they doubt FEMA Director Wallace E. Stickney, a political protégé of former White House chief of staff John H. Sununu, will be allowed to implement the proposal next Wednesday as he has planned. "It seems to be inconsistent with what the president has said," one Senate official familiar with the proposal said.

Separately, Agriculture Department officials said they were proceeding with their agency's previously announced plans for a major realignment of field offices. Spokesman Roger D. Runnigen said the plan, which follows state recommendations for closing hundreds of local offices, should be announced by Secretary Edward R. Madigan before the Bush administration leaves office.

Runnigen said Congress was aware of both the proposal and the administration's timetable for implementing the changes at Agriculture. A joint Office of Management and Budget-Agriculture "swat team" has been studying the closings since this spring despite calls by some members of Congress for swifter reorganization.

A FEMA spokesman yesterday

defended the FEMA plan, which Stickney sent Monday to the White House, Congress and FEMA's labor unions, describing the reorganization as "just part of normal operations." It calls for merging the agency's secretive, 887-member "national preparedness directorate," which prepares the government's plans for coping with a nuclear war, with its state and local directorates, which are responsible for disaster relief programs.

Richard S. Buck, acting executive vice president of Local 4060 of the American Federation of Government Employees, accused Stickney of "going off half-cocked" and reorganizing the agency before the General Accounting Office and the National Academy of Public Administration complete their recommendations on how the agency should be realigned.

The Senate official, who asked not to be named, said the proposed reorganization also appears to conflict with congressional directives on how FEMA should be restructured. He said the Clinton transition staff had not been informed of Stickney's proposal.

Both House and Senate Appropriations committees issued harshly critical reports on FEMA's operations last summer, calling for major changes in both its civil defense and disaster aid programs. A House subcommittee said the agency "is widely viewed as a political 'dumping ground,' a turkey farm . . . where large numbers of positions exist that can be conveniently and quietly filled by political appointment."

In his letters, Stickney described his proposed changes as offering "a



significant upgrading of the agency's present capabilities for rapidly responding to catastrophic disasters." He said change "also reflects the reality that the national security universe has changed dramatically over the last year as a result of the conclusion of the Cold War."

Stickney's letter was made public by union officials who said that a large number of FEMA's 2,500 workers might be affected, although it was not clear how many. The entire Office of Mobilization Preparedness, an unspecified portion of the Office of Systems Engineering, half the agency's regional planning staffs, and part of the Office of Operations were listed by Stickney as changing to the state and local programs staff.

Carl Suchocki, a FEMA spokesman, sought to minimize the impact of the plan, saying that most of the affected workers would remain at their current locations, changing only the directorate to which they report. Many of the national preparedness workers have been assisting in disaster programs, he said.

POLITICS

4 Conservatives Beg to Differ With Pollsters' Finding

Four conservative consultants yesterday criticized the post-election analysis of Republican pollsters Neil Newhouse and William McInturff, trying to create a dispute that actually may not exist.

The conservatives, Craig Shirley, Jim Weber, Tony Fabrizio and John McLaughlin—in a letter sent to the two pollsters and faxed to The Washington Post—said that President Bush's defeat was not a rejection of conservatism, but the repudiation of "a party which to [voters] stands for nothing, and is responsible for the considerable pain many now feel."

They contended that Bush's defeat resulted from taking "the advice of moderates on the 1990 tax bill, quotas, the so-called Clean Air Act and other issues."

On Monday, Newhouse and McInturff presented data to Republican governors showing that many independent and Democratic voters now describe the Republican Party and conservatism as "rigid," "narrow-minded" and "right-wing."

The four conservatives contended that Newhouse and McInturff were blaming conservatism for Bush's defeat. In fact, the two pollsters were only assessing voter attitudes in an effort to encourage Republican candidates to devise strategies to counter some of their party's negative images.

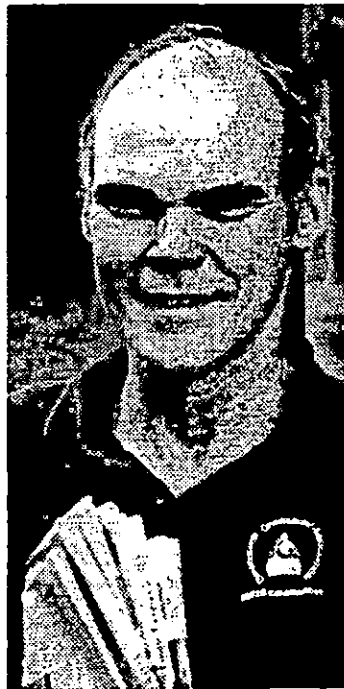
Newhouse declined to engage in a dispute. "There is simply no need for us to move this into round three. It is not worth it," he said. "If those guys had listened" to the whole presentation, "I think there would have been no letter at all."

Fordice Defends Remark

■ Mississippi Gov. Kirk Fordice (R) yesterday defended his remark of the previous day that "America is a Christian nation." He said his statement to a Republican governors' meeting Tuesday in Fontana, Wis., was not intended to exclude Jews.

"I simply made a clear statement of truth," Fordice told reporters in Mississippi yesterday. "It has nothing to do with running down anybody else's religion. That's a very far stretch that I just can't imagine people making."

In a letter to Republican Party Chairman Richard N. Bond, two American Jewish Congress leaders said Fordice's remarks imply "that those who are not



JAMES CARVILLE
... heads west for next campaign

Christians ... are a threat to the well-being of our nation and are unwelcome in the Republican Party," the Associated Press reported.

If such statements "do not reflect the views of the Republican Party, then [Bond] and other party leaders have an obligation to say so loudly and clearly," AJC President Robert K. Lifton and Executive Director Henry Siegman wrote.

From Little Rock to L.A.

■ James Carville, the spirited political consultant credited with helping President-elect Clinton go from the Arkansas governor's mansion to the White House, will next try to help a California lawmaker become Los Angeles mayor.

California Assemblyman Richard Katz, a moderate Democrat who has represented a working-class San Fernando Valley district since 1980, is one of nearly a score of people who have signaled their intentions to run to succeed five-term Mayor Tom Bradley (D), who is retiring.

Katz said he first contacted Carville last year shortly after the Louisianan had engineered the come-from-behind victory of Sen. Harris Wofford (D-Pa.) over former attorney general Dick Thornburgh (R). Carville agreed that he would work for Katz just as he was moving to the Clinton campaign last spring, Katz said.

"I remember that we joked about how far away Nov. 4 was and that by that time we'd both look either real smart or real stupid," Katz said in an interview. "We wanted the smartest, toughest guy we could find, and James fits that bill."

—Thomas B. Edsall
and John E. Yang

Runyon Extends Post Office Hours for Holidays

By Bill McAllister
Washington Post Staff Writer

Postmaster General Marvin T. Runyon, declaring his massive reorganization of the Postal Service successful, announced yesterday he was ordering more window service at 5,200 post offices during the holiday season.

Runyon said he is directing the nation's largest post offices to remain open longer during the Christmas mailing season—evenings, Saturday and, in some cases, Sunday—to move the mail through the holidays.

Even some small post offices, which close for lunch, will stay open then, Runyon told a National Press

Club audience. He also announced that he is ordering "lobby directors" placed in 7,200 post offices to speed customers through waiting lines, long a major source of customer complaints.

Officials said it will be up to local postmasters to set their hours.

Runyon's speech was his promised 120-day report on the major reorganization he ordered July 14, shortly after taking office. He said the agency was "in a good position to break even this year" despite earlier projections of a \$2 billion deficit. He repeated his pledge to hold postal rates steady through 1994.

Two leaders of major postal unions said yesterday that Runyon's

cost-cutting may not be as successful as the postmaster general said. Both Moe Biller of the American Postal Workers Union and Vincent R. Sombrotto of the National Association of Letter Carriers noted that many more craft workers than managers were among the 46,561 employees who had accepted early retirements.

According to a postal spokesman, 33,567 workers covered by collective bargaining agreements compared with 13,084 executives have opted to leave the agency in response to a reorganization that has eliminated 30,000 jobs.

That represents "a lot of experience going out the door," Runyon acknowledged.

TALKING POINTS

AID's Roskens Leads the Way Out of the Bush Administration

The exodus has begun. Yesterday, Ronald W. Roskens, administrator of the Agency for International Development, became one of the first Bush agency chiefs to announce his resignation.

Roskens, under fire through much of his 2½-year tenure as head of the beleaguered agency, will leave next month to head a new group, Action International. He recently returned from a lengthy tour of Eastern Europe where he reviewed AID operations.

Action International will promote the work of the Interaction Council, a group of 35 former heads of state who work on international policy proposals. Members of Interaction include former president Gerald R. Ford, former Soviet leader Mikhail Gorbachev and former French leader Valéry Giscard d'Estaing. Roskens, former head of the University of Nebraska, will be based in Omaha.

Roskens has been the target of investigations by the AID inspector general and a congressional oversight subcommittee looking at allegations that he billed the government for personal travel and accepted gratuities from private organizations doing business with the agency. Roskens has denied any ethical or legal improprieties.

OMB's Darman: Weighing His Options

Word is that Richard G. Darman, director of the Office of Management and Budget, is weighing several options, including joining a Wall Street investment banking firm's Washington office, going back to teaching at Harvard University's John F. Kennedy School of Government, or accepting an offer for a top executive position at a mid-sized company.

Darman's résumé has been spotted on Wall Street, according to a senior Wall Street executive. One firm there, Smith, Barney, Harris, Upham & Co., reportedly has passed on him, even though the firm is run by major GOP contributor Frank Zarb.

Also at OMB, Thomas A. Scully, associate director for programs, has decided to join Patton, Boggs & Blow, the high-powered Washington lawyer-lobbyist firm that is home to Democratic National Committee Chairman Ronald H. Brown.

'Rumors' About the Next VA Head

"Just rumors" is the way Jesse Brown, executive director of the Washington office of Disabled American Veterans, dismisses speculation that he may be among the candidates to head the Department of Veterans Affairs.

"We're hearing hundreds and hundreds of things, but we haven't even heard who is on the transition team" for the VA, said Brown, a Democrat. In 1965, Brown was injured in combat while on a Marine Corps patrol near Danang, Vietnam. He was appointed executive director of DAV in 1989.

Clinton's key adviser on veterans issues has been another Vietnam veteran who sustained combat injuries during his two tours in Southeast Asia. He is Hershel W. Gober, director of the Arkansas Department of Veterans Affairs.

"Bill has always been good for veterans," Gober said. He said he has not discussed playing a role in the transition or taking a job in the VA. But, he added, "When he hollers, I'm listening. . . . I'm always available."

The Conflict-of-Interest Watch . . .

Key Clinton adviser and transition board member Thomas "Mack" McLarty said yesterday he would remove himself from any transition matters involving the savings and loan cleanup.

McLarty's announcement came after the Los Angeles Times noted that Arkla Inc., a holding company for natural gas distribution companies, headed by McLarty, is a defendant in a \$535 million lawsuit by the Resolution Trust Corp., the federal agency charged with resolving the thrift mess.

A Word From the Communitarians

Advice for Bill Clinton just keeps pouring in.

The latest comes from seven leaders of the Communitarian movement—a group of former liberals and conservatives—who urge the president-elect to "recapture the family values issue from the right wing" and focus on the nation's children.

Emphasizing that they are not calling for a return to "the traditional family of Ozzie and Harriet," the seven, led by George Washington University professor Amitai Etzioni, founder of the Communitarian movement, said children thrive best in a stable atmosphere of family "care, support and safety," particularly if they bond with their parents in the first year of their lives.

Communitarians believe that a cultural shift to excessive individualism and a quest for personal gratification are harming the family and society.

They want Clinton to back a family-leave policy that eventually would ensure six months of publicly paid leave from the job, followed by six months of unpaid leave for those at firms with 50 or more workers.

—Al Kamen

Congress whips Clinton

It was predicted here before the election that should Bill Clinton win the presidency, he would soon come into conflict with Democratic leaders in Congress who would view his victory as their best chance to do things their way, not his. The intramural sniping has already begun, it seems — rather more quickly than expected. But it is not just the left wing of the party that is tugging at Mr. Clinton. The president-elect was blindsided when he promised to sign an executive order immediately after taking office removing the ban on homosexuals in the military.

Mr. Clinton appears to have thought he could satisfy his congressional allies by moving quickly to the left on nonspending issues, that key liberal constituencies could be placated with changes in social policies — gays in uniform, abortion counseling, fetal-tissue research — and that there would be no complaints as long as the policies didn't add to the deficit. He might have expected the chorus of military leaders crying "No!" but he was not prepared for the strong opposition thrown at him by Georgia Democrat Sam Nunn, the chairman of the Senate Armed Services Committee. All of a sudden the fault lines between Clinton and Congress were not just to Mr. Clinton's left: Now he has dissension on his right as well.

Pushed and pulled from all directions before he has even moved into the Oval Office, Mr. Clinton is exhibiting the dangers inherent in a go-along-to-get-along presidency. At his press conference with key congressional Democrats on Monday, he displayed again and again his willingness to compromise. That is, his willingness to bend to the demands of vocal detractors in his own party. No longer is he committed to signing in his first week in office an executive order protecting gays in the military. Gone is any "structure to follow," Mr. Clinton says, until after he is through with an undefined period of "consulting with military leaders."

Having just bent to the right, Mr. Clinton bent to the left, giving on the notion that he would demand a plausible line-item veto (wouldn't be prudent to anger Senate Majority Leader George Mitchell and House Speaker Tom Foley) and retreating on his plan to chop a quarter out of Congress' budget (seems it was more a guideline than a rule). If Mr. Clinton's press conference is any indication, his vaunted partnership with Congress is going to amount to little more than a habit of backtracking whenever some legislator's toes get

stepped on. Getting to yes is easy, after all, if one is always ready to acquiesce.

Does this mean an end to gridlock? Hardly. The most important lesson from Mr. Clinton's waffling on the military homosexuals issue is that Congress is not of one mind. Once upon a time a few sclerotic committee chairmen ran the show along with the leadership. If those ducks were in line, the rest of Congress fell in right behind. But the seniority system has been dismantled, and the committee system has grown like Topsy. There are now so many congressional committees and subcommittees that nearly every Democratic representative is a chairman. Each member has his own power base, his own tuft of policy turf and his own ideas about how to use it. Building coalitions in such a divided Congress is no easy matter. Already Mr. Clinton has gotten himself into a manic game of Twister trying to please everybody.

If Mr. Clinton thinks he can compromise with Congress simply by reaching deals with Mr. Mitchell and Mr. Foley, he is in for a very rude surprise, and a mighty frustrating and unpleasant four years. Mr. Mitchell had no problems with gays in the military. But that didn't mean there would be no voices of dissent from Democratic senators. Mr. Mitchell may be the most powerful man on Capitol Hill, but he can't deliver Mr. Nunn on something as simple as gays in uniform.

Nor have Mr. Mitchell and Mr. Foley been able to rally their troops behind any particular health-care plan: Like the Scarecrow at the yellow brick crossroads, Democrats are pointing umpteen different directions at once. Mr. Clinton will learn that they can't all be satisfied. Compromising with everybody who has a plan for medical care will make the mythic committee-drawn camel look like a model of design coherence. Much has been said by Mr. Clinton's team about how he has learned the lessons of Jimmy Carter's failure and Ronald Reagan's success. Mr. Clinton has taken the pages from the first Reagan term playbook, we are told, and we can expect a flurry of legislation. But they have missed the whole point of President Reagan's first years in office. Mr. Reagan arrived in Washington with a clear set of policy goals, and compromise was not his strategy. Kicking butt and taking names was. Consequently Congress fell into line. Bill Clinton is no Ronald Reagan. And as the last week has proved, Congress knows it.

REVIEW & OUTLOOK

DATE: 11.19
PAGE: 14

Those Special Interests

The lobbyists. The fixers: The malodorous and loathsome Gucci loafers crowd. From the pre-presidency's headquarters in Little Rock comes the distinct impression that Bill Clinton's administration will shun these Beltway denizens. It simply won't do business with the "special interests."

No sooner had the Little Rock encampment handed down these tablets than the presbyters of the media turned their stern eyes toward Clinton transition chairman Vernon Jordan, his multiple seats on boards of directors (this company's included), and specifically his association with RJR Nabisco. The President-elect quickly put out that Mr. Jordan would recuse himself from health-related appointments. A question: Would any such thing have come up if Mr. Jordan served instead on the boards of the Children's Defense Fund, the NAACP Legal Defense Fund, the Natural Resources Defense Council, Sidney Wolfe's Health Research Group, the Wilderness Society or Nan Aron's Alliance for Justice? Of course not. He'd be thought a saint. Instead, he's a suspect, because his boards are corporate boards.

But are corporate interests the only special interests with roots in Washington? To explore the answer to that, we thought we'd wander back a ways in Washington's history, to the day in September 1964 when a high school kid from Arkansas named Bill Clinton arrived on the campus of Georgetown University.

When Bill Clinton came to Georgetown, Tysons Corner in Virginia was a farm and a field. Today it's a federal boomtown, the horses and hollows replaced by commuters and shopping centers as far as the eye can see.

Back then, young Bill Clinton could have walked to Wisconsin Avenue for a 50-cent beer and pickled eggs at the Old Ebbitt Grill and found David Brinkley with friends at the next wobbly wooden table. It's gone. He could have bought his Sunday morning Post at Doc Dalinsky's Georgetown Pharmacy across the street, before it got famous, and run into Art Buchwald at the eight-stool soda fountain, talking about the Redskins game. Doc is gone. And though he'd have probably preferred the round steak dinner at Martin's Tavern on Wisconsin or strawberry pie at Sholl's cafeteria, if he'd wanted then to see the original "special interests," he would have saved up for dinner at Sans Souci, a pseudo-French spectacle of a restaurant, which of course is gone.

Much of the Washington Bill Clinton discovered then is gone, but what survived is what's presumably on his mind right now. Bill Clinton was a student in Washington when Lyndon Johnson, after JFK's assassination, erected the Great Society. As far as the special interests go, Bill Clinton was present at the creation.

The young class president could have taken a D.C. Transit bus over to 19th Street, near DuPont Circle, to see a tall office building filled to bursting with something called the Office of Economic Opportunity. He'd witness the rise of rule-making and enforcement power at the Federal Trade Commission and Nicholas Johnson's Federal Communications Commission. And HEW and HUD and on to Tysons Corner and beyond.

From 1964 to 1968 were heady years for Democrats in Washington. At modest dinner parties across northwest Washington, the conversation was always the same: They were remaking the government, and the government was going to perform great good. New arrivals poured in from everywhere. Real estate values rose.

In 1968, Bill Clinton was gone, off to a Rhodes Scholarship in England, then to law school and back to Arkansas to develop his political life. But Congress stayed. In the Johnson years and later, Congressmen learned what real power was and how it worked. Committees proliferated. If they decided to touch some new part of American life with their legislation, they would make the affected parties come to Washington. The great galaxy of "special interests" was being born.

All the new laws and departments and rule-making agencies had a direct, material effect on many people's economic interests, for which some people also had fiduciary responsibility. Sometimes the executives themselves would come to Capitol Hill, and sometimes they would send over the young lawyers who had joined Arnold & Porter, Covington & Burling or the new law firms that filled new office buildings all over town.

Past some point, the system degraded into a kind of game — the Beltway. Congress passed ever more laws with vague enabling language, the agencies "interpreted" the language into complex rules, and the courts upheld the agencies' authority to somehow decipher what Congress was trying to do. In response, the affected parties (that is, the American people) threw ever great numbers of petitioners at their government. These people are called lobbyists.

Not least, a vastly expanded Washington press corps emerged to "cover" all of this federal activity. Everyone else — the Members, their staffs, the agency bureaucrats, the lawyers and lobbyists — became their "sources."

The result today is evident: The Camelot the Kennedys left behind for Bill Clinton in 1964 is now an upper-middle-class metropolis, spreading hundreds of miles in every direction, all the product of government growth. The truth is that all the residents of the federal kingdom called Washington have, or are, "special interests."

As to the problem on Bill Clinton's mind, as a recent presidential candidate said: It's very simple. If you want to reduce the power of the special interests, *make the federal government smaller*. But if you don't want to do that, or won't, or can't, please stop whining about the special interests and such windmills as post-employment ethics. At the least, stop pretending that only business is a special Washington interest.

We suspect Mr. Clinton knows all this. He and the special interest arrived in Washington the same year, 1964. (He noted rightly the other day that lobbying was protected by the Constitution.) Some 28 years later, he has made it back, to preside over what Washington became under six Presidents. If he's serious, we certainly wish him well in his quest to control the special interests. If not, maybe there is a young woman arriving at Georgetown in 1992 who will decide to come back to the Oval Office 28 years from now to finally get the job done.

Save the Peace Dividend

DATE: 11-19
PAGE: 27

By Richard Nixon

PWOODCLIFF LAKE, N.J. resident-elect Bill Clinton deserves high marks for aggressively addressing a number of important issues during the transition period. But as was the case during the campaign, the most important issue since the end of World War II has received minimal attention.

It may be politically shrewd to give domestic policy, as it affects an economy just beginning to recover from recession, a higher priority than foreign policy. But the collapse of Boris Yeltsin's pro-Western, democratic Russian Government would have a far greater impact on the American economy than anything the new Administration could do at home.

The Yeltsin Government is in mortal danger. The National Salvation Front, an unholy alliance of ex-Communists and ultra-nationalists, have boldly demanded Boris Yeltsin's resignation, a return to authoritarian rule and the restoration of the Soviet Union within its 1991 borders. That would be a prescription for the beginning of cold war II.

The peace dividend, which the Clinton Administration is counting on to help finance its new domestic policies, will be down the tube. Instead of cutting the defense budget, it will be necessary to increase defense spending by billions of dollars.

It has been projected that the United States over the next 10 years can save between \$250 billion and \$300 billion in defense expenditures if present trends continue. A new Russian nationalist authoritarianism government, heavily controlled by the military and shorn of the failed faith of Communism, would be a greater threat to the forces of peace and freedom in the world than the old Soviet totalitarianism.

What are the chances that the Yeltsin Government will survive? On the minus side, Russia is plagued by massive corruption and runaway inflation. Bloody ethnic conflicts are on the rise. The gridlock in Moscow between President Yeltsin's Cabinet and the heavily Communist Parliament he inherited from the Soviet era is much worse than anything ever witnessed in Washington.

On the plus side, Mr. Yeltsin has proved to be a skillful politician and

Richard Nixon, the former President, is honorary chairman of the Fund for Democracy and Development.

formidable statesman. His popularity, at a time when his country is suffering not just from a recession but from a deep depression, is still above 50 percent.

Russia is a rich country; we are not dealing here with a nuclear-armed Bangladesh. Ninety-five percent of the Russian people are literate, and 90 percent of the Russian work force has graduated from high school. The press is free, and Mr. Yeltsin has acted as its greatest defender against undue interference from both conser-

vatives in the Parliament and his own Government. There is considerable progress in overall judiciary reform. Most important, in foreign policy, both vis-à-vis the West and the newly independent post-Soviet states, Mr. Yeltsin has consistently acted with enlightened moderation. He needs our help and he deserves it.

It is essential that we be understanding and tolerant as he tries to find a new way of ruling the country through a compromise with the centrist forces organized under the umbrella of the Civic Union. I personally know some of the top leaders in this diverse coalition. While questioning many of the current Government tactics, they have a fundamental commitment to democracy and a free-market economy and are loyal to Mr. Yeltsin as the Russian President. If he makes a compromise with the Civic Union, there is no need to panic and to perceive it as a mortal blow to the Russian democratic experiment.

One of the most effective ways we can help Mr. Yeltsin survive is to champion the rights of the 25 million Russian-speaking people in the Baltic and the other post-Soviet states — both bilaterally and in international forums. The Russian people should be able to feel that their human rights are a priority for American diplomacy. This will be a constructive way to respond to xenophobic Russian nationalists who are paranoid and suspicious of the West and violently opposed to President Yeltsin.

The Yeltsin Government will not survive unless it receives a major new economic assistance package. The Freedom Support Act was a positive first step, but it has been overtaken by events. Urgent action on three fronts is required.

1. The \$80 billion debt that Mr. Yeltsin inherited from Mikhail Gorbachev must be rescheduled for 15 years as Mr. Yeltsin has requested.

2. There must be a substantial bridge loan from Western governments to help the Russian people through a cruel, cold winter and to assist the transition from a command to a free-market economy that is unprecedented in a major country.

3. Russia needs massive investment from the private sector in the West. Government aid is limited by budgets. Investment from the private sector is limited only by opportunity. If Russia adopts the same legal guarantees for private property as we have in the West, it has been estimated that \$300 billion would be invested over the next five years, dwarfing the \$25 billion in Western government aid currently allotted.

4. As Senator Sam Nunn has recommended, responsibility for the aid program should be given to one high-level individual reporting directly to the President who would act as the principal coordinator of all U.S. Government efforts. This individual should be of sufficient stature so that he can talk to Mr. Yeltsin and to Western leaders as an equal.

None of these things will happen unless the President plays a direct role. Only he can persuade the Europeans to accept debt relief, force the

**If we don't
help Yeltsin, it
will cost us plenty.**

American bureaucracy to shape up and get Congress to approve foreign aid appropriations.

What's in it for us? If Mr. Yeltsin fails, we will again live in a dangerous world with the threat of nuclear war hanging over our heads. The wave of freedom sweeping the world will ebb and we could get caught in the undertow. If Mr. Yeltsin survives, and freedom and democracy succeed in Russia, we will live in a safer world.

We will also live in a richer world. A vigorous free-enterprise economy in Russia will mean billions of dollars in trade and hundreds of thousands of jobs for American workers. We will live in a freer world because the success of democracy and free markets in Russia will be an example for China and other dictatorships around the world to follow. □

William S. Cohen

Identity Crisis

"Who am I? Why am I here?" Those non-teleological questions posed by James B. Stockdale during the vice-presidential debate initially provoked a nervous titter from the audience. But the laughter turned cruel when the answers were not forthcoming.

As GOP strategists prepare to wield their long, retributive knives following President Bush's loss of the presidency, they must ponder Adm. Stockdale's questions and produce convincing responses.

Historically, the Republican Party has properly claimed to be the repository of conservative philosophy. At its core, conservatism reflected: a dedication to a strong national defense; a skepticism toward the taxing, spending, regulatory and privacy-shedding powers of a large, centralized government; and an insistence upon the prudent management of the people's financial affairs. Contrary to the propaganda efforts by political adversaries, conservatives did not "refuse to look at the new moon out of loyalty to the old" or insist upon "walking forwards backwards." Rather, conservatives believed that America should not rush into the promise—and opaqueness—of the future without having at least one foot rooted in the proven and solid values of the past.

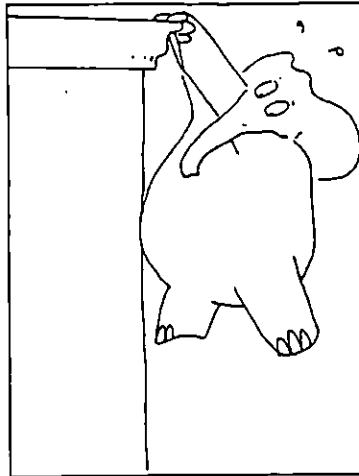
Today, conservatism is more amorphous and difficult to define. There are movement conservatives, Christian evangelicals, cultural conservatives, social libertarians, sunny supply-side conservatives, dark deficit-reducing conservatives, free trade internationalists, and ostrich-minded isolationists. There are those who preach of the need for political openness and a big tent to embrace diversity of opinion, while others prefer to search for and summon forth only "real Americans."

Little wonder that Americans believe conservatism has lost its coherency and electoral appeal.

Let me offer a few modest suggestions for how our party can reach out and touch the American people in a way that will convince them that we deserve to lead in the future.

First, in turning to the domestic agenda, Republicans should make deficit reduction a top priority. By adding to debt at more than \$11,000 per second, we are engaging in fiscal child abuse, inflicting pain and suffering on future generations while squandering

TRANSITIONS: THE REPUBLICANS



BY T. GIBSON

their inheritance. The notion that deficits as a percentage of gross domestic product are not a serious affliction to economic prosperity, as some claim, must be rejected. We must also level with our citizens and not tell them that the deficit can be eliminated either without substantial sacrifice or without further taxes under any circumstances. No effort should be spared in making spending reductions, be they entitlement or defense-related programs. Few respected economists, however, believe we can either grow or hack our way to a balanced budget. Truth-telling will prove of greater appeal than economic fakery or ideological saber-rattling.

Second, the Republican Party must offer creative and constructive solutions to domestic problems such as deep-seated racism, deficient health care, housing and education, crime, illicit drugs and the AIDS epidemic. We should do so not in a spirit of resentment, retribution or moral condemnation. We need to unify our people, not seek to divide and conquer through spite and scapegoating. President-elect Clinton was successful in part because he appealed to the demand for healing the nation's wounds.

Third, there is no more volatile polarizing issue than abortion. Whatever their personal and religious views on the subject, the majority of Americans have made it clear that they do not want the federal government to dictate a woman's or family's decision. If the Republican Party continues to embrace platforms as

extreme, rigid and punitive as that adopted during the Houston convention, we will witness a continued exodus from our ranks. No one should insist that one's deep religious convictions be abandoned or suspended, only that they not be imposed upon others as a litmus test for political legitimacy.

Fourth, although the Cold War has ended and the nation's defense budget will necessarily be reduced, the United States cannot afford to disengage its presence or policies from the rest of the world. While it may be popular to call for America to "come home," a policy of isolationism will prove as calamitous as one of appeasement. A military presence and capacity to project force will greatly enhance our diplomatic efforts to maintain peace; shrinking back to our continental shelves and watching world events unfold on CNN may prove of immediate comfort but will likely result in future conflicts for our sons and daughters to fight.

Maintaining a leadership role need not be inconsistent with participation in collective action through the United Nations or other multilateral institutions. Indeed, U.S. leadership was key to the revitalization of the United Nations and the success of the international coalition against Iraq. This leadership role does not translate into the pursuit of global hegemony or unconstrained unilateralism. It does mean that within the international community, especially the advanced industrial countries, we help to shape consensus on important issues and stimulate the world to action.

We are poised on the edge of a new century, a new era marked by seismic global and domestic change. Philosophical conformity within the Republican Party has never been achievable or desirable. Indeed, diversity itself can provide the wellspring for a regeneration of our fortunes. But if we allow that diversity to be twisted into a narrow quest for cultural or ideological purity, then we may very well "cleanse" the party so thoroughly that we consign it to irrelevance in the process.

The spirit with which we respond to Americans' demand for continuity and change, for liberty and order, for individual and collective prosperity and, yes, for moral responsibility, will determine whether the Republican Party will be seen as "grand" or simply as "old."

The writer is a Republican senator from Maine.

What would you do to revive the GOP?



DATE: 11.19
PAGE: 13

Bill Clinton's victory and Ross Perot's strong showing have forced Republicans to review what went wrong. Republican governors this week wrapped up such a postelection gathering in Wisconsin. USA TODAY's Sharon Shahid asked several party leaders where the Grand Old Party goes from here.

Offer alternatives and broaden party's base



By Tim Dillon, USA TODAY
Dole

Bob Dole is the Senate Republican leader from Kansas:

The Republican Party is not on life-support and does not need to be "revived."

The Republican Party was not wiped out at the polls on Election Day — we gained seats in the House, held our own in the Senate and made dramatic gains in state legislatures across America.

Faced with a Democrat in the White House and a Democrat majority on Capitol Hill, we should cooperate with the new administration when we feel it is in the best interests

of the nation.

When the Democrats steer off course, however, Republicans must do more than oppose and more than compromise. We must offer principled alternatives — Republican solutions — which we feel better address our nation's challenges.

These solutions must flow from our basic Republican principles of lower taxes, lower spending, fewer regulations, less government, individual empowerment and a strong and secure America.

It is those principles which brought us the White House in 1980

and which kept us there in 1984 and 1988. And it's those principles which will bring us back in the future.

At the same time, we must continue to broaden the base of our party. It doesn't take a wizard to determine that we're not going to win elections if we create litmus tests for party membership.

But don't get me wrong — while we must be inclusive, we can't lose our mainstream identity in the process. There is no appetite in America for a flavorless political party.

I'm confident our party's best days are yet to come.

Target women, minorities, the young

Ileana Ros-Lehtinen is a Republican congresswoman from Florida and the first Cuban-American in U.S. history to become a member of Congress:

The Republican Party must reach out to minorities, young people and women if it is to remain a potent source for change.

Minorities: We must target this group of new refugees or second-generation Americans who identify with their ethnic roots, yet still want their part of the American pie.

They want their children to have

access to every opportunity that was denied them. The Republican Party can articulate the dreams of these new Americans.

Young people: Dreams of owning a home and securing a job should attract young people to the Republican Party.

Protection of the environment can also serve as a powerful recruiting magnet for the new generation of voters who worry about the preservation of our planet.

It is time for us to recapture the issue of conservation which Teddy

Roosevelt started.

Women: Health care for women can be an important issue for Republicans, and we should find bipartisan solutions.

Republicans have been afraid to tackle the issue of women's health care because it has been so interwoven with the thorny abortion debate, but it is time for us to fight for better access and treatment.

These groups represent America's future, and the GOP should heed William Gladstone: 'You cannot fight against the future.'



Ros-Lehtinen

Don't panic; just clarify the message



By Tim Dillon, USA TODAY
Danforth

John Danforth is a Republican senator from Missouri:

I am upbeat about the future of the Republican Party. The presidential election was a vote for change. It wasn't a vote against core Republican principles, nor was our loss an endorsement of the Democratic Party.

It should be noted that Gov. Clinton took care to associate himself as often as possible with Republican themes, including American leadership in the world, a responsible national defense, holding the line on

taxes and not going back to tax-and-spend policies. The first rule for the GOP is, therefore, don't panic. The Republican message is sound. The way to revive the party's position is to sharpen and clarify the core messages.

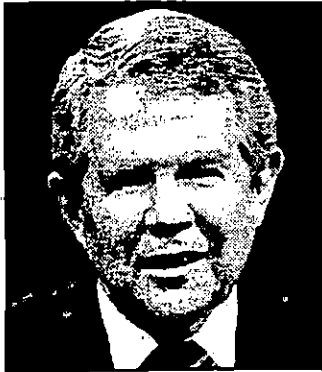
First, as a general principle, we believe the burden of government should be light. We believe the genius of America is found with the people, the private sector and private institutions. The Democratic program is more government and plans hatched in Washington to be

handed down to the country.

Second, we believe America is the leader of the world and must be engaged in the world. Our policies for defense and international trade reflect this belief.

Having resolved to stress the points on which we agree, the GOP cannot appear to be narrow or exclusionary. "Wedge" issues that divide people on racial or other lines are bad for the country, and they are bad politics. In the end, success in elections requires that we bring people together.

Emphasize family



Robertson

Pat Robertson is founder and chairman of the Christian Broadcasting Network:

Where does the Republican Party go now?

I firmly believe that the worldwide trend toward personal freedom, free markets and free enterprise will grow stronger, not weaker.

Radical liberal initiatives will fail in America even as they have failed in Eastern Europe. While the liberal media in America are sneering contemptuously at the Republican call for family values, and the radical left is waging an all-out assault on the Judeo-Christian moral underpinnings of our society, the emerging democracies of Eastern Europe and the Commonwealth of Independent States are seeking to build their societies on the principles of the Bible.

Clearly, the wave of the future is toward more emphasis on the family and more emphasis on the religious and moral underpinnings of society. At the helm of the Republican National Committee, we need a chairman of stature who can bring together the disparate elements of the party and enunciate our interests.

It is said that all politics is local. For now, the Republican Party should rebuild its grass-roots precinct organization to touch people where they live. Then, the goal would be to develop attractive candidates to win solid victories in state legislatures and in the off-year congressional elections.

Define party stand



By Paul T. Whyte, USA TODAY
Martin

Lynn Martin is the secretary of Labor:

The GOP can be a majority party again. But we must define clearly what the party of Lincoln represents. Then we can regain the support and, yes, affection of Americans across the political spectrum.

If we look to what should be our base, we find ample examples of what we can do. We should be reaching out to young women and men who see a changing world and want confidence in our ability to focus on the future. We need to represent those fighting to own a home or business and those who have worked to enjoy retirement. We need Americans who are selecting a variety of roles in their lives and respect that they, like all of us, will have a variety of beliefs on perplexing and often contentious issues. So we can be elected as Republicans, whether we're pro-life or pro-choice, as long as we're pro-people. We must pursue ideas powerfully and clearly so that Americans know we are on their side and can deliver what we promise.

So, let's have a dialogue within the party, from the grass roots to elected officials. If our candidates for '96 don't bother about '93 and '94, we'll deserve a drubbing. Most important, we must focus on goals that reflect what is needed by this nation rather than promoting a narrow agenda. When a majority of Americans see in us their future, we'll be their party.

Happy days here again?

1932 & 1992

After the strong Electoral College victory by Bill Clinton, many Democrats are singing happy days are here again. There are visions of a new 100 days of Rooseveltlike programs to solve poverty and homelessness, eliminate race divisions, end corporate excess, create a pure environment, make the rich pay their fair share and, maybe, even for ending the deficit. There will be the programs; but dream on about solving the problems.

In 1992, we have a different world than the relatively closed one of 1932. To attempt to implement such an agenda will inevitably lead to a larger deficit and a less competitive America in today's interdependent world. Even the '30s Depression was arguably so persistent because problems were already becoming international. In the '90s, they have broken down so that it is impossible to draw a wall around the United States and operate massive social programs without courting disaster. They just don't work, they're too expensive and everyone ends dissatisfied.

Strangely, Mr. Clinton probably understands this in an intuitive way and he undoubtedly knows a majority of his voters told the pollsters they wanted lower taxes; so he will try to resist the forces pushing him to the left. But how can a campaign based upon ending deadlock and creating a new Democratic Party not compromise with Congress? And a new Senate adding Barbara Boxer, Russ Feingold, Patty Murray and Carol Moseley Braun to an already liberal body will irresistibly push to the left.

So there will be a conservative opportunity. The question is whether the Republican Party can take advantage of it. Already anonymous sources from the White House are blaming George Bush's loss on conservatism, because the right pushed too much at the convention on social values, chasing away the moderates on abortion, the family and Murphy, Brown. Or, perhaps, it was the economic conservatives who demanded apology for the broken taxes pledge and the policies of Richard Darman and Nicholas Brady. Forget that even abortion was a net plus among those voting upon it and the economy was the dominant reason voters rebelled; but the only possible effect will be to divide the coalition that elected Ronald Reagan and a GOP Senate in 1980.

Yes, the conservative factions have been fighting, but it is because

the center has not held. Conservatism always has been a coalition of economic, social and foreign policy conservatives, joined in the general election by moderate, upper-status Republicans. To these, Ronald Reagan added the "Reagan Democrats," Northern ethnic Catholics and Southern fundamentalists and evangelicals. These never agreed and always came together with some suspicion. Under Mr. Reagan's strong leadership, the ideas and their proponents coexisted. When the leadership failed, the coalition drifted apart.

George Bush was always a reluctant conservative leader. He was a decent man, born of the moderate publican elite, who adopted Barry Goldwater reluctantly and fought Mr. Reagan in 1976 and 1980. Mr. Bush saw little need for reform of the welfare state, called Reaganomics voodoo, and was only wooed through the vice presidency. He accepted Reaganism as his "mission" in 1988, but quickly was won back to his roots once in office. He did not so much desert his principles as lapse upon his new beliefs, a most understandable problem for a new convert.

He was never able to defend against Mr. Clinton's attack upon his economics and the supposedly resulting greed. Yet, as Ed Rubenstein has shown, Mr. Reagan launched the longest peacetime economic expansion in U.S. history, from November 1982 to July 1990. During those 92 months — three times longer than the average recovery since 1919 — real GNP rose 32 percent and there were 19 million more Americans working at the end than at the beginning. Median family income, which had declined from \$34,156 (1990 dollars) in 1978 to \$32,037 in 1982, leapt to its highest level in 1990 of \$36,062.

As far as greed is concerned, Richard McKenzie has documented that between 1955 and 1980 total charitable contributions doubled in 1990 dollars, from \$34 billion to \$77 billion, a compound annual rate of 3.3 percent. Yet, between 1980 and 1989, total spending in real dollars jumped 56 percent to \$121 billion, a 5.1 percent annual increase. Contributions from individuals grew 5.2 percent under Mr. Reagan, vs. only 3.1 for the earlier period.

Before the new mythology becomes too enshrined that Mr. Bush lost because of his conservatism, it would do well to record some earlier

media comments. In his Oct. 17 column in The Washington Post, Richard Cohen — of whom it can be posited there is none more liberal — said of Mr. Bush, "He is, as we all know, a Republican moderate pretending to be a right-wing zealot." Or Christopher Matthews, a newspaper bureau chief and former Jimmy Carter speechwriter, on Oct. 18, during the election campaign: Mr. Bush "won in 1988 by persuading millions of Reagan Democrats that he was one of them. ... But if Bush was willing to run as a middle class hero, he was unwilling to govern that way."

Mr. Bush was a good person forced in unfamiliar circumstances to adopt a philosophy that he had not fully internalized. He became confused, going against his "read my lips, no new taxes" pledge that sunk his credibility, never understood the concerns of the working class Reagan Democrats, and increased government spending by the second highest presidential rate since World War II, which slowed the economy. Even as late as the year of the election, he was not politically attuned enough to grasp the potentially saving opportunity of the Los Angeles riots to win the Reagan Democrats on law and order, or of dealing with the economy by index-

ing capital gains through executive order. As it was, Mr. Clinton targeted and won Reagan Democrats by preaching family stability, welfare responsibility and capital punishment, and the election was lost. It was not conservatism, but incomplete conservatism, that cost the Republicans the presidency.

For the uncontrovertible fact is that Bill Clinton won with a Reagan-sounding program — growing the economy, rejecting "tax and spend," middle class tax breaks, \$140 billion in spending reductions, cutting 100,000 slots from the bureaucracy, freeing trade, getting tough on crime, supporting responsible defense force levels, and keeping the New Age Liberals out of sight. Even then he only won a plurality of 43 percent.

Not only did Reagan-inspired conservatism not cost George Bush the election and win it for Bill Clinton, it will radically test the Democratic Party and decide whether he is a new Franklin Roosevelt or Jimmy Carter. The left will try to interpret the results as a victory for taxing the rich, a pure environment and gay rights. Mr. Clinton will be careful on budget matters — he did not prepare for this office from childhood to throw it away, and he

seems to have learned on budgets (unless national health insurance sinks him) — but he will move, forced or not, to implement Hillary's, Al Gore's and the liberals' agenda through heavy-handed regulation, and liberal judges and administrators.

Republicans will be maneuvered from the normal budget issues with which they have become so comfortable, and be forced to confront the more abstruse and off-budget issues of regulation, mandates and social policy. These issues will be both more difficult to resolve within their own coalition and to explain to the public. But the alternative will be to become irrelevant, watching the new Democratic administration outmaneuver them on conservative-sounding budgetary policy.

The challenge for the new Republican leadership will be twofold — to unify all of the different strands of conservatism that have been the GOP's proven means to victory in the preceding three national elections; and to adjust intelligently to a more conservative-sounding president of the other party using new tactics. Both will demand intelligence, boldness and statesmanship. Success will depend upon whether the bickering or the leadership will prevail.

Donald Devine, former director of the U.S. Office of Personnel Management under President Reagan, is a columnist and Washington political and management consultant.

A Deficit Reduction Plan to Boost the Economy

DATE: 11-19
PAGE: 15

Board of Contributors

The right strategy is a long-term deficit reduction plan enacted now and starting in 1994. Long-term deficit reduction is the needed short-run stimulus.

By MARTIN FELDSTEIN

As leader of the Democratic Party, President-elect Bill Clinton has an enormous advantage. He can expect the Democratic-controlled Congress to enact his budget proposals. For more than a decade, Republican initiatives for deficit reduction were blocked by partisan wrangling. If all goes well, the new president can put that behind us.

A reliable multiyear deficit reduction law passed early in 1993 would not only provide the future capital for healthy growth but, by reducing the real long-term interest rate, would stimulate a stronger recovery in the near term. A large enough ironclad multiyear deficit reduction that starts in 1994 would reduce long-term rates by enough to make a short-term fiscal stimulus both unnecessary and unwise.

In his campaign, Mr. Clinton promised to "cut the deficit in half by 1996." That means cutting the deficit from \$290 billion in fiscal 1992 to \$145 billion in fiscal 1996, a reduction to 2% of gross domestic product. That's not as much reduction as I would like to see, but it would be a substantial accomplishment and a major step toward budget balance before the year 2000.

CBO Estimates

Cutting the 1996 budget deficit to \$145 billion should not be as hard as it may seem. The bipartisan Congressional Budget Office recently estimated that economic recovery will automatically shrink the 1996 deficit to \$254 billion without any reduction in government programs or increases in tax rates. Even after raising the annual level of spending by \$60 billion for infrastructure and training, which candidate Clinton promised in the campaign, the new president could hit his 1996 budget target by deficit cuts that average \$40 billion a year over the next four years, slightly more than 1% of combined spending and taxes.

Mr. Clinton has already indicated some of the ways in which his promised deficit reduction could be achieved. Not surprisingly, his most publicized proposal was to lower defense spending. President Bush's most recent budget proposed cutting real defense spending by nearly 20% from 1992 to 1996. The Clinton plan would cut defense by an additional 6% in 1996, or \$16.5 billion. Some military experts will argue that this goes too fast and perhaps too far. I will not try to assess that, but only note that even with these proposed defense cuts Mr. Clinton would still need \$150 billion of 1996 nondefense deficit reductions to offset his proposed new spending and still meet his budget target.

In the third presidential debate, Mr. Clinton called for reducing Social Security benefits for upper income people who "get more out of it than they have paid in." Current retirees receive five or six times as much in benefits as they have paid in. Just taxing benefits like ordinary income would raise \$25 billion a year by 1996 without imposing any burden on those retirees whose incomes are low enough for them to pay no income tax. An additional \$25 billion a year could be saved by 1996 if the automatic cost-of-living adjustment of benefits is scaled back to the excess of inflation over 2%.

Medicare health benefits for the aged will cost \$200 billion in 1996. Mr. Clinton

has endorsed the idea that people should "pay more for Medicare if they can." Taxing the insurance value of Medicare subsidies would raise \$25 billion in 1996. Increasing the annual deductible for physician services to just \$200 a year would save about \$5 billion more.

Excise taxes on alcohol and tobacco collected revenue of 1% of gross national product under President Kennedy, but only one fifth as much now. Returning to the earlier level would raise more than \$50 billion in 1996. An environmental president should be willing to boost gasoline taxes by five cents a gallon each year until 1996, adding \$20 billion to 1996 revenue.

If Mr. Clinton and the Democrats don't like the distributional implications of these reforms and tax increases, they could use some of their proposed tax increase on high income individuals to achieve what they regard as a fairer distribution of the costs of deficit reduction. It would be irresponsible, however, to use the proceeds from a tax increase on high income taxpayers, as the Clinton campaign proposed, to finance a middle class tax cut at a time when the budget remains in serious deficit.

This combination of spending cuts and tax increases should be enough to cut the 1996 deficit to \$145 billion. But experience shows that actual deficits generally exceed predictions. A pay-as-you-go rule like the one in the 1990 budget accord would ensure that any new spending voted by Congress would be offset by other spending cuts or additional revenue. And deficit reduction should be guaranteed by a tougher version of the old Gramm-Rudman law that automatically cuts spending across-the-board and raises all taxes by an equal percentage if the actual deficit exceeds its annual target.

Deficit reduction legislation that turns a campaign promise to halve the budget deficit into an ironclad legal guarantee would reduce long-term interest rates substantially. That fall in long-term rates would stimulate housing construction and business investment. The lower yield on dollar bonds would cause a decline in the dollar, boosting the volume of America's

exports to the rest of the world and shrinking imports from abroad.

It would be very dangerous to pursue the opposite budget strategy advocated by some Clinton advisers: attempting a Keynesian demand stimulus by increased 1993 government spending and a temporary investment tax credit while postponing action to reduce the deficit. Although more government spending would directly raise GDP, the financial markets would inevitably extrapolate the higher budget deficit of a Democratic president into even greater deficits in the future. The resulting rise in real long-term interest rates would hurt business investment, housing construction, and net exports. The net effect of an attempted Keynesian fiscal stimulus is therefore likely to be counterproductive.

A temporary fiscal stimulus in 1993 would not raise real long-term interest rates if it is accompanied by legislation that provides an ironclad multiyear deficit reduction package. But with the lower real

long term rates that result from good budget legislation, a fiscal stimulus might be excessive, causing too fast an upturn with a resulting rise in inflation.

There is, in short, no need to choose between short-run stimulus and long-term deficit reduction. Nor is there a need to combine the two. The right strategy is a long-term deficit reduction plan enacted now and starting in 1994. Long-term deficit reduction is the needed short-run stimulus.

It is critical that the long-term deficit reduction be an ironclad legislative guarantee. Financial markets are rightly skeptical of budget agreements after both Gramm-Rudman and the 1990 budget accord did not achieve the deficit reduction that they promised.

The economic plan included in Mr. Clinton's campaign document, "Putting People First," is not reassuring. No one believes wishful-thinking cuts in government waste would save the projected \$25 billion a year or that preventing "tax avoidance" by foreign companies would raise \$14 billion a year. The Clinton plan to increase spending on infrastructure and training would simply add to projected deficits. The higher taxes on the top 2% of taxpayers would not even pay for the proposed middle-class tax cuts.

Failure to enact a credible multiyear deficit reduction plan could cause a sharp jump in long-term interest rates and a new economic downturn in 1993. The private saving rate remains exceptionally low and the inflow of funds from the rest of world has fallen sharply along with the improvement in our trade deficit. Without deficit reduction, the funds available for business investment and residential construction over the next few years would be an astonishingly low 3% of GDP. That inevitably would mean higher interest rates and a less competitive dollar.

Immediate Reaction

If financial markets conclude that such a future rise in long-term interest rates is inevitable, they will react immediately, pushing up interest rates now and driving down all types of interest-sensitive spending. Unlike in the early 1980s, when the fear of rising deficits also drove up real interest rates, there would now be none of the positive factors — falling inflation, declining taxes on business and individuals, a rising defense budget and a small initial size of the national debt — to offset the adverse effect of high interest rates on overall economic activity.

Enacting legislation to halve the budget deficit by 1996 will be the first major test of President Clinton's credibility and leadership. The Democratic-controlled Senate and House may balk at inflicting pain on middle class voters through spending cuts and higher taxes. But after defeating the Reagan and Bush proposals for deficit reduction for 10 years, they must now accept the responsibility of supporting the Clinton deficit cuts or putting the current economic expansion in jeopardy.

Mr. Feldstein, former chairman of the president's Council of Economic Advisers, is a professor of economics at Harvard.

DATE: 11.19
PAGE: 31

Look See! Anyone Do Read This And It Will Make You Laughable

By CHARLES GOLDSMITH

Staff Reporter of THE WALL STREET JOURNAL
BRUSSELS — Sometimes it does all get lost in translation.

"Please leave your values at the front desk," says the sign at a Paris hotel. At a Japanese hotel, "You are invited to take advantage of the chambermaid." A Zurich hotel advises: "Because of the impropriety of entertaining guests of the opposite sex in the bedroom, it is suggested that the lobby be used for this purpose."

Such tortured English-language signs are being featured here until Dec. 3 in an exhibit organized by the European Community's translation service.

Hungry? From a Polish menu, select "roasted duck let loose" or perhaps "beef rashers beaten up in the country people's fashion." A Swiss eatery proudly warns, "Our wines leave you nothing to hope for." By any and all means, avoid the Acapulco hotel that gives new meaning to quality control: "The manager has personally passed all the water served here."

Excellent child-care benefits in Norway don't extend to a cocktail lounge where "Ladies are requested not to have children at the bar."

From Moscow: "You are welcome to visit the cemetery," reads a sign in the

hotel across the street, "where famous Russian and Soviet composers, artists and writers are buried daily except Thursday." Bucharest bluntness: "The lift is being fixed for the next day. During that time we regret that you will be unbearable."

A Budapest zoo puts people first: "Please do not feed the animals. If you have any suitable food, give it to the guard on duty." At a Hong Kong dentist, teeth are "extracted by the latest Methodists." And a refreshingly honest airline office in Copenhagen "will take your bags and send them in all directions."

Clothing signs can also be unfitting. A Swedish furrier: "Fur coats made for ladies from their own skin." A Paris shop advertises "dresses for street walking." A Tokyo shop's nylon stockings are costly but "best in the long run." And a Rhodes tailor wants early orders for summer suits, "because in big rush we will execute customers in strict rotation."

But who needs clothing? "Drop your trousers here for best results," suggests a Bangkok dry cleaner, while a laundry in Rome says: "Ladies, leave your clothes here and spend the afternoon having a good time." Nearby is a Roman doctor with manifold talents: "Specialist in women and other diseases."

The Reliable Source

By Lois Romano

WE'VE HEARD THAT...

Clinton communications chief George Stephanopoulos and Carter press secretary Jody Powell were spotted having a little tete-a-tete in the Hay-Adams Hotel dining room yesterday. Stephanopoulos later met privately with senior representatives of all four networks. Could this be a tiny indicator of who the top presidential spokesman might be come January?

■ Speaking of the Hay-Adams, the hotel was kind enough to provide Bill and Hillary Clinton with a suite overlooking their new home, the White House.

■ Ann Jordan, wife of Vernon, sent blooming cyclamen plants to all her neighbors yesterday, apologizing in advance for any inconvenience created by the Jordans' dinner last night for the Clintons.

■ Bill Clinton told a well-wisher during his walk on Georgia Avenue yesterday that Deal Junior High was one of four or five schools he's looking at for daughter Chelsea. In response to a question about whether he'd seen "Malcolm X," Clinton said, "I talked to Jesse Jackson last night and he said it was the best movie he's seen in 20 years." (Clinton hasn't seen it yet.)

■ Clinton transition god Warren Christopher was seen cooling his heels in Sen. Lloyd Bentsen's office yesterday. A chat with the Senate Finance Committee chairman about treasury secretary, perhaps?

■ Lest anyone start to believe the Clinton camp is one big happy family, we



From left, George Stephanopoulos and Jody Powell, breaking bread; Frank Greer, taking flak; Sophia Loren, trying to help.

wanted to let you know senior staff members have been griping that campaign adman Frank Greer has been getting (or taking, as they put it) a bit too much credit for his work in the vineyards. Not to worry, Frank—last week others had similar complaints about Mandy Grunwald.

■ Malawi human rights activist Chakufwa Chihana is this year's recipient of the Robert F. Kennedy Human Rights Award, to be presented tomorrow. Among those expected at the ceremony are Kennedy's widow, Ethel; daughter Kerry Kennedy Cuomo; and brother Ted Kennedy. Nelson Mandela is sending his remarks from Johannesburg.

■ Sophia Loren this week was named goodwill ambassador by the U.N. High Commissioner for Refugees. She leaves for Kenya Saturday, and then heads to

Bosnia to help the agency focus attention on the predicament of refugees.

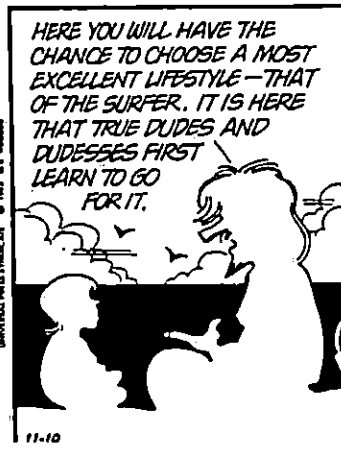
■ The world is hanging on to every word from the administration-to-be: Times Books reports that rights to the Clinton-Gore manifesto "Putting People First" have been sold in Italy, Japan, Germany and Egypt. And Korea is very interested.

■ If playing golf with Gerald Ford is your bag—or dining with ice hockey hunk Wayne Gretzky or skating with Olympic medalist Kristi Yamaguchi—then consider a nationwide telephone auction this week sponsored by the National Association of People With AIDS. Competitive bids are being taken at 1-900-740-0999.

■ Interior Secretary Manuel Lujan has checked himself into Bethesda Naval Hospital for tests and observation of minor chest pains.

DOONESBURY

By G.B. Trudeau



A Winning Inaugural Entry

■ First Mom-to-be Virginia Kelley has already found a sure bet for her inaugural gown—a design by jockey Pat Day's wife, Sheila.

Kelley selected a sketch this week from the Louisville designer's renderings. The two have known each other officially since a 1982 race Pat Day rode at Oaklawn Park, Kelley's favorite Hot Springs, Ark., haunt. Sheila Day also says incoming First Brother Roger Clinton is a "good friend."

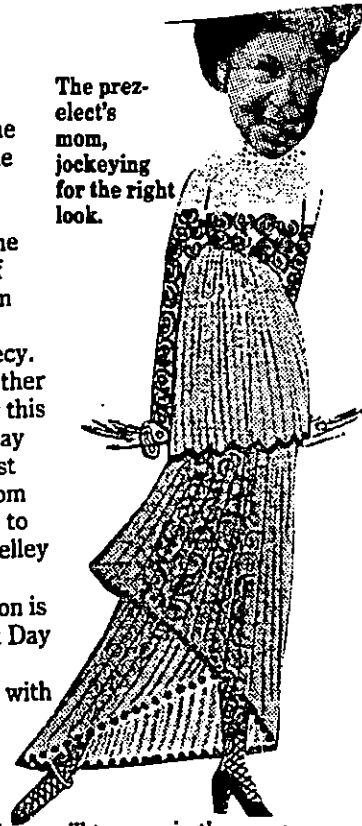
Although mum's the word when it comes to details, Day will say that the dress has long sleeves. "Because everybody's been so excited, giving her hugs and grabbing her arms," Kelley's getting bruised by the affection and will need to cover up, says Day.

Day's a relative newcomer to the design scene: She's self-taught and opened the boutique and nail salon in January after making the racetrack tour for several years with her husband. Seamstress Ann Locous is in charge of

execution; she purchased the fabric and requested removal of the entire bolt of material from the store to ensure secrecy. Locous's mother passed away this week, and Day says, "the last thing her mom told her was to make Miz Kelley beautiful."

Information is so tight that Day hasn't even coordinated with Hillary or Tipper's staffs, but she doubts the three will turn up in the same outfit: "This particular dress is the personality and the body style of Miz Kelley."

The prez-elect's mom, jockeying for the right look.



Stop Sockin' It to 'Im

■ Meow. The fur is flying in Little Rock.

Bill Clinton is said to be furious at news photographers for luring his daughter's cat into camera range with catnip—and invading Socks's privacy.

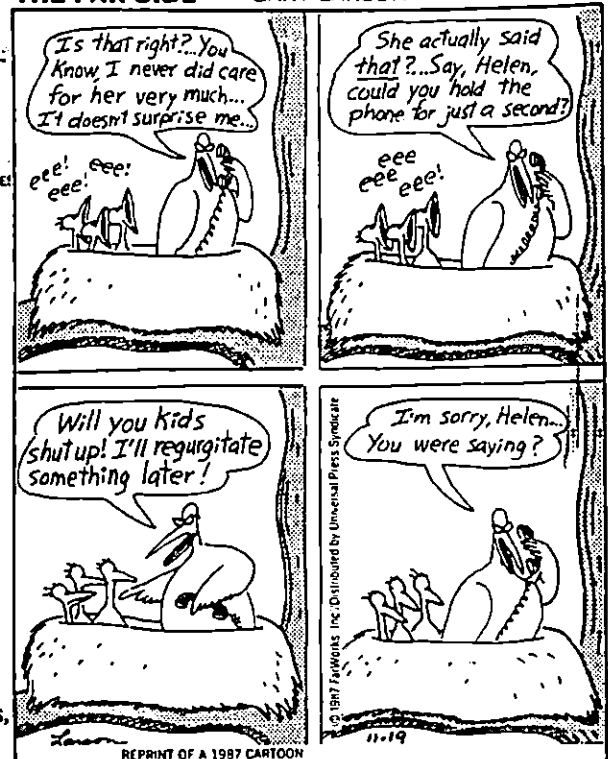
Aides yesterday said photos of the black-and-white First Cat-elect belonging to 12-year-old Chelsea angered the

In your face, furball! In Little Rock Tuesday photographers may have gotten their last shot at Socks.

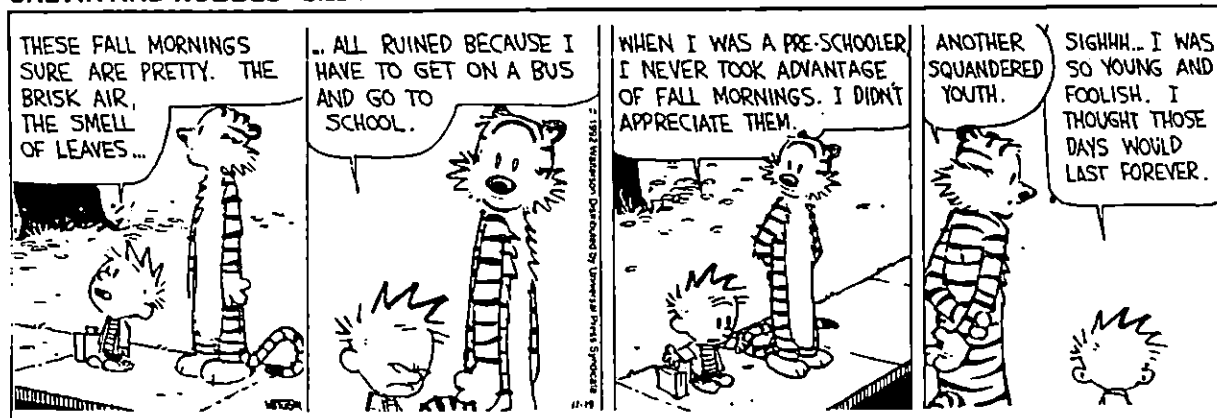
family, since the president-elect specifically ordered photographers to keep their paws off. Clinton's warning was prompted by a photograph of Socks, being held aloft by a television cameraman, that appeared last Friday.

"The cat is the flash point for the invasion of privacy" that the Clintons are enduring, one staffer told Reuter. "The photographers don't have the common decency to leave a little girl's pet alone."

THE FAR SIDE GARY LARSON



CALVIN AND HOBBS BILL WATTERSON



INSIDE THE BELTWAY

People and birds

What do turkeys and family values have in common? One humorous answer comes to mind, but we will spare the White House and head further up Pennsylvania Avenue to Dominique's Restaurant, where on Nov. 24 at 12:30 p.m., Chef Adolfo will host a free turkey-carving clinic for sufferers of Turkus Carvus Phobia (TCP). The chef says more heads of families suffer from this psychological malady at Thanksgiving than any other disease.

"I just can't live up to the tradition of my parents and grandparents. Their turkeys were carved so beautifully with enough for everybody. Mine look like termites got to it," one TCP sufferer told the chef.

But isn't this stretching the family-values thing a bit far? "We're a big believer in family values," said Herb Ezrin, co-owner of Dominique's, "and if our free clinic can help bring families together and restore tradition, so be it."

Triple-edged sword

Both Barbara Bush and Hillary Clinton have endorsed the "Enough Is Enough" campaign, which today holds its debut news conference at the National Press Club. The broad-based coalition of both liberal and conservative women activists has one common goal: making America's neighborhoods safer for women and children through elimination of hard-core and child pornography.

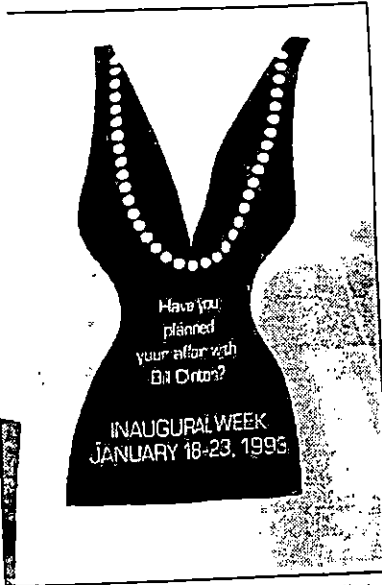
"We have drawn the proverbial line in the sand, and the women of America dare any . . . pornographer to cross it," says Dee Jepsen, a former Reagan administration appointee and chairman of Enough Is Enough.

She said "hard-core porn's \$8-to-\$10-billion-a-year industry demeans and degrades women, victimizes children and ruins men."

The Clinton affair

It's a given that many Washington businesses capitalize on presidential inaugurations. Hotels and caterers, taxi and limousine services — you name it and there's a buck to be made. The Ramada Renaissance Hotel-Techworld on Ninth Street NW tells us that one of its poor souls (probably the most recent hire) will dress up as Yankee Doodle for inaugural week.

Hillary won't be happy to spot the latest T-shirt in town, one put out by Just One Affair, with stores in Washington and Connecticut specializing in gowns and cocktail dresses, a must for the inaugural party scene.



A little-black-dress shop finds a little White House lie suits them to a tee.

The front of the shirt has a sketch of a shapely woman in a little black nothing and pearls. Printed over the negligee: "Have you planned your affair with Bill Clinton? Inaugural Week January 18-23, 1993."

The back of the shirt states that "Every woman deserves . . . just one affair" and then gives the telephone number, 202/686-7255. We checked, and this is not the number you'll need to reach Bill Clinton, but it will get you into a sparkling gown that might catch someone's eye.

Unclean mind

Leonard Downie Jr., executive editor of The Washington Post, told us last month that "editorial opinion-making and news coverage functions of [The Post] are kept completely separate in what we irreverently refer to as 'the separation of church and state' in our newsroom."

But he added that "journalists are people, too, and cannot be expected to completely cleanse their professional minds of human emotions and opinions."

You said it, Len.

For those of you who get it but still don't get it and those of you who have come to expect this kind of "reporting" from the OP here's what staff writer Martha Sherrill dished up for Post readers in yesterday's Style section — not in an editorial or news analysis, mind you, but a feature news story — about Hillary Clinton's pending arrival in Washington.

"You can almost hear the

cheering from the sidelines. . . . Bill Clinton, after all, is just another president, but his wife has already come to signify much more.

There's talk of cosmic consequences, gender solidarity and generational transformations. Is this a Hillary Cult in formation?"

Readers were also asked:

"What blend of being, what potpourri of talents will Hillary Clinton choose to exercise?"

And while you contemplate a response, you can help The Post figure this out:

"There's a needy feeling, too, that nobody has yet figured out exactly how to be a wife and a mother and a professional — easily — and that maybe Hillary Clinton will figure it out for everybody. Her gain is our gain, her loss would be our loss."

Mr. Downie did not return two phone calls yesterday. His secretary said he was "tied up," and we think we understand.

Deer, deer everywhere

Local deer hunters are being told by the Maryland State Rifle & Pistol Association that they can feed the needy this year by donating deer or deer parts to one of 50 designated meat processors for pickup by the Maryland Food Bank. Maryland's deer season has been extended from one week to two weeks beginning Nov. 28 in hopes that more hunters will come out and harvest more deer.

"The deer herd locally is incredibly large," Bob McMurray, vice president of the Silver Spring association, said yesterday. "We're hoping to get at least 25 tons of venison for the poor."

But Heidi Prescott, the national outreach director for Fund for Animals in Silver Spring, isn't biting. She labeled the deer-donation plan yesterday as "just another excuse to go out and have fun killing."

— John McCaslin

DATE: 11/19
PAGE: 1

What's News—

World-Wide

NATO AGREED to impose a naval blockade on the former republics of Yugoslavia.

The U.N.-sponsored move is intended to boost pressure on Serbia to end the war in Bosnia, where renewed fighting was reported in areas outside Sarajevo. Romania announced it had begun stopping boats on the Danube River to look for banned items. Under a Security Council resolution approved this week, blockade ships can use force to halt arms shipments to any former republic and shipments of a wide variety of other goods to Serbia and Montenegro.

Italian officials denied U.S. charges that firms in Greece and Italy are violating sanctions. Italy is coordinating Western air and sea monitoring of the ban.

Clinton told residents of a poor neighborhood in Washington that he would push to enact a plan to help inner cities. The president-elect, who toured the area in the Northwest section after a lengthy meeting with President Bush, said creating banks to provide capital for small businesses would be part of his plan. (Article on Page A16)

The State Department said it found no evidence White House officials were involved in searching Clinton's passport files, but that they probably knew of the effort. Acting Secretary of State Eagleburger said the incident had hurt the department and put it "in the one place it should never be, the political arena." (Article on Page A3)

De Klerk replaced the head of the South African military intelligence agency and ordered the new chief to review the agency's files for evidence of a campaign to undermine the African National Congress. The ANC, meanwhile, said it had accepted the idea of a future power-sharing arrangement with de Klerk's white-led ruling party.

Pakistan arrested former Prime Minister Bhutto and top leaders of her party after they defied a ban on rallies and called on supporters to oust the government. Bhutto was arrested after a brief speech to about 40,000 people before they tried to begin a 10-mile march to Islamabad. Officials said she would be placed under house arrest.

Yeltsin arrived in South Korea, where he is scheduled to sign a friendship treaty. The Russian president also is expected to press for promises of large-scale investment and express regret for the 1983 destruction of a South Korean airliner by the former Soviet Union. It isn't clear, however, whether he will turn over the cockpit voice recorder.

Syria and Israel ended their negotiations at Mideast peace talks in Washington a day early, saying continuing them was pointless because no progress was being made. Meanwhile, Lebanon sought clarification of an Israeli proposal on security along its border, where two Arab guerrillas died yesterday in an attack on an Israeli position.

A medical journal launched a harsh attack on doctors who refer patients to medical facilities in which they own an interest. In two studies and an editorial, the New England Journal of Medicine said such facilities do as much as 60% more testing and charge more than those not owned by referring doctors. (Article on Page B16)

Sen. Kerry said the U.S. should reward Vietnam within a month for its cooperation in accounting for Americans listed as missing during the Vietnam War. On the last day of his delegation's visit to Vietnam, Kerry delivered a letter from Bush to Vietnamese officials saying Washington would take action to improve relations with Hanoi.

Peruvians defied threats by Shining Path guerrillas to kill anyone who tried to go to work. In the worst of a recent series of attacks, five people died when a car bomb exploded in Lima late Tuesday, and a suspected rebel was killed in a shootout with police yesterday. The Maoist group is seeking to disrupt elections set for Sunday.

Somali refugees arrived in Aden, Yemen, aboard a freighter after a desperate weeklong journey to escape starvation and civil war in their East African homeland. The ship's owners said it had been hijacked in a Somali port by gunmen who charged the 2,500 refugees \$150 for passage. A relief official said conditions aboard were tragic.

Nigerian warplanes bombed rebel positions outside Liberia's capital and military officials said a top aide to rebel leader Charles Taylor was wounded in an attack on a column advancing on Monrovia. Nigeria is part of a seven-nation West African force sent to quell a civil war in Liberia.