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Corporate Citizenship

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THE WHITE HOUSE
WASHINGTON

March 21, 1996

Corp. City
File

MEMORANDUM TO THE PRESIDENT

From: Laura Tyson
Gene Sperling

Subject: Update on Corporate Citizenship Plan

I wanted to update you on where we are on the issue of corporate citizenship, and seek your feedback on several related items. We have been working with the NEC, Don Baer, Alexis Herman, and Evelyn Lieberman on a three or four part agenda on corporate citizenship for your consideration. I have worked closely with both Secretaries Reich and Rubin, and they both support the proposed agenda and strategy. I will be further vetting these ideas with Secretary Brown, SBA Administrator Lader, Mack McLarty and others.

I. EVENT IDEAS:

1. Speech to Announce the Five Goals/Principles: The kick-off on this agenda is a major speech by you this Saturday at Xavier University in Ohio at which time you would announce your five goals for companies on corporate citizenship. You would enunciate these goals and provide one or two examples of corporations that exemplify each of them. You would also announce that you plan to host a meeting or conference in which companies that exemplify these goals will discuss their philosophies and the means by which they have done well and done good at the same time. The emphasis would be on how good corporate citizenship is good for the bottom line. Depending on how the assault weapons issue plays out during the next two days, you might also do your Saturday Radio Address on corporate citizenship -- to ensure that this issue receives the proper attention.

2. Exemplary Corporate Citizenship Event: The follow-up event that you would call for could take one of two forms: (1) An East Room Event in which you bring CEOs who exemplify specific goals to have a discussion with you on how they are able to meet them; (2) a public event at Georgetown or George Washington Business School or some other business school at which CEOs would speak to a group of students about the virtues of the goals you have laid out, and several chosen CEOs would discuss how they have successfully met them.

We also have discussed the idea of trying to get several CEOs to join with us in creating a **Baldrige Award equivalent for Corporate Citizenship**. The key challenge is to find several top CEOs who would commit to starting a foundation to sponsor such an award: that would be a tangible result which you would help produce by encouraging the private

sector to start an ongoing private foundation to fund this award and make the selections -- similar to the structure of the Baldrige Award. George has pushed this idea and Alexis is supportive, but if you are interested, we still need to vet it further with Secretary Brown, Secretary Rubin, Secretary Reich, Mack and others.

3. Private White House Meeting: Alexis has also suggested that prior to your corporate citizenship event, you call several CEOs to an informal meeting at the White House. By having a meeting to share your views with some important CEOs, you could gain their insight, win their support, and reassure other CEOs that you seek to be constructive. This small group could be called upon as validators for your approach. As a possible variation if your schedule is too tight, you could ask the Vice President to host the validators' meeting.

4. Clinton Omnibus Pension Protection and Retirement Security Act: As a result of a very positive NEC economic message meeting, we came up with an idea everyone is enthusiastic about: take all the components of your economic strategy that have to do with pensions and put them together in a distinct Pension Protection Act that would be introduced as a separate piece of legislation. By putting all of the individual pieces together, you could take ownership of the issue and draw media and public attention to it. Our bill would consist mainly of existing proposals, but we would include a new Pension Portability component that would mean millions of Americans would have enhanced portability for their pensions. Furthermore, we might find a way to highlight our opposition to the pension raiding proposal in the Republican reconciliation bill.

Some of the things that could be included in a Pension Protection Act are:

- Expanded IRA
- Pension Portability
- Pension Simplification for Small Businesses
- Provisions Against Corporate Pension Raiding
- 401 (K) Anti-Fraud Provisions
- Increased Funds for Enforcement

We feel that if you unveil a new Act during a congressional downtime it could dominate the news for one -- or even two days -- and just as important your bill could be the source of considerable media attention to retirement security, pensions, and your existing record on securing pensions for 32 million Americans through your PBGC reforms.

5. Roundtable and Town Meeting with Laid Off Workers: You have also mentioned your interest in doing an event in which you can speak to workers who have experienced layoffs and hear their concerns. The one issue you might want to consider is that you may not want to go too far in feeding the notion that the economy is filled with people being laid off and doing poorly. Perhaps, you could speak to a diverse group of workers including those who are struggling, those who have gotten training and found new jobs, and those redeployed by their companies so that both good news and hardship stories are part of the discussion.

II. ISSUES FOR IMMEDIATE DECISION: Many of the issues above are ones that can be decided over the next week. Yet, the issue of corporate citizenship is one in which "word choice" and tone can mean a great deal and you need to let us and the speechwriters know what kind of language and tone you want to use in your Saturday speech. The word choice issues to be decided are as follows:

1. Corporate "responsibility" or "citizenship:" The advantage of using corporate citizenship is that Bob Rubin and I feel it is a less loaded phrase for corporate America. We are concerned that when a Democratic President speaks of corporate "responsibility" the term carries a heavy-handed connotation. Some of your other advisers believe that "responsibility" is a key concept for your Presidency in general and that you should not avoid using the term when talking to CEOs. Furthermore, some feel that "citizenship" implies efforts in the community, when we want to stress how corporations treat their employees and their workplaces.

2. Goals or Principles: This is also an important issue of tone and emphasis. Some of your advisers, including Secretary Reich, feel that because our overall approach is to focus on model corporations and success, you have to be a little more direct about what you believe and the word "principles" carries a clearer message than the word "goals." Bob Rubin and I fear that the word "principles" conjures up the "Sullivan Principles," which corporations dislike; and our experience with our China/CEO policies also shows that corporations are very resistant to "principles." Those who have these concerns favor talking about "goals."

3. "Should" or "Encourage": Again some of your advisers including Secretary Rubin and I recommend that you avoid the appearance of being heavy-handed, and therefore that you use words like "encourage" or that you simply describe rather than prescribe what the "best corporate citizens" do. Secretary Reich and others feel that it is important that you set a strong values standard for what constitutes good corporate citizenship by saying what you believe good corporate citizens "should" do, including having family friendly workplaces and training their workers.

4. Should companies give stock options to laid-off workers? You have questioned whether we should support a proposal that companies be encouraged to give laid-off workers stock options as part of their severance, with the exercise price based on the price of the stock on the day before the restructuring is announced. We will have to decide (a) if we should support such a proposal; and if we do, (b) how strong we should word our support.

Pro: The rationale for such a proposal would be to permit laid-off employees to share in any stockholders' gains that might result from the restructuring announcement. In some recent well-publicized cases, companies' stock prices have risen after announcement of restructuring involving layoffs. If a stock option were tied to the price of the company's stock prior to announcement of the restructuring, then a subsequent increase in the price of the company's stock would boost the value of the option. If companies gave such options to affected employees, they would share in any gains realized by stockholders from layoffs. Allowing workers to share the gains from post-layoff stock appreciation could be symbolically powerful.

Con:

- If companies provide severance pay in the form of stock options, other types of severance pay would be reduced. Companies would substitute an item of questionable value for other more tangible benefits (e.g., cash, health care, job search support).
- Stock options would be a very risky form of severance pay. Their value can fall as well as rise. Many workers would be unfamiliar with stock options and would face high costs in selling them.
- Furthermore, the benefits received by workers would vary tremendously. Some groups of employees might get significant value, but others would receive nothing at all, even though both faced the same problems of joblessness.
- Would workers really want a constant reminder that their former employer is doing well without them?
- Counsel's office feels that this form of severance pay is also risky for employers because it entails some chance of a shareholder derivative suit.

Recommendation. On balance, for the reasons noted above, your advisers believe that this specific kind of gain-sharing through stock options is not something you should explicitly encourage or recommend. On the other hand, most of your advisers recommend that you continue to support wider use of employee stock-ownership and worker participation as appropriate forms of gain-sharing. Employee stock ownership plans could be highlighted as one of the appropriate forms of gains-sharing in your speech on the goals of corporate citizenship.

One possible way you could still address the apparent unfairness of seeing stockholders benefit by the announcement of laid off workers, would be to stress that an additional benefit of employee stock ownership is that if stock prices rose after an announced lay-off, at least employees would share in those gains. While your economic advisers believe that you can make this point if you want to address such occurrences, we also want to caution that having employees concentrate even more of their financial well-being in the fortunes of a single company can be seen as increasing -- not decreasing -- their economic security. While investors are able to diversify their investments to minimize risk, most workers have their main source of income -- their own labor -- concentrated in the fortunes of one single company. Because employee stock ownership increases that concentration, it is probably wise to speak of gain-sharing as increasing productivity and not as a specific antidote to economic insecurity.

III. GOALS: There is fairly strong consensus that the five goals or principles mentioned below are the right ones but they do not deal with an issue of great importance to you -- corporate responsibility to the community. Our feeling is that while this is an important area, for your speech on corporate citizenship to have impact, it must be focused on citizenship concerning workers and the workplace, going beyond that in this speech would dilute your message too much. Of course, this does not rule out future speeches that deal with responsibility to the community, technology literacy, smoking and television and other areas. *but this speech should focus on corporate citizenship and how it fits into an economic growth message.*

GOALS/PRINCIPLES OF CORPORATE CITIZENSHIP

- 1. Family Friendly Workplaces.** Create workplaces that allow workers to be both productive workers and caring and responsible family members. Family friendly policies can range from flexible work schedules, to help with child and elder care, to time off for parent-teacher meetings. Companies that recognize our broader obligations as parents, family members, and citizens off-the-job, get more committed employees on-the-job.
- 2. Economic Security.** Provide the security that a living wage, health care benefits, and pension benefits can give.
- 3. Invest in Employees.** Recognize that investments in employees, like investing in factories and equipment, are important to productivity and profitability. Provide broad opportunities for education and training both in and outside the firm, for new skills and advancement to ensure employability security -- that is to provide workers with the training and skills they need to move up in the job ladder through their working lifetime.
- 4. Partnership with Employees.** Give employees a voice in the workplace and use gain-sharing approaches such as employee stock ownership plans to share the benefits of the improvements in company performance with the workforce. When restructuring and layoffs are essential to a company's long-term health: be open, helpful, and fair.
- 5. Safe and Secure Workplaces.** Protect the health and safety of employees through management commitment and employee involvement.

Finally, I believe that when you speak about these five goals, you should emphasize that good corporate citizenship is good business -- it's good for the bottom line because it fosters a loyal, committed, productive workforce and that is the key to business success over the long-term. A positive message like this will encourage the widest possible support from the business community.

May 16
a.m. /

May 2, 1996

MEMORANDUM FOR LAURA TYSON
 GENE SPERLING

FROM: ALEXIS HERMAN

SUBJECT: JOHN PEPPER AND CORPORATE CITIZENSHIP

MAY - 2 1996

Attached is a letter John Pepper sent me regarding his thoughts on corporate citizenship. He has outlined five possible actions by the government starting at the bottom of page two. We should have someone prepare talking points should these issues be raised at the Forum on Corporate Citizenship.

list

CHAS

05-21-40

100

Procter & Gamble

JOHN E. PEPPER
Chairman of the Board and
Chief Executive

April 25, 1996

General Offices
The Procter & Gamble Company
One Procter & Gamble Plaza
Cincinnati, Ohio 45202-3315

Ms. Alexis M. Herman
Assistant to the President
The White House
Washington, D.C. 20502

Dear Alexis:

Let me begin by expressing my sympathy to you on the tragic death of Ron Brown. I had not realized until after the event how close you two had been. I can only imagine the grief this caused you. It must have been some solace to see the incredible outpouring of admiration and respect for him from all corners of the country and the world.

In the letter I wrote you on March 25, I promised to come back with any ideas I had on actions the government might take to encourage positive action in the areas of corporate responsibility that the President mentioned in his speech in Cincinnati.

I'll do that, but first, let me report the many positive comments I have received from business people on the President's talk in Cincinnati. There must have been a dozen executives at the BRT meeting I attended who mentioned this. I hope that you and the President have heard this feedback.

I'll begin my comments by covering the key actions that I believe business can and should take to exercise what I'll describe as corporate responsibility.

The first thing that needs to be said is that the ultimate responsibility of business is to generate growth in a way that promotes jobs, as well as innovation, technology and new knowledge, that thereby supports long-term leadership for the economy of this country and its people. In my initial note to you, I reflected on our experience at Procter & Gamble and the contribution our success has made to creating jobs. For example, when I joined Procter & Gamble 33 years ago, we had just over 30,000 employees and sales of just over a billion dollars. Today, we have 100,000 employees and sales of over 30 billion dollars. And for every job we have created internally, there are probably at least four outside, so our job creation (direct and indirect) probably amounts to 250,000-300,000 people.

Beyond creating jobs, U.S. companies, especially today, need to create technology and be on the leading edge of technology if we are to be leaders in exports and value creation in the world. Alan Greenspan has spoken to this eloquently.

Beyond this, I think there are several other things that corporations need to do in order to be a good corporate citizen.

1. We need to help our employees develop productive and satisfying careers and lives for themselves and their families. Beyond growth itself, there are several key things that I believe are vital.
 - a. Outstanding training.
 - b. Good benefits for health care and retirement.
 - c. Flexibility in work schedule to accommodate important family needs.
 - d. Opportunity to share in the progress of the Company, through stock ownership. Broadening stock ownership through options and pension plans that include stock are extremely valuable and have helped P&G greatly.
2. Corporations can help the communities in which they work in several ways:
 - a. Direct charitable giving to education, social and other institutions.
 - b. Encouraging and supporting volunteer work by the company's employees. This is most important. We are not going to solve the issues that this nation confronts today without volunteer support from business leaders.
 - c. Sharing specific learning and know-how with non-profit institutions. For example, working with local school systems can provide learning on how to better develop and deploy goals and strategies; take waste out of the system; install "pay for performance" plans, etc.
3. Corporations can be good corporate citizens by acting collectively in certain areas. I hope you've heard from Ralph Larsen or others at the BRT about the good meeting we had on this point following the President's speech. Mr. Larsen identified a number of areas for possible collective action. Let me summarize them briefly:
 - a. Establishment of a BRT National Jobs Bank Program where needs for new employees would be shared with other companies. Also workers becoming excess due to technology changes could be put in a bank available to other companies.
 - b. Establishment of a clearinghouse among the BRT to share best practices in creating portable health care and pension benefits.

As I say, the above are areas in which business can work more effectively to support its corporate responsibilities.

I will now turn to possible actions by the government, focusing on these actions on elements that I believe support the opportunities for corporate contributions listed above:

1. Top priority should be placed on actions that encourage long-term growth and accelerated innovation, technology creation and knowledge-building.

To this end, maintain R&D tax credits. They encourage higher investment in research and development, the foundation to innovation and technology.

Continue to support Free Trade agreements and all trade liberalizing opportunities. This drives growth. The President has done an excellent job on this. We should not let up.

Implement comprehensive regulatory reform. We need to do a much better job of making good cost benefit analyses and regulations. Regulations that are not cost effective get in the way of innovation and job creation.

2. Portable health care is a must and the Kassenbaum Bill should be passed. The Administration has stated that it will not support the Bill if the provision for medical savings accounts is added. This is getting into a detail, but we believe it would be short-sighted to fail to sign it even if this is included, given the many other positive provisions of the bill.
3. Employee-Management Cooperation - In this regard, definitely support the Team Act. The partnership with employees, encouraged by the President, is essential for business competitiveness, but impossible in non-union settings without passage of the Team Act. Without it, employees are prevented from participating in workplace decision-making on safety, benefits/policy needs, productivity improvements and schedule flexibility, for example. The Team Act will not undermine unions as our own experience shows how teams are effective in non-union settings and in cooperation with unions.
4. Advocate policies that reduce the focus on compliance reviews/audit/administration/paperwork and increase the focus on partnership -- for example through learning forums and consulting between industry and government. Rule-making and regulatory processes should be simplified wherever possible. Jointly sharing or developing best practices for issues and plant shutdown/layoffs, OSHA, Fair Labor Standards Acts (FLSA), Affirmative Action would generally raise the quality of partnership between employer and employees. For example, the Family Medical Leave Act (FMLA) added a huge record keeping requirement and compliance liability to what we were already doing. Give credit for voluntary compliance initiatives and allow companies to demonstrate effective programs and bypass the cumbersome parts of the regulatory process.

Focus policies on the real workplace of today and that of the 21st Century and eliminate any that still look to the paradigm of the 1930's factory. Prohibitions in OSHA, FLSA and NRB decisions are often firmly rooted in the past.

In particular, we believe industry voluntary compliance programs should be officially recognized and supported by OSHA as an acceptable method of providing a safe and healthy workplace. OSHA should grant "star program" status and recognition for companies that can demonstrate they have implemented effective voluntary compliance programs. We urge the Administration to support expansion of the "Maine 200" program to the rest of the United States. There are other ways we believe that the intent of OSHA can be better realized and eliminate complex activities that add little value for companies that have demonstrated their ability to provide outstanding safety for their workers.

5. Improved education and training -- One key task in this area is to help employers develop a uniform way of defining and communicating skills and capabilities required for various job positions and to provide educators with clear guidance to aid the development of teaching materials that fit with employer requirements. We believe the Administration should consider modest pilot scale financial support to expand programs such as "work keys". This is a joint effort between the state of Tennessee and the American Collegiate Testing (ACT) that develop factors required for success on the job, measures students against these factors, provides input to schools in better preparing young people, and provides a framework for linking these factors with the needs of business. As I say, I think this could be worth examining as a pilot for broader application.

Two other areas in which I would encourage continued federal support are:

- Funding pilots for School-to-Work transitions through the Department of Labor.
- Accumulating and sharing learning on Success Models for dramatic improvement in total school district results through the Department of Education.

Beyond these individual steps, I would like to repeat a point that I made in my earlier letter:

I hope the President will convey his message of corporate responsibility in the broader context of his theme that we must work together, whether that be within a company, a community, or the whole country.

The President is making a major contribution in trying to bring together the business community and the community at large and not fractionating it as other political rhetoric has done.

I hope these suggestions are helpful. If they should prompt any questions, do not hesitate to call me.

Sincerely,

J. E. Pepper

cc Mr. B. L. Bethell
Mr. R. L. Wehling
Mr. W. J. O'Neil
Ms. J. Hoover

E X E C U T I V E O F F I C E O F T H E P R E S I D E N T

25-Mar-1996 06:26pm

TO: Daniel Wexler

FROM: Kathleen (Kate) Carr
 Office of Public Liaison

CC: Alexis M. Herman

CC: Lee A. Satterfield

CC: Ruby G. Moy

SUBJECT: RE: Corporate Responsibility

Danny,

Thanks for the suggestion on BSR. I have a copy of Helen's letter to the President that resulted from my invitation to her to participate in one of the coffees.

Please note that it is highly likely that the size of this "conference" is likely to be only 8 to 10 and possibly 20 to 25.

We are requesting input from Commerce, SBA, Labor and Treasury with regards to the composition of the audience. I'm not sure that we want to call in Bob Dunn just yet. He has been very helpful to me on a variety of issues and I thank you for recommending him.

Kate

EXECUTIVE OFFICE OF THE PRESIDENT

25-Mar-1996 03:49pm

TO: Alexis M. Herman
TO: Kathleen (Kate) Carr
TO: Lee A. Satterfield

FROM: Daniel Wexler
Office of Public Liaison

CC: Ruby G. Moy

SUBJECT: Corporate Responsibility

As a possible resource for the Corporate Responsibility event mentioned at this mornings staff meeting, I wanted to mention Bob Dunn at an organization called "Businesses for Social Responsibility". Bob worked as a Presidential Aide in the Carter Administration and is a strong supporter. Prior to working with BSR he was with Levi-Strauss.

Also you should know that Helen Mills, BSR Co-Chair, has recently written a letter to the President with a list of companies who have demonstrated an exemplary committment to employees, including efforts to avoid, minimize or manage well any necessary layoffs.

I thought this information might be useful. Bob is a good friend and would be a worthwhile resource as well as a possible valuable participant should we move forward with this conference. He was good resource when we were looking for companies a few weeks ago in the LA area.

Let me know if I can be helpful. I would be happy to work on this as well as involve BSR.

THE WHITE HOUSE
WASHINGTON

(HMA)
Kate?
✓

March 25, 1996

Mr. Trooper Sanders
The Prince of Wales Business Leaders Forum
5 Cleveland Place
St. James's
London SW1Y 6JJ
England

MAR 26 1996

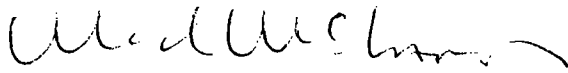
Dear Trooper:

Thank you for your letter of March 25th. The President is very committed to encouraging appropriate and positive corporate behavior. As a person serving in the Administration from the private sector, I am fully supportive of his efforts, and I believe a more positive environment is beginning to be established. You and your organization have been a constructive force, and we appreciate your interest in this important matter.

I have provided a copy of your letter to those directly involved in the organization of a possible conference on corporate responsibility and have encouraged them to consider your request to participate if such a meeting takes place.

Again, thank you for your letter and your interest.

Personally,



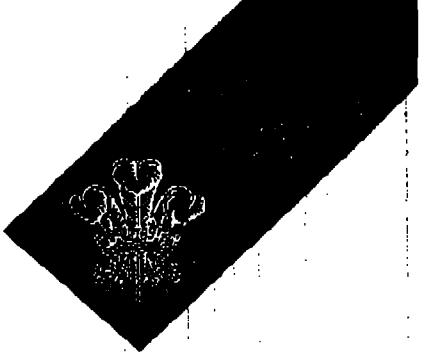
Mack McLarty

bcc: Alexis Herman
Tom O'Donnell
Kate Carr

DWH

25 March 1996

Mack McLarty
Counselor to the President
The White House
Washington, DC 20500
United States of America



THE PRINCE OF WALES
BUSINESS LEADERS
FORUM

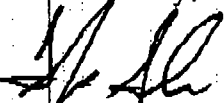
Dear Mack,

I was very interested to learn that the White House is planning a conference on corporate social responsibility. As you know, the PWBLF is an international non-governmental organization promoting good corporate citizenship and the role of business as partners in sustainable development. The PWBLF has many of the leading US companies on its board and council such as Livio De Simone of 3M, who is our deputy chairman and has played an important role in the PCSD, and Joe Gorman of TRW, an enthusiastic supporter of the President's Goals 2000 Programme.

I would be very keen to explore any opportunities for the PWBLF or its members to contribute to the White House Conference on Corporate Social Responsibility focussing especially on how companies develop long term partnerships with others sectors and US corporate leadership and responsibility in overseas markets.

I look forward to hearing from you and hope all is well.

Yours Truly,



Trooper Sanders

Promoting good corporate citizenship and international partnership action for sustainable development

5 CLEVELAND PLACE, ST JAMES'S, LONDON SW1Y 6JJ TELEPHONE +44 (0)171 925 2933 FACSIMILE +44 (0)171 321 6480

Chief Executive ROBERT DAVIES A company limited by guarantee Registered in England No: 2552093 Registered Charity No: 1024119

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Cynthia Ferguson called w/

DIGITAL Equipment Corp.

Bob Palmer, CEO

508 493 7100

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THE WEXLER GROUP

1317 F Street, N.W.

Suite 600

Washington, D.C. 20004

202-638-2121

202-638-7045 Telecopy

April 2, 1996

Anne Wexler

Chairman

MEMORANDUM

TO: Alexis Herman
Director, Public Liaison

FROM: Anne Wexler 

RE: President's Conference of Good Corporate Citizens

Alexis, here is the information you requested:

Leo E. Denlea, Jr.
Chairman and Chief Executive Officer
Farmers Group, Inc.
4680 Wilshire Blvd.
Los Angeles, California 90010

PH: (213) 932-3540

At Mr. Denlea's direction, Farmers Group created and fully funded The American Promise, a three-hour program on citizen participation and grassroots democracy which aired on PBS in October. Through telling the inspiring stories of more than 50 communities around the nation, the program celebrates core American values such as freedom, opportunity, responsibility, participation, and common ground. Farmers Group is providing the program video and a teaching guide, at no cost, to every interested high school and junior high in the United States.

Although a number of Farmers business offices have been closed in recent months, Mr. Denlea is proud of the fact that these closures have not resulted in a single layoff. In every case, Farmers employees have been reassigned to different jobs within the company.

Thank you for your help, Alexis.

H/c Kate Lee R/B Alexis - FYI - I looked this over last night & told Gene's office
 Document No. 16661
 WHITE HOUSE STAFFING MEMORANDUM
 You were ok w/it. (Hc) 2:00p.m.

DATE: 5/14/96 ACTION/CONCURRENCE/COMMENT DUE BY: 5/15/96

SUBJECT: Update on Planning For Corporate Citizenship Conference

	ACTION	FYI		ACTION	FYI
VICE PRESIDENT	☒	☐	McCURRY	☐	☐
PANETTA	☒	☐	McGINTY	☐	☐
McLARTY	☐	☐	NASH	☐	☐
ICKES	☒	☐	QUINN	☐	☐
LIEBERMAN	☒	☐	RASCO	☐	☐
RIVLIN	☐	☐	REED	☐	☐
BAER	☐	☐	SOSNIK	☐	☐
CURRY	☐	☐	STEPHANOPOULOS	☒	☐
EMANUEL	☐	☐	STIGLITZ	☐	☐
GIBBONS	☐	☐	STREETT	☐	☐
HALE	☐	☐	TYSON	☒	☐
HERMAN	☒	☐	WALLEY	☐	☐
HIGGINS	☒	☐	WILLIAMS	☐	☐
HILLEY	☒	☐	Angell	☒	☐
KLAIN	☐	☐	Jen O'Connor	☒	☐
LAKE	☐	☐		☐	☐
LINDSEY	☐	☐		☐	☐

REMARKS: Comments to Gene Sperling.
 RESPONSE:

MAY 15 1996

THE WHITE HOUSE
WASHINGTON

May 14, 1996

MEMORANDUM FOR THE PRESIDENT
THE VICE PRESIDENT

FROM: LAURA TYSON
ALEXIS HERMAN
GENE SPERLING
KATE CARR

SUBJECT: Update on Planning for Corporate Citizenship Conference

This memo briefly outlines the current plans for the White House Corporate Citizenship Conference you are scheduled to host along with the Vice President on Thursday. A memo on Section 127 is being forwarded to you separate from these background materials. A complete briefing notebook including a "discussion guide" for the panels will be sent to you Wednesday evening.

You should know that media interest in the conference thus far has been quite high and coverage to date has been extremely positive. As you may have seen, *Time* magazine, *Business Week*, and the *USA Today* have run positive stories on the conference this week. [See Attachment 1 for copies of these articles]

I. OVERVIEW.

Thursday's Corporate Citizenship Conference is a key component in your effort to shape the debate on the relationship between companies and their workers. This conference builds upon your State of the Union Challenge for employers and employees to join together in putting long term prosperity in front of short term gain and upon your Xavier University speech, where you outlined five Corporate Citizenship challenges.

While some have called for a regulatory approach to addressing widespread worker anxiety and others have focused on "corporate killers," you forged a more positive path, outlining criteria that could define a good corporate citizen. In your speech to Xavier University on March 23 of this year, you called for this conference so you could convene business leaders whose companies meet one of the following five corporate citizenship challenges:

1. **FAMILY-FRIENDLY WORKPLACES:** *Creating workplaces that allow workers to be both productive workers and caring and responsible family members.*
2. **HEALTH AND RETIREMENT SECURITY:** *Providing the security that a living wage, health care, and pension benefits can give.*

3. **SAFE AND SECURE WORKPLACES:** *Protecting the health and safety of employees through management commitment and employee involvement.*
4. **INVESTMENT IN EMPLOYEES:** *Recognizing that investments in your employees are every bit as important as investing in factories and equipment. Provide broad opportunities for education and training both in and outside the firm, for new skills and advancement.*
5. **PARTNERSHIP WITH EMPLOYEES:** *Giving employees a voice in the workplace and share the burdens and benefits of good times and bad. When restructuring and layoffs are essential to a company's long-term health: be open, be helpful, and be fair. Productive companies need committed employees.*

II. WORKING BREAKFAST.

Participants. More than 110 business leaders are confirmed to attend the working breakfast, scheduled to take place at 8:30 a.m. in the East Room. [See Attachment 2 for a complete list of breakfast attendees]

Table Hosts. Besides YOURSELF and the VICE PRESIDENT, the following Administration officials are slated to attend and host tables:

- | | | |
|------------|----------------|-------------------|
| 1. Rubin | 6. Kantor | 11. Alexis Herman |
| 2. Reich | 7. Rivlin | |
| 3. Lader | 8. Panetta | |
| 4. McLarty | 9. Tyson | |
| 5. O'Leary | 10. Barshefsky | |

The table hosts will report back to you following the breakfast.

Breakfast Program.

- 8:15 a.m. Meeting with 11 CEOs on the Corporate Citizenship Award.
- 8:30 a.m. Receiving Line
- 9:00 a.m. VPOTUS, POTUS Opening Remarks to Breakfast
 - ⇒ Closed Press
 - ⇒ This will give you the opportunity to outline the framework for the ensuing discussions and for you to emphasize that your representatives at each table will be reporting back directly to you with questions and concerns raised at this breakfast.
- 9:10 a.m. Breakfast & Table Discussions
- 9:50 a.m. Open floor to brief general Discussion and Wrap-up
- 10:10 a.m. Breakfast guests depart for Georgetown

III. AWARD.

A group of eleven CEOs (listed below) have come together to explore the development of the Ron Brown Corporate Citizenship Award. John Bryan of Sara Lee and Larry Bossidy of Allied Signal will serve as co-chairs. Based and funded entirely by the private sector, this group will develop the criteria and process by which the award is given. The current plan is for you to announce the award in your opening remarks at the public event.

Award Committee.

- | | | |
|-----|----------------|------------------|
| 1. | Norm Augustine | Lockheed |
| 2. | Ed Woolard | Dupont |
| 3. | Dana Meade | Tenneco |
| 4. | Hank Barnett | Bethlehem Steel |
| 5. | Paul Allaire | Xerox |
| 6. | John Bryan | Sara Lee |
| 7. | John Snow | CSX |
| 8. | Larry Bossidy | Allied Signal |
| 9. | George Fisher | Eastman Kodak |
| 10. | Diane Graham | STRATCO |
| 11. | Ken Chenault | American Express |

Key Points.

The overall goal of the award will be to encourage "best practices" and create a legacy for business honoring those in the community that follow the principles of good corporate citizenship. We have asked that the steering committee consider the following:

- ⇒ Base the criteria on the five Corporate Citizenship challenges you outlined at Xavier University.
- ⇒ Consult with the labor community on criteria for the award.
- ⇒ Have the sitting President present the award on a yearly basis.

Outstanding Issues.

We are currently working with the speechwriters, Counsel, and the Departments of Commerce and Labor to develop acceptable language for announcing the creation of this group at the conference on Thursday.

IV. PUBLIC EVENT.

Overview. Following the breakfast, the conference will reconvene at Gaston Hall at Georgetown University, where you will lead roundtable discussions with two small panels of business leaders whose companies each highlight one of the your Corporate Citizenship challenges and labor representatives from these companies. There will be seven members on each panel.

Panel One. Panel One is designed to highlight exemplary corporate practices in three areas of corporate citizenship -- (1) family friendly practices; (2) health and retirement security and (3) safe and secure workplaces. The central message of this panel is that corporate practices in these key areas reflect a mutuality of interests between corporations and employees.

<u>Principle</u>	<u>Panelist</u>	<u>Company</u>	<u>Union Status</u>
Family Friendly	Ken Lehman	Fel-Pro (CEO)	non-union
Family Friendly	Fran Rogers	Work-Family Directions (CEO)	non-union
Family Friendly	Yvon Chouinard	Patagonia (CEO)	non-union
Safe & Healthy Workplaces	David Jiullani	Optiva (CEO)	non-union
Safe & Healthy Workplaces	Ralph Larsen	Johnson and Johnson (CEO)	small-union
Health and Retirement Security	Roger Ackerman	Corning (CEO)	union
Health and Retirement Security	Larry Benkowski	National Flint Glassworkers (Union President)	union
Health and Retirement Security	Howard Schultz	Starbucks (CEO)	non-union

[See Attachment 3 For Complete Biographical Information On These Companies]

Panel Two. Panel Two is designed to highlight exemplary corporate practices in the two other areas of corporate citizenship -- (4) investment in employees and (5) partnership with employees. The central message is that while there is no single universal approach, American businesses and workers both benefit from a strong emphasis on training and innovative partnerships.

<u>Principle</u>	<u>Panelist</u>	<u>Company</u>	<u>Union Status</u>
Investment in Employees	Michael Plumley	Plumley (CEO)	non-union
Investment in Employees	Jim Henderson	Cummins Engine (CEO)	union
Partnership	Gerald Greenwald	United Airlines (CEO)	union
Partnership	Robert Frey	Cin-Made (CEO)	union
Partnership	Arnold Langbo	Kellogg	union
Partnership	Russell Maier	Republic Engineered Steel	union
Partnership	George Becker	International Steelworkers (Union President)	union

[See Attachment 3 For Complete Biographical Information On These Companies]

GOOD FOR THE BO

At a command performance in Washington, President Clinton asks business

By BILL SAPORITO

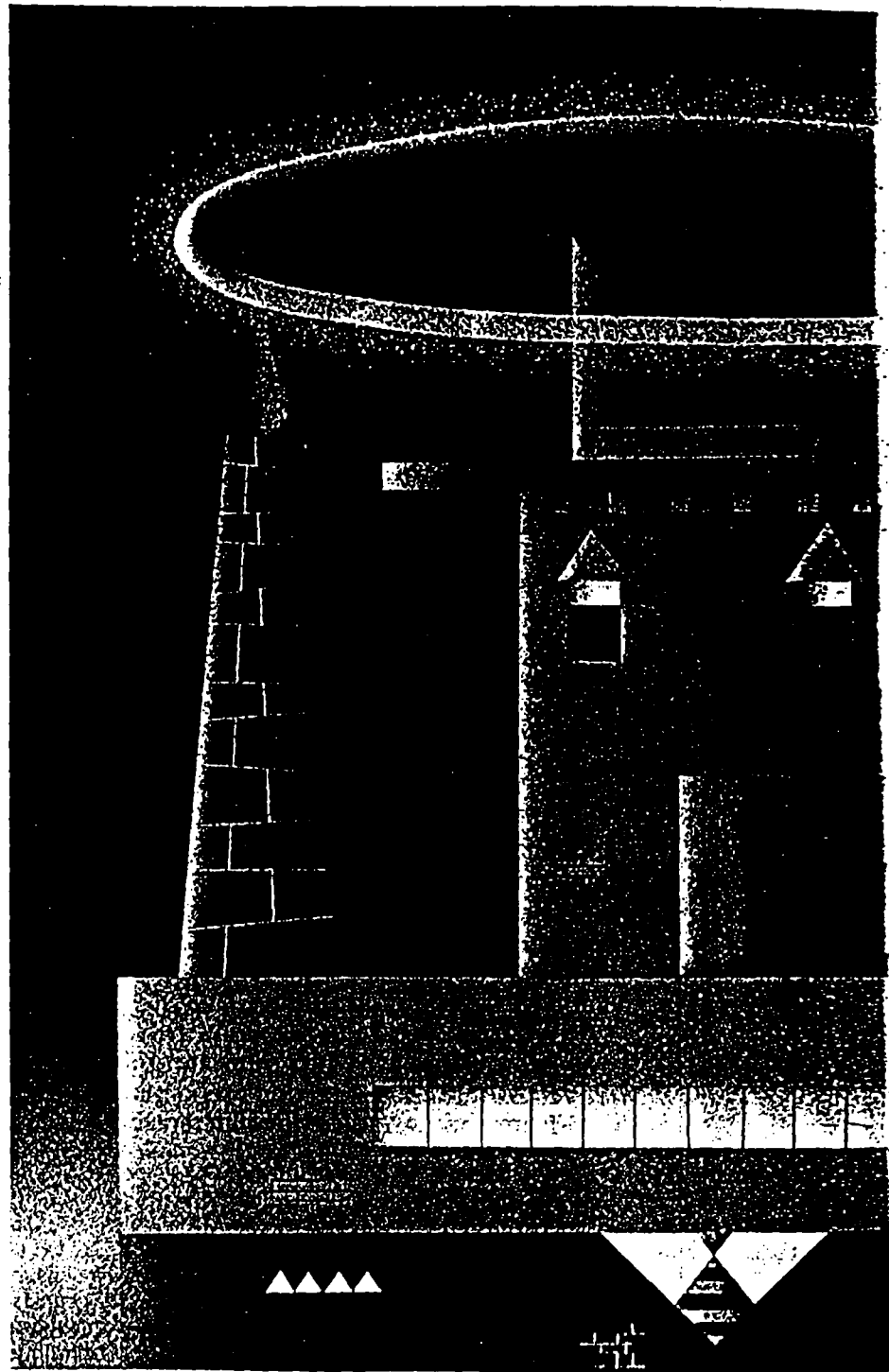
THE PRESIDENT IS CALLING. HE wants you, the big cheese at Megawhiz Amalgamated, to come to Washington to discuss "corporate responsibility." You are thinking, "I need this? Wall Street is screaming for me to slash jobs and increase the stock price; competitors are breathing down my neck; and tort lawyers are cruising the open oceans of commerce like so many U-boats, hoping to catch my logo in their periscopes. And the President wants to discuss responsibility?"

Indeed, he does.

This week the chief Executive has invited the heads of some 60 companies to the White House to raise the c.r. issue. The timing seems a bit odd. The economy is moving along nicely, it seems, and the unemployment rate is a low 5.4%, courtesy of the more than 8 million jobs created, ahem, in the past 3½ years. Yet the anxiety rate among workers, still being spit out in huge numbers by a transforming economy, is high enough to give the Democrats a platform. And Clinton will use it to spotlight corporations—Procter & Gamble, Harley-Davidson, Xerox and Starbucks—that the Democrats believe are "doing well by doing good."

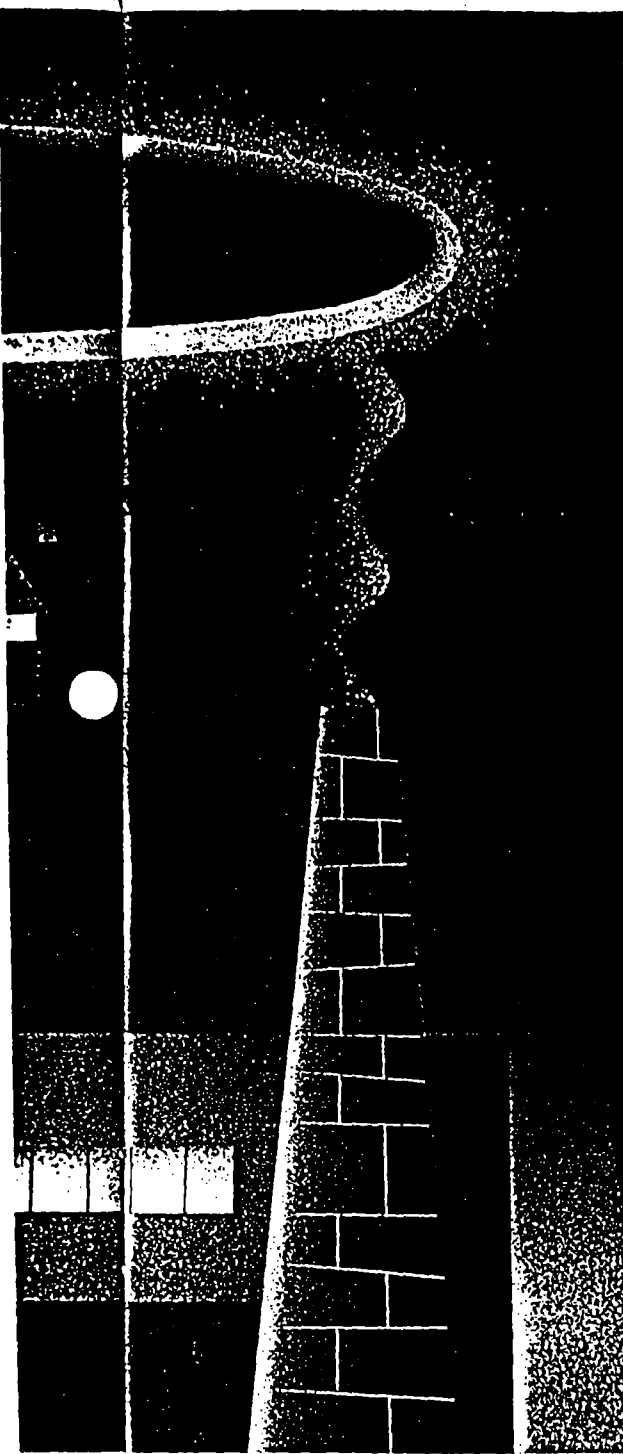
While Clinton will have warm words for the saints, earlier this year business leaders were hearing something else from Secretary of Labor Robert Reich. Until the other Bob, Treasury Secretary Rubin, maneuvered him aside, Reich was an advocate of using the tax code to reward corporations that avoid layoffs by retraining workers, among other things. He also talked about creating a "corporate hall of shame" to pillory the bad guys.

Clinton is more willing to let corporations figure it out themselves. His argument is that in an era of fast technological change and slimmer government, business will profit by embracing a broader mission. In a speech at Xavier University in Cincinnati, Ohio, last March, the President said, "What is the role of business in this new era? It should, first and foremost, do well, make money so you can hire people and



BOTTOM LINE

Business leaders to do more for their workers



contribute. But it should, whenever possible, do well in a way that strengthens families and grows the middle class."

In some parts of the business community, the Administration's interest in the achievements of America's corporations doesn't pass the snicker test. "Chalk it up to election-year politics," says Martin Regalia, vice president for economic policy for the Chamber of Commerce. "They have to have a conference to make up for going so far out on a limb to criticize the business community."

But no one was snickering in February when Republican candidate Pat-the-Populist-Buchanan connected with some voters by lashing out at big corporations. AT&T and its highly paid chairman, Robert Allen, became Buchanan's favorite whipping boys after the company announced a three-way breakup that would eliminate 40,000 jobs.

It's ironic that AT&T should wear the black hat. In its history, AT&T and the telephone Bells were as family friendly and progressive as the New Deal. Telephone families often ran three generations deep. You couldn't blame them for howling; they knew a good thing was ending. Even today AT&T offers a menu of programs that would make any worker's wish list, such as child- and elder-care resource referral services, leaves of absence for parents of newborns and the newly adopted, as well as time off for family care.

In some respects Clinton's message is a little late. Over the past two decades, a number of activist groups, such as the Interfaith Center on Corporate Responsibility and the Council on Economic Priorities, and consumers themselves have persuaded corporations to behave as if they lived in the community. Says Milton Moskowitz, a longtime tracker of corporate behavior and co-author of *100 Best Places to Work in America*: "There are a lot more 'good' companies. Originally, way back, corporate responsibility had to do with an external commitment to the community and philanthropic contributions. Now it's even broader." Says Craig Smith, president of Corporate Citizen, a watchdog group in Seattle: "There has been a dramatic shift. It's less about how much money a compa-

ny gives and more about whether a company offers its intellectual capacities, its technology, and develops programs that focus on what to do to affect society."

Not everyone agrees. There is still a basic free-market argument that business has no business in anything but making money—which of itself will provide plenty of social benefits. One who has made that point for decades is the Nobel prizewinning economist Milton Friedman. Says he: "It was a very fashionable topic some 20 years ago, and then it sort of died down; all of a sudden it has become very fashionable again. I think it is all rhetoric."

While the concept of corporate responsibility isn't new—H.J. Heinz was practicing social welfare in the 19th century—the issue in the modern corporation re-emerged in the 1960s, when activists began targeting outfits such as Dow Chemical and General Electric.

From those confrontations emerged a pecking order of corporate responsibility defined around the concept of stakeholders. These stakeholders include the shareholders—the owners of the company—as well as employees, suppliers, customers and local communities. But in the '80s some of these stakes were crushed in the machinery of mergers or restructuring. Cities lost powerful corporate allies, that were relegated to subsidiary status by headquarters in distant places. In industries such as textiles and steel, plant shutdowns destroyed forever the notion that the company takes care of its own. Steel towns in Pennsylvania, like Duquesne, collapsed when their blast furnaces went cold. Those were thought to be singular events, industrial catastrophes that wouldn't be repeated. But in the harsh global economy, layoffs will not go away.

Even New Age companies formed around feel-good management can't avoid it. In Portland, Oregon, Hanna Andersson, a mail-order retailer and maker of children's clothing revered for its mother-friendly workplace, recently let go 25% of its work force. CEO Gun Denhart had also won kudos for her "Hannadowns" program, in which used Hanna clothing could be returned for a 20% credit toward the next purchase. The used clothing was then donated to homeless children. But rising postal and paper costs took a toll on this company, which last year had chalked up \$52 million in sales.

No one gets lifetime employment anymore, not even at companies like Hewlett-Packard, a visionary \$31.5 billion high-tech firm that makes just about every good-guy list extant. Instead, HP employs a system of redeployment for "excessed" workers. They can hunt for other positions within

the company for 90 days, fully paid and free of job responsibilities. Usually the company will make another job offer. But if an employee decides to leave, he or she still receives a generous severance package.

HP pays at the upper end of the industry scale and provides full health insurance, a discount stock-purchase plan and a cash profit-sharing bonus. The company has offered flex-time for 20 years and has incorporated job sharing, compressed work weeks and telecommuting.

The success of HP and other such companies belies the notion that businesses that are socially responsible can't also be fiscally responsible. In fact, the opposite is true. A business can't do much good if it isn't any good at what it does.

It's no coincidence that these same companies have been able to embrace the leading management trends of the past decade: flat organizations; bottom-up management; empowerment; customer-focused, just-in-time manufacturing, and total quality. These philosophies demand a flexible and dedicated work force not locked in battle with management. As a CEO put it, "This is not do-good stuff. This is the way you make money."

According to Tom Kochan, a professor of management at M.I.T.'s Sloan School, only about 35% of U.S. workplaces have implemented two or more socially responsible measures. These tend to be larger, better capitalized firms rather than small and medium-size companies, where the bulk of U.S. job creation occurs.

That's because many programs have high start-up costs. And, says Kochan, often one or two measures won't be successful. What does succeed is a sustained, company-wide commitment to a model that links many of these practices. He adds, "If firms do these kinds of things, they will get an economic return for their investment and a higher quality work force that is more loyal and productive. It is a virtuous cycle."

It's difficult to think that the business leaders who come to Washington this week will be looking to a Democratic President to tell them how to run their companies. But they will be happy to hang around as the President praises some of their number for progressive management. And in an election year, the President too will be happy to make the point to voters that he is an advocate for the working class.

Businesses have another constituency, of course, one that, given the choice, generally prefers cash to virtue. Happily, in the world of business it is becoming increasingly possible, if not necessary, to get both. —Reported by John F. Dickerson and Adam Zagorin/Washington, Stacy Perman and Jane Van Tassel/New York



DENNIS KESSLER, CO-CEO, FEL-PRO, AND FRIEND

COMPANIES IN THE AUTOMOTIVE INDUSTRY HAVE LEARNED ALL ABOUT DARWINIAN competition in the past decade. Automakers have cut supplier lists by raising quality specifications while squeezing prices. Fel-Pro, a privately held, \$390 million company that makes gaskets, sealants and lubricants for cars, is no different. Some key customers

are asking for price cuts of as much as 20% over the next four years for certain products. Yet the company has maintained an admirable record of being family and worker friendly. "It's more challenging to support the workplace we want to provide," says co-president Dennis Kessler, a fourth-generation part owner of this nearly 80-year-old company in Skokie, Illinois. That harmony goes

back to the 1950s, when the company invited worker participation. In the '60s it

developed a 220-acre site for a recreation center and in the '70s a summer camp for employees' children. In the '80s the company opened its own day-care center.

Fel-Pro still provides a panoply of benefits and worker-friendly programs: flexible starting times, a profit-sharing plan and a

■ Fel-Pro retains flexible hours, day care, profit sharing and a camp for kids

■ Educational benefits cover both employees and their children

■ Working Mother rated it a top place to work for past 10 years

culture that solicits ideas from all the employees. Working Mother magazine has put the company on its best-places-to-work list for 10 years running. Says editor in chief Judsen Culbreth: "They have a broader perspective and are very involved not only with their employees but also with the community they work in and in child-care issues across the country."

For instance, Fel-Pro has retained a strong commitment to education. It offers tuition reimbursement to all employees and pays bonuses to those who earn degrees. Lots of companies do. But Fel-Pro's commitment extends to children of employees: the company chips in for tutoring for children with special needs, and college-bound kids get scholarships. Increased in 1995 from \$3,300 a year to \$3,500.

Some of these goodies hurt profitability, so the company had to become less generous. But Fel-Pro's return on its long-term investment in people has enabled the company to lower costs and increase market share.

The Business Enterprise Trust, a nonprofit research group whose board members include Warren Buffett, Norman Lear and Katharine Graham, will detail its findings in a book, *Aiming Higher*, to be published in the fall by Amacom Press.

DOING V

No company is perfect, but Fel-Pro is one that set a higher standard

GEO JACK STACK OF SRC

SPRINGFIELD REMANUFACTURING CORP. IS BUSINESS PHILOSOPHY as business enterprise, and vice versa. CEO Jack Stack has even published a book, *The Great Game of Business*, that embodies the rules that have governed the company's success as a free-standing business since 1983.

SRC, a profitable, \$100 million outfit, has used "open-book management" as a guiding principle. All employees, from the shop floor to executive office, are given the most vital information about the performance of the company and about their individual jobs: the hourly cost of their labor, inventory levels, expense ratios and whatever else they want.

The company, which rebuilds heavy-duty truck engines for resale, was reborn out of desperation: its then owner, International Harvester, a maker of farm equipment and trucks, was disintegrating, a victim of recession, foreign competition and a poisoned relationship between management and workers.

SRC was sold to a management group led by Stack, an IH veteran and an executive wholly unsuited for the traditional command-control structure of industrial production. And when Stack and 12 other executives took over—mortgaging everything they owned—it occurred to him that SRC itself was

now unsuited for traditional management. He said, "We didn't have time to write mission statements or value statements. Our mission statement was simple: Don't run out of cash."

Stack had to lower costs in a hurry, and he reasoned that an enlightened work force could attack the problems where they happened. So SRC's workers were trained to be able to understand the most minute detail on a balance sheet. They also get detailed reports about the efficiency of the work they do.

This approach is called empowerment. The concept is that in any company the source of its most productive ideas and best service will come from the rank and file, who are closer to the products and the customers.

Management's job is not to dictate but to harness the power below them, and then, please, get their high-priced backsides out of the way. Empowerment pays well too, it turns out. At SRC workers can earn as much as a 13% bonus, paid quarterly, if the company meets its targets. Stack says the company is doing better than ever. ■

■ "Open-book management" gives employees access to all info about company operations

■ SRC has created 22 business spin-offs based on its model

■ Now sells its *Great Game* knowledge via workshops, books

WELL BY DOING GOOD

, but a new study by the Business Enterprise Trust cites 25 firms
rd of protecting stakeholders. Here are three of the very best



COO ROBERT HAAS OF LEVI STRAUSS

LEVI STRAUSS ASSOCIATES IS A REALLY COOL COMPANY, AND A controversial one. Its experiences define the kind of ethical minefield in which a huge (\$6.7 billion in sales), socially aware, global corporation has to tread. Levi's social conscience has a long history: after the San Francisco earthquake of 1906, the company placed newspaper ads to tell employees their jobs survived, even if their workplace had not. The company early and forcefully advocated integration in the early '60s, established ambitious minority-hiring goals in 1967 and was way ahead of the diversity curve—programs from which it can claim competitive advantage.

When the company went public in 1971, Levi's wore its heart on its jeans, advising potential investors that it would not sell its conscience with its stock. After the Haas family took the company private again, in 1985, Levi's once more spelled out its beliefs in mission and aspiration statements. Among them was a promise to provide all employees with the chance to grow and advance in an open corporation. But reality caught up with the

company in the '80s. Sales and cost pressures prompted Levi's to take some manufacturing outside the country. In retrospect the company had no choice—low-value manufacturing operations have forever moved to low-cost labor markets. The company shut down a plant in San Antonio, Texas, amid caustic criticism that its dedication to the work force had faded like an old pair of 501s.

Levi's is still high on the list of most c.r. watchers. Says COO Robert Haas: "It's really important to be clear about what your values are. People tend to respond more strongly to values they agree with. And when you do have to take difficult actions, do it

in a way that is most sensitive to the needs of the stakeholders and reduces both the reputational damage and the disruption that is a consequence of whatever action you have to take." The Council on Economic Priorities, which tracks the corporate social and environmental performance of hundreds of companies, gave Levi's a Corporate Conscience Award for International Commitment in 1994 "for unprecedented commitment to nonexploitive work practices in developing countries." —Reported

by J. Howard Green/San Francisco and Stacy Perman/New York



- Ahead of the curve on corporate value, diversity, AIDS awareness
- Community Involvement Teams take on ambitious projects
- Corporate Conscience Award for efforts to curb child labor

ECONOMIC ANXIETY

SOUL-SEARCHING TIME IN THE CORNER OFFICE

CEOs ask what they owe employees

We need to reinforce that being good to people, being loyal, are the right things." Thomas J. Moran, chief executive of Mutual of America, was holding forth on "Responsible Corporate Leadership in the 1990s" before 100 executives and academics at a breakfast sponsored by New York City's Baruch College. It was a nicely timed soliloquy, arriving as America grappled with the economic angst perpetrated by its free-market system. Do responsible corporations lay people off? Do they shut factories and raze communities?

Moran talked easily about trust, humanity, and business' obligation "to make its society better." Then someone asked how he would advise AT&T Chairman Robert E. Allen who, having announced 40,000 job cuts, reigns as the current embodiment of corporate evil. No layoffs, Moran said. "No one gets left behind." He paused, then admitted: "I'm glad I'm CEO of this company, and not that one."

How to avoid becoming the next Bob Allen. It's top of mind for many a CEO. But like Moran, few seem sure how far to distance themselves from the shareholder-value-at-any-cost credo of the early '90s. In the face of antibusiness



GLADHANDING: IBM's Gerstner at the Education Summit

fervor that has shown executives find themselves balancing an urge to prove their decency with a powerful loyalty to their laissez-faire roots.

JITTERS. The self-doubt will be underscored on May 16, when as many as 100 corporate chiefs troop to Washington for breakfast with President Clinton and his economic advisers. Clinton will urge CEOs to help ease workers' jitters over downsizing. Then, at a conference at Georgetown University, he will spotlight the best "corporate citizens," asking progressive CEOs to share their se-

crets for creating family-friendly workplaces, training employees, and providing good benefits.

No question, Washington has embraced economic anxiety with election-year passion. After simmering for three years, a movement to hike the minimum wage to \$5.15 an hour has acquired political substance—though likely not enough to actually win passage this year. A raft of proposals from Democratic liberals, including Senators Edward M. Kennedy (D-Mass.) and Jeff Bingaman (D-N.M.), aim to reward employers with progressive labor and community relations.

The White House confab won't produce a mandate, much less easy answers to the question of business' role in society. The Administration wants to play to voters' edginess while promoting its record of low unemployment and steady growth. "Without a strong economy, we wouldn't have the luxury to talk about things like corporate citizenship," says a senior White House aide. The upshot: Clinton will gently prod executives, without embracing legislated solutions that would complicate the tax code and further burden companies.

Even so, the guys in corner offices remain wary of public opinion. Executives such as IBM's Louis V. Gerstner Jr. and BellSouth's John L. Clendenin loudly advertised their do-good participation in the National Governors' Association's Education Summit in late March. And in each of the year's biggest merger announcements, managers have taken pains to downplay the role of lay-

Window Dressing Or Real Anxiety Potions?

EMPLOYER INITIATIVES

LAYOFFS? US? Nynex and Bell Atlantic have aggressively and publicly said that their merger won't require massive job cuts. Aetna and U. S. Healthcare promised much the same.

CITIZENSHIP Corporations trumpeted their participation in the National Governors' Assn. Education Summit, pointing to financial and service commitments to the nation's schools.

NEW SPIN The National Association of Manufacturers and the Business Roundtable have produced studies to prove an abundance of good jobs; the Council on Economic Development, a group of executives, concurs.

GOVERNMENT RESPONSES

HIGHER PAY The long-simmering debate on raising the minimum wage has hit the front burner, becoming a contentious talking point for the November elections.

PERSUASION President Clinton will host up to 100 top executives on May 16 for a summit on corporate social responsibility. No mandates are likely—just some comforting reassurances.

FORCE BUSINESS' HAND A range of proposals from Congress and the Administration would reward employers that act responsibly. The measures haven't gone far.

offs; Nynex Chairman Ivan G. Seidenberg personally assured Labor Secretary Robert B. Reich that job cuts resulting from his company's combination with Bell Atlantic Corp. would be limited. "It's interesting that these companies would make such announcements," Reich says. "It is almost as if the audience has changed [to the public]."

Why, if the threat of punitive government action is so remote? Ego plays a part: "Top executives are driven in very large part by what is seen as acceptable in their community," says Peter D. Cappelli, a management professor at the University of Pennsylvania's Wharton School. More to the point, a corporation's image is worth big money. Public outrage can depress sales, encourage unionism, or block expansion plans.

NOT SO BAD. At best, though, relief from layoffs is likely temporary. Outplacement consultants Challenger, Gray & Christmas Inc. expect that companies will throttle job cuts through the election. After that, says executive vice-president John A. Challenger, "the beat will go on." Indeed, when challenged at Boeing Co.'s Apr. 29 annual meeting on his decision to hire 8,200 new workers this year after cutting 12,600 jobs in 1995, CEO Philip M. Condit told shareholders simply: "We are a capital-goods supplier operating in a cyclical industry. We have done a lot to moderate those cycles, but we can't stop them."

And that, business argues, is not so terrible. The National Association of Manufacturers, the Business Roundtable and the Committee for Economic Development, a group of senior executives, all have released studies recently asserting that the economy is creating new jobs of increasingly high quality. Those papers are echoed by the White House Council of Economic Advisers, which on Apr. 23 reported that 68% of the job growth since February, 1994, occurred in industry and occupational groups paying above-median wages. The CEA also noted that job displacement appears to have declined since 1993.

So it was all a bad dream? Well, no. The economy has, in fact, produced 8 million new jobs in the current expansion. But the trauma Americans feel as they confront an ever-more-open, less regulated capitalist system is very real. Ultimately, business won't do much to ease the pain. "You don't unleash wolves and ask them to behave like sheep," says Edward Luttwak, a fellow at the Center for Strategic & International Studies. He's right, but it's not the answer Americans will want to hear.

By Keith H. Hammonds in New York, with Paul Magnusson, Susan B. Garland, and Mike McNamee in Washington

Clinton's goal: Kinder, gentler corporations

But some say call to CEOs is government intrusion

By Susan Page
USA TODAY

Hours before Bell Atlantic and Nynex were to announce their huge telecommunications merger, Nynex Chairman Ivan Seidenberg was on the phone trying to track down Labor Secretary Robert Reich.

Near midnight, he finally found him, rousing Reich from a sound sleep at a country inn in North Carolina.

Seidenberg said he wanted to reassure him that the companies would do their best to minimize layoffs and retrain displaced workers, causes Reich has championed.

"I believe and hope that there is a new sensitivity on the part of CEOs to public opinion and to the concerns that so many Americans have about the potential loss of jobs," Reich says. "The business community seems to be responding to the theme of corporate responsibility."

"Corporate responsibility" is the mantra for a White House trying to walk a fine line: addressing workers' economic unease without adopting controversial tax and trade policies advocated by some on the political left and right.

The White House Conference on Corporate Citizenship, set for May 16, will bring together dozens of CEOs to hear the president praise companies that have outstanding records as good corporate citizens.

The session also is designed for executives to exchange ideas about programs aimed at creating "family-friendly" companies, upgrading employees' job skills and forging workplace partnerships.

The president thought it was important to talk with corporate leaders about what they are doing or could do or could learn from one another about what to do to be good corporate citizens — in other



By Joe Marquitta, AP

Tyson: Message to CEOs is to 'do good and do well'

words, to do good and to do well at the same time," says Laura D'Andrea Tyson, head of the National Economic Council.

"This is really to have a conversation with them."

Not everyone approves.

"It's evidence of this administration's desire for government to control the private economy," Republican National Chairman Haley Barbour says. "They tried that over in Russia."

The conference has raised the hackles of some business leaders who say the president has no role in dictating what obligations corporations have to their workers.

Some also suspect that the conference is an election-year gimmick to court executives and reassure anxious voters.

"Is this an opportunity to try to position yourself with various constituencies and look like you're responding to the concerns of the country?" asks Jeffrey Joseph of the U.S. Chamber of Commerce. "Do I sense an election somewhere?"

Jerry Justnowski, president of the National Association of Manufacturers, says he has "very mixed feelings" about



Feed photo by Rolando Otero

Reaching out to business: President Clinton greets Elvis Tran of Harman International Industries, an electronics manufacturer, during a March visit to Los Angeles.



By Tim O'Brien, USA TODAY

"The business community seems to be responding to the theme of corporate responsibility."

— Robert Reich,
Labor secretary

the conference.

"It's both good and a diversion in certain ways," he says. "The administration ought to be putting its primary emphasis on government responsibility to get its house in order."

Several company executives debated whether it was appropriate

to attend the White House event. But White House aides say others tried to wrangle invitations as a sort of presidential seal of approval for their corporate practices.

Administration officials say corporate behavior already has begun to change since alle-

gations of ruthless worker-battered downsizing brought a spate of public attention and fueled Pat Buchanan's angry presidential crusade early this year.

In January, for instance, AT&T announced it was cutting 40,000 jobs. Some market analysts say the company calculated the largest possible number to impress Wall Street and drive up its stock price.

But in recent weeks, executives announcing a series of big mergers — Nynex and Bell Atlantic, Pacific Telesis and SBC Communications, Aetna Life & Casualty and U.S. Healthcare — took pains to minimize the potential effect on workers.

"The rhetoric has definitely changed," says Margaret Blair, a Brookings Institution scholar who studies corporations. "Whether the reality underneath that is changing, I don't know."

UP TO THE CHALLENGE

President Clinton has outlined five challenges that he says contribute to corporate responsibility. He singles out these companies for praise:

1. Establish 'family-friendly' policies

Example: Procter & Gamble — Offers up to a year of maternity leave and up to five years of reduced work hours for new parents. Subsidizes child care.

2. Provide access to health care and retirement

Example: Starbucks — Provides health insurance for employees, unlike many similar businesses.

3. Offer training and education

Examples: Harley-Davidson — Sets up basic reading, writing and math instruction at on-site learning centers.

United Technologies — Offers tuition aid and half-time off for workers who return to school for any degree program.

4. Form partnerships with employees

Examples: Harman International — Created a new business called Ole, for Off Line Enterprises, that uses scrap materials to let employees design products and sell them.

Synergy — Trimmed workforce by 10% this year without layoffs by offering early retirement incentives and generous severance packages.

5. Provide a safe workplace

Example: Motorola — Conducts safety training programs not required by the government; injury rates are 70% below industry average.

Letters of invitation to the White House conference, sent out Thursday, say the forum will focus on five "corporate citizenship challenges":

► Creating "family-friendly" workplaces that help employees balance job and home.

► Offering adequate wages, health care and pensions.

► Supporting education and training programs.

► Forming partnerships so workers "have a voice in the workplace and share the burdens and benefits of good and bad times."

► Providing safe and secure workplaces.

Clinton and his chief economic policymakers will meet with the CEOs at a White House breakfast. Then Clinton and Vice President Gore will lead panel discussions at Georgetown University.

The conference originally emerged as a compromise between clashing views within the administration.

Reich has advocated using

tax policy to reward "good" corporate behavior, an idea that brought protests from Tyson and Treasury Secretary Robert Rubin. They say that the government shouldn't pick corporate winners and losers and that changes in the tax code almost always have unintended consequences.

Besides, they say, the economy is fundamentally strong, and talk of economic angst is overblown. Good news on first-quarter economic growth and unemployment in recent days may have bolstered their case.

But critics, including some congressional Democrats, complain that the administration's approach is too timid to protect workers' interests.

"The only thing that balances private power is public power," says Sen. Bill Bradley, D-N.J. "You could convince some people to do things on the basis of your own persuasive power or willpower or jawboning skills, but my guess is that you need to put some teeth into it."

BUSINESS RESPONSIBILITY LIST

I, I2, I3 = Invitation sent YESB= Will attend breakfast only

YES = Will attend all events NO = Declined invitation

LAST NAME	FIRST NAME	TITLE	COMPANY	CITY	ST
Ackerman	Roger	Chairman & CEO	Corning Inc.	Corning	NY
Aldinger	William	President & CEO	Household International, Inc.	Prospect Heights	IL
Allen	Robert E.	Chairman & CEO	AT&T	Basking Ridge	NJ
Armstrong	Judy	President	ADA Technologies	Englewood	CO
Augustine	Norman	President and CEO	Lockheed Martin Corporation	Bethesda	MD
Bajaj	Kavelle	CEO	I-NET	Bethesda	MD
Barnette	Curtis H.	Chairman and Chief Executive Officer	Bethlehem Steel Corporation	Bethlehem	PA
Baumgardner	Dwane	Chairman of the Board and CEO	Donnelly Corporation	Holland	MI
Beall	Donald	Chairman & CEO	Rockwell International Corporation	Seal Beach	CA
Bijur	Peter	Vice Chairman	Texaco Inc.	White Plains	NY
Binder	Gordon M.	CEO and Chairman of the Board	AMGEN	Thousand Oaks	CA
Boreham	Roland	Chairman of the Board	Baldor Electric	Ft. Smith	AR
Bossidy	Lawrence A.	Chairman & CEO	Allied-Signal, Inc.	Morristown	NJ
Bowlin	Michael	Chairman & CEO	ARCO	Los Angeles	CA
Bryan, Jr.	John H.	Chairman	Sara Lee Corporation	Chicago	IL

For Breakfast

All Confirmed

BUSINESS RESPONSIBILITY LIST

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YES = Will attend all events NO = Declined invitation

LAST NAME	FIRST NAME	TITLE	COMPANY	CITY	ST
Buntrock	Dean	Chairman & CEO	WMX Technologies Inc.	Oak Brook	IL
Burd	Steven A.	President and CEO	Safeway Inc.	Oakland	CA
Burns	M. Anthony	Chairman, President & CEO	Ryder Systems, Inc.	Miami	FL
Burt	Robert N.	Chairman and CEO	FMC Corporation	Chicago	IL
Cain	Linda	Co-Owner	Cain Travel	Boulder	CO
Campbell	Robert H.	Chairman, CEO, and President	Sun Company, Inc.	Philidephi a	PA
Cash	R.D.	Chairman, President, and CEO	Questar Corporation	Salt Lake City	UT
Chambers	Merle C.	President and CEO	Axem Resources, Inc.	Denver	CO
Checchi	Alfred	Co-Chairman	Northwest Airlines	St. Paul	MN
Chouinard	Yvon	Chairman & CEO	Patagonia	Ventura	CA
Coleman	Elizabeth	Chairman of the Board	Maidenform	Atlanta	GA
Correnti	John D.	Vice Chairman, President, and CEO	Nucor Corporation	Charlotte	NC
David	George	President & CEO	United Technologies Corporation	Hartford	CT
Davis Jr.	Emmet	President and CEO	Davis and Floyd Engineers	Greenwood	SC
Deavenport, Jr.	Earnest W.	Chairman & CEO	Eastman Chemical Company	Kingsport	TN

BUSINESS RESPONSIBILITY LIST

12,13 = Invitation sent YESB= Will attend breakfast only

YES = Will attend all events NO = Declined invitation

LAST NAME	FIRST NAME	TITLE	COMPANY	CITY	ST
Denhart	Gun	Founder	Hanna Andersson Corporation	Portland	OR
Dunn	Robert		Business for Social Responsibility	San Francisco	CA
Feuerstein	Aaron	CEO	Malden Mills Industries	Lawrence	MA
Fish	Lawrence K.	Chairman, President, and CEO	Citizens Financial Group, Inc.	Providence	RI
Fisher	George	Chairman, President and CEO	Eastman Kodak Company	Rochester	NY
Foos	Richard	CEO	Rhino Records	Los Angeles	CA
Frey	Robert	President & CEO	Cin-Made	Cincinnati	OH
Gifford	Charles K.	Chairman and CEO	Bank of Boston	Boston	MA
Giuliani	David	President	Optiva Coporation	Bellevue	WA
Golden	Mark	President	Golden Artist Colors	New Berlin	NY
Golub	Harvey	Chairman & CEO	American Express Company	New York	NY
Goodrich	Mike	President and CEO	BE&K Inc.	Birmingham	AL
Gorman	Joseph T.	Chairman & CEO	TRW Inc.	Cleveland	OH
Gorman	Leon A.	President	L.L. Bean	Freeport	ME
Graham	Diane		STRATCO, Inc.	Leawood	KS
Green	Steven	Chairman & CEO	Samsonite Corporation	Washington	DC

BUSINESS RESPONSIBILITY LIST

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YES = Will attend all events NO = Declined invitation

LAST NAME	FIRST NAME	TITLE	COMPANY	CITY	ST
Greenwald	Gerald	Chairman & CEO	UAL Corporation	Chicago	IL
Hannan	Phyllis	President	Laser Light Technologies	Hermann	MO
Harman	Sidney	Chairman and CEO	Harman International Industries, Inc.	Washington	DC
Harmon	James	Chairman	Schroders Wertheim & Co.	New York	NY
Harper	Kevin	President and CEO	Autumn Harp	Bristol	VT
Hastings	Donald F.	Chairman and CEO	Lincoln Electric	Cleveland	OH
Henderson	James	Chairman & CEO	Cummins Engine Co., Inc.	Columbus	IN
Hendricks	John	Chief Executive Officer	Discovery Communications, Inc.	Bethesda	MD
Hirshberg	Gary	President and CEO	Stonyfield Farm, Inc.	Londonderry	NH
Hohn	Harry G.	Chairman of the Board and CEO	New York Life Insurance	New York	NY
Holland, Jr.	Robert	President and CEO	Ben and Jerry's Homemade, Inc.	South Burlington	VT
Hord	Noel	CEO	Nine West	Stanford	CT
Hough	Lawrence A.	President	Sallie Mae	Washington	DC
Hubka	Rachel	President	Rachel's Bus Company	Chicago	IL
Irani	Ray R.	Chairman, President & CEO	Occidental Petroleum Corporation	Los Angeles	CA
Johnson	Thomas S.	Chairman,	GreenPoint Bank	Flushing	NY

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LAST NAME	FIRST NAME	TITLE	COMPANY	CITY	ST
		President, and Chief Executive Officer			
Kurz	Herbert	President and CEO	Presidential Life	Nyack	NY
Landgraf	Kurt	President and CEO	Dupont-Merck Pharmaceutical Company	Wilmington	DE
Langbo	Arnold	Chairman & CEO	Kellogg Company	Battle Creek	MI
Larsen	Ralph	Chairman and CEO	Johnson & Johnson	New Brunswick	NJ
Lay	Kenneth	Chairman & CEO	Enron Corporation	Houston	TX
Lear	Norman	Chairman of the Board	Act III Communications	Los Angeles	CA
Lee	Charles	Chairman and CEO	GTE Corporation	Stamford	CT
Lehman	Kenneth	Chairman & CEO	Felpro	Skokie	IL
Lewis	Loida	Chairman & CEO	TLC Beatrice International Holdings, Inc.	New York	NY
Lichtenberger	H. William	CEO and Chairman	Praxair	Danbury	CT
Lorch	George A.	President, Chairman, and CEO	Armstrong World Industries Inc.	Lancaster	PA
Madonna	Jon C.	Chairman	KPMG Peat Marwick	New York	NY
Maier	Russell	CEO	Republic Engineered Steel	Massillon	OH

BUSINESS 1 PONSIBILITY LIST

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LAST NAME	FIRST NAME	TITLE	COMPANY	CITY	ST
Malott	Thomas	President & CEO	Siemens Energy and Automation, Inc.	Atlanta	GA
Mason	Linda	President	Bright Horizons Children's Centers	Cambridge	MA
Masters	William	President and CEO	Perception, Inc.	Easley	SC
Maury	Samuel	President	The Business Roundtable	Washington	DC
Mead	Dana G.	Chairman & CEO	Tenneco	Grenwich	CT
Mills	Helen	Senior Vice President	Aon Consulting	Fairfax	VA
Montrone	Paul	President & CEO	Fisher Scientific International, Inc.	Hampton	NH
Notebaert	Richard	Chairman & CEO	Ameritech	Chicago	IL
Orr	James F.	Chairman and CEO	UNUM Corporation	Portland	ME
Perlman	Lawrence	Chairman & CEO	Ceridian Corporation	Minneapolis	MN
Plumley	Michael	CEO	Plumley Companies	Paris	TN
Resch	Richard J.	CEO and President	KI/Krueger International	Green Bay	WI
Roberts	Bert	Chairman and CEO	MCI Communications	Washington	DC
Rogers	James E.	President and CEO	Cinergy Corporation	Cincinnati	OH
Rohatyn	Felix	Senior Partner	Lazard, Freres and Company	New York	NY
Rosenbluth	Hal	CEO and	Rosenbluth	Philidelph	PA

BUSINESS RESPONSIBILITY LIST

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LAST NAME	FIRST NAME	TITLE	COMPANY	CITY	ST
		President	International	ia	
Samarazijaya	Mahasen	Chairman & CEO	Interface Data Systems, Inc.	Phoenix	AZ
Schultz	Howard	Chairman	Starbucks Coffee Company	Seattle	WA
Schwartz	Bernard	Chairman & CEO	Loral Corporation	New York	NY
Seidenberg	Ivan G.	Chairman and CEO	NYNEX Corporation	New York	NY
Senkler	Robert L.	President and Chief Executive Officer	Minnesota Mutual Life Insurance Company	St. Paul	MN
Sklar	Eric	CEO	Burrito Brothers, Inc.	Washington	DC
Smith	Frederick	Chairman, President & CEO	Federal Express Corporation	Memphis	TN
Snow	John W.	Chairman, President & CEO	CSX Corporation	Richmond	VA
Stafford	John R.	Chairman, President & CEO	American Home Products Corp.	Madison	NJ
Surpin	Rick	President	Cooperative Home Care Associates, Inc.	Bronx	NY
Sweeney	John	President	AFL-CIO	Washington	DC
Taylor	Wilson	President, Chairman and CEO	Cigna Corporation	Philadelph ia	PA
Thomas	Dee		Ewing and Thomas, Inc.	New Port Richey	FL
Toller	William	Chairman	Witco Corporation	Greenwich	CT

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LAST NAME	FIRST NAME	TITLE	COMPANY	CITY	ST
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Tooker	Gary	Vice Chairman & CEO	Motorola, Inc.	Schaumburg	IL
Weill	Sanford	Chairman & CEO	Travelers Group Inc.	New York	NY
Wicks	Judy	Founder	White Dog Enterprises	Philidelpi a	PA
Woolard, Jr.	Edgar S.	Chairman of the Board	Du Pont	Wilmington	DE
Yasinsky	John B.	Chairman & CEO	Gencorp, Inc.	Fairlawn	OH
=====	=====	=====	=====	=====	==

Count: 110

DRAFT

Fel-Pro Incorporated

CEO: David Weinberg

Location: Skokie, IL

COMPANY BACKGROUND: Fel-Pro is a third-generation, family-owned automotive supply (including lubricants, adhesives, and gaskets) manufacturer in Skokie, Illinois. The company has annual Operating Revenues of \$268 million and 1,700 employees, and a history of consistent profitability with 40 consecutive years in the black.

CORPORATE CITIZENSHIP PRINCIPLE: Family-Friendly Workplaces

Fel-Pro complements a strong salary package and profit-sharing with solid health insurance (the company pays 85% of every employee's premium) and a host of unique benefits: Every baby born to a Fel-Pro family is greeted with a \$1,000 savings bond and a pair of engraved baby shoes. When ready to travel with Mom or Dad to work, the company offers on-site childcare for \$90 per week (a 60% subsidization). At school age, Fel-Pro will reimburse 80% of the cost of hiring a tutor for a child having trouble in school and runs an eight-week day camp in the summer. Beginning at age 17, youth are eligible for summer employment and an automatic college scholarship of \$3,500 per year. Upon college graduation, the company sends a gift of \$500 to the new grad. Not surprisingly, such practices -- as well as the company's elder care program and on-site wellness center -- have fostered an atmosphere of mutual loyalty with a substantial payoff: a turnover rate of less than 1%. And, at about \$0.70/hour per employee, Fel-Pro points out that providing these benefits is affordable. As a result, both *Working Mother* magazine and *Levering* routinely list Fel-Pro in its Top 10 favorite companies, and it was a 1994 recipient of the Business Enterprise Award.

CEO PROFILE: Kenneth Lehman is co-CEO of Fel-Pro. Mr. Lehman is active in community and industry activities and has received numerous awards and recognition including the National Women's Political Caucus "Good Guy" Award in 1995 and Automotive Man of the Year in 1991. Mr. Lehman is a former Peace Corps volunteer and graduate of Northwestern and Johns Hopkins Universities.

DRAFT

Patagonia

CEO: Yvon Chouinard

Location: Ventura, CA

BACKGROUND DATA: Patagonia is a manufacturer and distributes outdoor wear, started as a manufacturer of climbing equipment in 1974. The privately-held company had 1995 sales of roughly \$150 million and 550 employees. The company devotes the greater of 10% of pre-tax profits or 1% of sales to environmental causes.

CORPORATE CITIZENSHIP PRINCIPLE: Family-Friendly Workplaces

Patagonia offers excellent maternity and paternity leave: four months, including eight weeks at full pay. Extended also to adoptive parents, this is one of the most generous packages in the country. Back at work, new parents have access to two on-site child care centers and are permitted five sick-child days per year. In addition, the company accomodates workers' lives outside the job via job sharing, work-at-home opportunities, flextime, and compressed workweeks. To top it off, the company has an excellent record of promoting women, with females holding more than half of the highest-paying jobs, including that of the President. The company has been recognized in the "Top 100" by both Working Mother magazine and Levering, and is, according to DOL's Wage and Hour Administration, a garment industry "Trend Setter."

In addition, Patagonia offers an example of how "contagious" good corporate citizenship can be. After the tragic fire at Malden Mills in Lawrence, MA -- a major supplier of synthetic fleece -- Patagonia quickly announced that the disruption in supply would not produce any Patagonia layoffs. Noting the 15-year relationship between the two companies, Patagonia announced its commitment to getting Malden Mills back on its feet.

CEO PROFILE: Yvon Chouinard is the founder of Patagonia in Ventura, California. An avid outdoorsman and rock climber, Mr. Chouinard began his business in 1962, with a one-page mail order rock climbing equipment catalogue. Today it is a highly successful manufacturer of outdoor sports equipment and clothing. Mr. Chouinard is active in environmental pursuits-- 1% of the company's sales go to environmental projects and initiatives.

Optiva Corporation

CEO: David Giuliani

Location: Bellevue, WA

COMPANY BACKGROUND: The Optiva Corp., a high-tech dental care company founded in 1988 by CEO David Giuliani with a group of research scientists from the University of Washington, is the designer and manufacturer of the sonicare toothbrush. The company's innovative electronic toothbrush that uses high-frequency vibrations to remove bacteria was considered a market breakthrough at its introduction -- achieving profitability within the first year of market introduction -- and has reaped enormous sales and profits for the small privately-held company. The company has grown from a handful of employees and zero sales in 1992 to 300 employees and annual sales of \$60 million today.

CORPORATE CITIZENSHIP PRINCIPLE: Health and Pension Benefits

Despite its small size, Optiva offers solid health and pension benefits to its workers. All full time employees receive stock options -- beginning on the worker's first anniversary -- and the right to participate in the company's 401(K) matching fund. Both full and part time workers receive full or partial health benefits. In addition, Optiva provides free assistance for mental health and drug and alcohol counseling, as well as free child care referral and legal consultations. Full time employees receive 100% reimbursement for tuition and books to further their educations (any employee working at least 3/4 time receives at least partial reimbursement). Finally, the company offers flexible work schedules, augmented by a leave program which places vacation and sick leave into one pool, thus providing workers with maximum flexibility for time off. These are the type of policies that resulted in Optiva's recent nomination as one of Washington state's top 25 places to work.

CEO PROFILE: David Giuliani is Chairman, CEO, and founder of Optiva Corporation. He is a graduate of the University of California and Stanford University.

Johnson & Johnson

CEO: Ralph Larsen

Location: New Brunswick, NJ

COMPANY BACKGROUND: Johnson & Johnson is a large, publicly-traded, diversified manufacturer of a variety of health care products. The company has 38,000 employees in the U.S. J&J's 1995 worldwide sales were \$18.8 billion.

CORPORATE CITIZENSHIP PRINCIPLE: Safety

Johnson & Johnson has a model safety and health program. At each plant there is a specialized staffperson dedicated to this function. These professionals oversee an extremely effective program premised on employee involvement, that includes training, enforcement and in-depth incident investigations. Their program also includes what is recognized as one of the best wellness programs (Live for Life) in the country. And it pays off: Johnson & Johnson's lost workday injury rate is well below industry average and still improving.

One example of the workplace safety innovations at Johnson & Johnson is its ergonomic program. This program included comprehensive surveys, engineering design changes, administrative controls, employee training, and wellness programs. Partially as a result of these actions, the company has seen a decline in serious repetitive motion disorders.

Johnson & Johnson is also family-friendly, with more on-site child care centers than any other company in America. Still, the company has contracted with three national child care companies to give the company's domestic employees a 10% discount at affiliated centers nationwide. In a pilot project, the company has also established a network of seven licensed family day care providers in New Jersey. J&J subsidizes these providers' fees on a sliding scale based on family income, so that employees can choose the kind of care that best suits their needs. These are the types of efforts that have placed the company on *Working Mother* magazine's list of the "100 Best Companies for Working Mothers" for all ten years of the list's existence. This year's list called it "a role model for corporate America." Finally, J&J is a member of the 21 company American Business Collaboration which has devoted \$100 million to child and elder care.

Johnson & Johnson offers some of the best health benefits around, offering a full palette of HMO, PPO, POS and indemnity plans with a maximum monthly premium for single coverage of \$13.75, including dental care. Similarly, the company has a strong retirement plan, including a 75-cents-on-the-dollar match for the first 6 percent of salary contributed to a 401(K). As a result, the company has been recognized by the Levering "100 Best Companies to Work for in America," the Women's Bureau Honor Roll, the *Business Ethics* "100," and *MONEY* magazine's "Top 10 Companies with the Best Benefits."

CEO PROFILE: Ralph Larsen is Chairman of the Board and Chief Executive Officer of Johnson & Johnson. Mr. Larsen has spent most of his professional career with J&J, rising to CEO in 1989. Mr. Larsen is also a member of the Board of Directors of Xerox Corporation, the New York Stock Exchange, AT&T Corporation and the U.S Committee for UNICEF. Mr. Larsen serves as a vice chairman of the Business Council and co-chairman of The Business Roundtable.

DRAFT

Corning, Incorporated

CEO: Roger Ackerman

Location: Corning, NY

COMPANY BACKGROUND: Corning, Inc. is a large (39,200 employees), publicly-owned manufacturer of fiber optics, plastic, pyrex, etc. The company's workers are represented by the American Flint Glass Workers Union and had (1994) Operating Revenues of \$4.8 billion. Corning is a recent winner of the Malcolm Baldrige Award.

CORPORATE CITIZENSHIP PRINCIPLE: Safety

Corning's General Machine Shop has been approved by OSHA as a VPP Star site and enjoys injury rates well below (30%) the industry average. And performance is improving: since formalizing their safety and health program ten years ago, the company's accident frequency rate has dropped from 12.0 to 6.0. And in 1995, they had no lost workday cases. Employee participation is key to this effort, including the creation of self-directed teams. Each team's performance evaluation includes safety issues, such as OSHA incidents and rule violations, and self-directed onsite inspections. When a hazard is identified, a specific team member is assigned responsibility and held accountable. In addition, team members that review new equipment purchases to ensure that they meet safety and health criteria. This system has worked so well that team members are now visiting neighboring businesses to make presentations about the effectiveness of high performance work teams.

The company is also very family-friendly, as evidenced by its inclusion on *Working Mother* magazine's list of the "Top 100 Best Companies for Working Mothers" and the Levering "100 Best Companies to Work for in America." Corning offers: four near-site childcare centers; sick-child care, after-school and holiday programs; adoption assistance; tuition assistance for children of employees (\$222,000 in 1994); and flextime. Benefits are available to part-time workers (over 20 hrs/week) and include health insurance (65% of premium).

Corning has established a partnership with the American Flint Glass Workers Union that is recognized as a model of labor-management cooperation. Together, the union and Corning management have undertaken the development of innovative workplace practices in each Corning facility. Their partnership agreement calls for the establishment of joint labor/management steering committees in each plant, and stated formal objectives to promote employment security. Corning is also exceptionally strong in training, spending 3.9 percent of payroll (1992) and averaging 92 hours per employee/per year.

CEO PROFILE: Roger Ackerman is the newly named Chairman and CEO of Corning Inc., replacing Jamie Houghton. Mr. Ackerman has spent most of his professional life in various executive positions at Corning, including President, Specialty Glass and Ceramics Group and President and CEO of MetPath Inc, a wholly-owned subsidiary of Corning. Mr. Ackerman is active in community and business organizations including membership on the Executive Board of the National Association of Manufacturers. A graduate of Rutgers University and Harvard Business School, Mr. Ackerman is active in university affairs at Rutgers, Alfred University, and the University of Illinois.

DRAFT

Starbucks

CEO: Howard Schultz

Location: Seattle, Washington

COMPANY BACKGROUND: Starbucks is a large importer, roaster, and retailer of specialty coffees. From a small 4-store chain in 1982, the company has grown to 9,000 employees today.

CORPORATE CITIZEN PRINCIPLE: Health and Pension Benefits

Starbucks has been widely recognized for its practice of offering full health insurance benefits to its part-time workers. The benefits package is available to all employees who work more than 20 hours/week, after 90 days of employment. The health insurance costs workers \$375 per year and covers 90-100% of their medical costs with a \$10 copay.

In addition, Starbucks offers all employees (called "partners") the opportunity to join its 401(k) plan after one year with the company. The company matches employee contributions 25 cents on the dollar up to a maximum of 4% of earnings. In 1990, Starbucks became the first privately held company in North America to offer equity to employees in the form of annual stock options (called "bean stock") to full and part-time employees after one year of service. Depending on company profitability, the value of these options can range from 0% to 14% of employee earnings. The company also has its "S.I.P." program, Starbucks' Stock Investment Plan, which allows employees to purchase company stock via payroll deduction at a 15% discount. For these practices, Starbucks was a 1994 recipient of the Business Enterprise Award and enjoys a turnover rate one-third lower than that of other companies in the specialty retail trade.

CEO PROFILE: Howard Schultz is Chairman and CEO of Starbucks Coffee Company and has been with the multi-national specialty coffee retailer and roaster since 1982 (with a brief hiatus in 1986 to start a chain of Italian-style espresso bars). In 1992, Mr. Schultz received the CARE Humanitarian Award and in 1993, Starbucks became the largest corporate donor to the organization. In 1995, he received the Business Enterprise Trust Award for social vision in business. Mr. Schultz is a graduate of Northern Michigan University.

Plumley Companies, Inc.

CEO: Michael Plumley

Location: Paris, TN

COMPANY BACKGROUND: The Plumley Companies, Inc., is a family-run manufacturer of high-quality rubber components for the automotive and marine industries. Founded in 1967 by Harold Plumley, the company has sales of almost \$140 million with 1400 employees in four states. Almost 15% of sales are exports.

In February 1995 the Plumley Companies merged with Dana Corporation to become a wholly-owned subsidiary. Dana is a global manufacturer of automotive components with sales of \$7.5 billion.

CORPORATE CITIZENSHIP PRINCIPLE: Training

Plumley Companies is proof that small companies know the value of investing in employees as well. In order to upgrade its equipment and compete in the global marketplace, Plumley found that it needed to upgrade the skills of its workers. The company employs a full-time education staff and offers free instruction in each of its seven plants. On average, Plumley employees undergo approximately 40 hours of training per year. In addition, the company offers remedial education, GED courses, and a variety of professional certifications including Certified Quality Technician and Certified Quality Engineer. Such professional certification is rewarded: all CQTs get a \$500 bonus; all CQEs get an immediate raise of \$100 per month. For employees interested in furthering their education at the college level, Plumley fully reimburses tuition for all courses passed with a grade of C or higher. These investments are paying off. Since the inception of the program ten years ago, productivity and wages have increased substantially.

Employees benefit directly through a gainsharing plan and raises based on training in quality techniques. Mike Plumley firmly believes as well that a higher level of skills and training makes his employees more loyal to the company -- as well as improving the productivity and quality of the products. Plumley is recognized as having one of the lowest defect rates in the industry, and won Tennessee's Quality Award in 1993, 1994, and 1995. Plumley Companies received the Labor Department's award for excellence in employee training, and the Presidential "E" Award for Excellence in Exporting.

CEO PROFILE: Michael A. (Mike) Plumley is Chairman and Chief Executive Officer of the Plumley Companies. He has been with the business -- family owned until last year -- for 24 years. During his eight years as Chairman and CEO, the company has more than doubled in size and continues to expand its automotive parts business world-wide. He was selected as the 1991 Rubber Industries Executive of the Year, from among 1200 companies. He presently is the Chairman of the Volunteer State's Tennessee Quality Award.

DRAFT

Cummins Engine Company, Inc.

CEO: J.A. (Jim) Henderson

Location: Columbus, Indiana

BACKGROUND DATA: Cummins Engine is a leading worldwide designer and manufacturer of fuel-efficient diesel engines and related products. (Cummins is the world's largest manufacturer of diesel engines over 200 hp.) The company was founded in 1919, and in 1995 reported net sales of \$5.2 billion and employed more than 24,000 people worldwide. In 1996, the company ranked 253rd on the Fortune 500.

CORPORATE CITIZENSHIP PRINCIPLE: Partnership with Employees

Cummins' historic commitment to partnership with its employees and to high levels of training and investment intensified during a painful overhaul of the company. During the late 1980s and early 1990s, Cummins was struggling as sales of heavy-duty diesel engines fell off and jobs were eliminated. (Cummins is squarely back on its feet today.) While employees felt the sting with unpaid time-off and pay cuts of up to 5 percent, top officers led the way with a cut of 10 percent. Layoffs were avoided wherever possible through early-retirement programs. Said one worker who left during this period: "It's tough to be let go for economic reasons, but if you have to get fired, this is a great place to get fired from."

Partnership with employees is evident in the "team" system in place in several key factories worldwide. Team members are encouraged to work together to improve efficiency and overall plant operations. There is also a strong emphasis on training, with employees expected to have approximately 100 hours of training per year.

This commitment to partnership is reflected in Cummins' labor agreements. In 1993 Cummins signed an unprecedented 11 year contract with the Diesel Workers Union, with the company guaranteeing a certain minimum number of hours worked per year, while reducing the number of job classifications from 11 to 3.

Cummins' commitment to solid, compassionate, profitable workplace policies is not new. The longtime CEO, J. Irwin Miller (retired in 1977, and a 1992 Lifetime Achievement Award Winner by the Business Enterprise Trust) was praised by Martin Luther King as "the most progressive businessman in America." His 1975 insights on corporate leadership are deeply ingrained in the company: "I can't go out and build an engine. I am dependent on all these people. So an aspect of leadership which is not commented on today is -- in the best sense -- the leader as servant of a large constituency. And if he understands leadership in those terms and consistently prusues it, he's going to make a lot of money over a very long period of time. This is not do-good stuff for the sake of do-good stuff. This is the way you make money."

CEO PROFILE: Jim Henderson is Chairman and Chief Executive Officer of Cummins and has worked at the company since 1964.

DRAFT

United Airlines, Inc.

CEO: Gerald Greenwald

Location: Chicago, IL

COMPANY BACKGROUND: United Airlines is the nation's No. 1 airline and has outperformed most of its rivals by gaining market share, posting higher operating margins, and demonstrating larger stock gains. United Airlines serves 152 airports in 30 countries and operates a fleet of 543 aircraft. Its major hub airports are at Chicago; Denver, San Francisco; Washington, DC; London; and Tokyo. The company is majority-owned by its 83,000 workers, through an Employee Stock Ownership Plan. Company revenues in 1995 reached nearly \$15 billion.

CORPORATE CITIZENSHIP PRINCIPLE: Partnership with Employees

United Airlines is the nation's largest employee-owned company. In 1994, employee groups (except the flight attendants) completed a \$5 billion purchase of 53 percent of UAL stock. Following 4 consecutive years of losses, United's management sought a concessions-for-equity transaction as a way to lower costs and become more competitive with an array of low-fare, no-frills airlines. Employee groups will accept annual pay cuts of 8.25 percent to 15.7 percent over a 5-year period, in exchange for stock in the company. In 1995, labor costs were estimated to have been reduced by \$511 million and will amount to \$600 million in later years. By the year 2000, labor savings are estimated to total \$5.18 billion. Earnings in the year 2000 are expected to be \$300 million higher than they would have been without the employee buyout. By accepting short-term concessions, the employee/owners are looking to the promise of long-term gains and enhanced prospects for employment security.

Employees are now treated as -- and act as -- legitimate owners of the company. During discussions for the purchase of USAir, CEO Gerald Greenwald sought union leaders' input (as he's done from the beginning with his creation of a half-dozen employee "task teams" to study process improvements). They recounted numerous failed airline mergers caused, in large part, by the inability to combine union seniority lists. Greenwald listened to all recommendations, and then decided to reject the bid. Other examples of employee partnership include: 1) an employee team with members from seven departments that tested the company's new innovative electronic ticketing system; 2) a new airplane designed by Boeing that incorporated suggestions from United employees; and numerous other examples.

The experiment in worker ownership has worked. In the eighteen months since the employee buyout, United has reduced its costs, improved its efficiency (up 11%), reduced employee complaints (down over 50%), improved on-time performance, and increased profit margins (up 7.5%) and market share (adding 1% of the market). And these gains haven't come by scaling back. Over the same period, United has hired 7,000 employees, their stock has risen by 120 percent, and revenues have increased by 7 percent from last year to reach \$14.9 billion.

CEO PROFILE: Gerald Greenwald, former Vice-Chairman at Chrysler, succeeded former United CEO Stephen Wolf. Greenwald studied economics and labor on a Princeton University scholarship and spent a summer as an organizer for the garment worker's union.

DRAFT

Cin-Made Corporation

CEO: Robert (Bob) Frey

Location: Cincinnati, Ohio

COMPANY BACKGROUND: Founded in 1902, Cin-Made is a small, unionized, manufacturer of cardboard cans and tubes for niche packaging -- teas, cookies, home gardening, and agricultural products. Cin-Made's current CEO, Bob Frey, purchased the company in 1984 "when it was a dying company with 34 employees in a mature industry," and repositioned it into specialty niches while adding international markets (15% of sales are exports). Today, the company has approximately \$6 million in annual sales and 54 employees.

CORPORATE CITIZENSHIP PRINCIPLE: Partnership with Employees

CEO Bob Frey emphasizes that "we teach people how to make more money." At Cin-Made all the employees own the business outcomes, and all employees are expected to manage the business. In return, the company features open book management and sharing of the financial returns through a 35% pre-tax profit sharing, and an employee administered, skill based pay system. There are no first-line supervisors --workers manage many of these decisions, including hiring of fellow workers, scheduling of their own hours, and ordering of raw materials and scheduling of production and inventory.

The partnership between the employees (represented by the Paperworkers Union) and management was the result of a realization that "it's time we changed our work habits in order to improve the company's competitive position and also to preserve our jobs." After initial skepticism, worker management relations have completely changed. In 1984, there was a strike. Ten years later, Local 989 president Joyce Bell said that Cin-Made employees "could not ask for a better place to work."

The company also offers extensive training opportunities to its frontline workers, including courses in pricing and costing, leadership, and strategic planning. In addition, employees receive a great deal of on-the-job skills training which emphasizes cross-training in multiple skills. Through the company's Employee Education Program, Cin-Made pays employee tuition for a variety of outside training programs including trade school courses, leadership courses, and labor-management training programs. For Cin-Made workers pursuing degree programs, the company pays up to 75 percent of educational costs dependent on the achievement of a satisfactory course grade. The company has also instituted an innovative merit-pay system, jointly administered by the company and its union, through which 95% of workers have received additional pay for acquiring advanced skills. All of this focus on skills is paying off: on-time deliveries have increased over the last five years from 74% to 98%.

CEO PROFILE: Robert (Bob) Frey is president and principal owner of Cin-Made and its two affiliated companies. Bob's companies are known for their innovative people management and profit-sharing concepts. During 1995 Bob was named one of the Innovative 50 leading American manufacturers, and has been featured in numerous articles and books. He participated in the 1993 Future of the American Workplace Conference sponsored by the Labor and Commerce Depts.

DRAFT

Kellogg Co.

CEO: Arnold G. Langbo

Location: Battle Creek, MI

COMPANY BACKGROUND: Kellogg Co. is the world's largest cereal maker and also makes more cereals, toaster pastries, frozen waffles, and frozen pies than any other company in America. Kellogg's Battle Creek, MI, headquarters has approximately 2,400 production employees and 1,400 administrative and sales personnel. There are also manufacturing facilities in Lancaster and Muncy, PA; Omaha, Nebraska; Memphis, TN; and San Leandro, CA; as well as in London and Rexdale, Ontario, and in 15 countries overseas. Approximately 10,000 people are employed outside the United States. The American Federation of Grain Millers has represented Kellogg employees since 1937, and they do so at every single Kellogg's cereal plant in the United States.

CORPORATE CITIZENSHIP PRINCIPLE: Partnership with Employees

Kellogg maintains a strong family atmosphere that spans generations. People tend to join Kellogg and stay for life, and many employees are related to one another. Husband and wife teams make up about 10 percent of the company's workforce in the Battle Creek headquarters. When you pass your 25th anniversary with the company, you are automatically enrolled in the Kellogg 25-year club, which in 1991 counted 4,700 members, of whom 3,500 were retirees. It's commonplace to see employees who have put in 35, 40, and 45 years with the company. Once workers decide to retire, the company provides supports to individuals who require financial help. Kellogg has established a trust fund for retirees that provides financial assistance when needed. Since it was set up in 1944, the fund has paid out more than \$10 million to retirees in need of help.

When downsizing has been unavoidable, Kellogg has offered displaced employees assistance. In 1990, the company had its first layoff in history. 160 white-collar employees were laid off, but Kellogg helped to cushion the blow through a vigorous out placement effort that included an exit package that typically gave departees 12 weeks' pay and one week's pay for every year of service. During this time period, officers took a 50 percent cut in bonuses-and there were reductions all the way down the line.

CEO PROFILE: Canadian-born Arnold G. Langbo began his Kellogg career in 1956 as a salesman in the company's Vancouver facility.

Republic Engineered Steels

CEO: Russell W. Maier

Location: Massillon, Ohio

COMPANY BACKGROUND: Republic Engineered Steels was formed in 1989 when its employees, using an Employee Stock Ownership Plan, purchased the Steel Bar Division of LTV Steel. The purchase was initiated jointly by the United Steel Workers and division management. Republic is one of the largest employee-owned companies in the United States.

Republic is a specialty bar steel producer with approximately 5000 employees-owners operating ten plants in six states. In Fiscal 1995 the company shipped approximately one million tons of steel, with revenues of \$805 million. Employees are represented by the United Steel Workers of America. The company issued stock to the public in 1995, but remains 58% employee-owned.

CORPORATE CITIZENSHIP PRINCIPLE: Partnership with Employees

Republic has been a leader in changing the nature of the workplace in a unionized, heavy manufacturing setting, creating effective partnerships between management and employees. Both employee ownership and an innovative work/pay system are key. Republic is majority employee-owned and is developing creative ways to increase the wages of its workforce. In addition to profit-sharing, the company has implemented a "Target 60" project which is designed to save the company \$60 million in waste and production costs by using employee suggestions. And 50% of the savings will be passed along to workers. Every time the company reaches a predetermined dollar amount in savings, all Republic employees will receive an hourly pay increase. If the goal is reached, pay increases will amount to \$3 per hour.

The company has also been an innovator in developing team-based, self directed work practices. The 'H-1 Committee', consisting of top executives, union leadership, plant managers, and salaried representatives, drives a cooperative management-union decision making process. In a number of plants, such as one of its Gary, Indiana facilities, the work system was created by a joint design team of management officials, union leaders and hourly workers. Self-directed work teams limit the need for direct supervisors, with hourly workers serving as team leaders.

Republic provides training and other educational opportunities for its employees dealing with aspects of both the ESOP and the overall goals of the company. In their \$3.5 million ESOP Education Program, which is sometimes termed "Economics 101," courses are offered to all employees, including the CEO. Some examples of topics include: how to read a profit and loss statement; discussion of common vs. preferred stock; and a primer on Republic's daily operations. Continuing training and education of employees also is emphasized. Republic invests over \$4 million each year on training and employee education. It recently commissioned a state of the art steel making facility, in connection with which it spent roughly \$5 million to train the employees who work there.

CEO PROFILE: Russell W. Maier (pronounced MYER) is a native of Massillon, Ohio, and joined Republic Steel in 1960 as an industrial engineer. Following the 1984 merger of Republic Steel and J&L Steel, in 1989 Mr. Maier led the successful employee purchase of the Steel Bar Division. Today Mr. Maier serves as Chairman and CEO.

THE WHITE HOUSE
WASHINGTON

May 14, 1996

MEMORANDUM FOR THE PRESIDENT

FROM: LAURA TYSON
ALEXIS HERMAN
GENE SPERLING
KATE CARR

SUBJECT: Update on Planning for Corporate Citizenship Conference

This memo briefly outlines the current plans for the White House Corporate Citizenship Conference you are scheduled to host along with the Vice President on Thursday. A memo on Section 127 is being forwarded to you separate from the background materials. A complete briefing notebook including a "discussion guide" for the panels will ~~also~~ be sent to you Wednesday evening.

You should know that media interest in the conference thus far has been quite high and coverage to date has been extremely positive. As you may have seen, *Time* magazine, *Business Week*, and the *USA Today* have run positive stories on the conference this week. [See Attachment A for copies of these recent articles]

I. OVERVIEW.

Thursday's Corporate Citizenship Conference is a key component in your effort to shape the debate on the relationship between companies and their workers. This conference builds upon your State of the Union Challenge for employers and employees to join together in putting long term prosperity in front of short term gain and upon your Xavier University speech, where you outlined five Corporate Citizenship challenges.

While some have called for a regulatory approach to addressing widespread worker anxiety and others have focused on "corporate killers," you forged a more positive path, outlining criteria that could define a good corporate citizen. In your speech to Xavier University on March 23 of this year, you called for this conference so you could convene business leaders whose companies meet one of the following five corporate citizenship challenges:

1. **FAMILY-FRIENDLY WORKPLACES:** *Creating workplaces that allow workers to be both productive workers and caring and responsible family members.*
2. **HEALTH AND RETIREMENT SECURITY:** *Providing the security that a living wage, health care, and pension benefits can give.*

3. **SAFE AND SECURE WORKPLACES:** *Protecting the health and safety of employees through management commitment and employee involvement.*
4. **INVESTMENT IN EMPLOYEES:** *Recognizing that investments in your employees are every bit as important as investing in factories and equipment. Provide broad opportunities for education and training both in and outside the firm, for new skills and advancement.*
5. **PARTNERSHIP WITH EMPLOYEES:** *Giving employees a voice in the workplace and share the burdens and benefits of good times and bad. When restructuring and layoffs are essential to a company's long-term health: be open, be helpful, and be fair. Productive companies need committed employees.*

II. WORKING BREAKFAST.

Participants. More than 110 business leaders are confirmed to attend the working breakfast, scheduled to take place at 8:30 a.m. in the East Room. A complete list of attendees is attached [Attachment B]

Table Hosts. Besides YOURSELF and the VICE PRESIDENT, the following Administration officials are slated to attend and host tables:

- | | |
|------------|----------------|
| 1. Rubin | 6. Kantor |
| 2. Reich | 7. Rivlin |
| 3. Lader | 8. Panetta |
| 4. McLarty | 9. Tyson |
| 5. O'Leary | 10. Barshefsky |
| | 11. Herman |

The table hosts will report back to you following the breakfast.

Breakfast Program.

8:15 a.m. Meeting with Steering Committee for the Corporate Citizenship Award.

8:30 a.m. Receiving Line

9:00 a.m. VPOTUS, POTUS Opening Remarks to Breakfast

⇒ Closed Press

⇒ This will give you the opportunity to outline the framework for the ensuing discussions and for you to emphasize that your representatives at each table will be reporting back directly to you with questions and concerns raised at this breakfast.

9:10 a.m. Breakfast / Discussions

10:00 a.m. Breakfast guests depart for Georgetown

10:10

POTUS/VPOTUS Debrief with Cabinet Table Hosts

III. AWARD.

A group of eleven CEOs (listed below) have come together to explore the development of the Ron Brown Corporate Citizenship Award. John Bryan of Sara Lee and Larry Bossidy of Allied Signal will serve as co-chairs. Based and funded entirely by the private sector, this group will develop the criteria and process by which the award is given. The current plan is for you to announce the award in your opening remarks at the public event.

Steering Committee.

- | | | |
|-----|----------------|------------------|
| 1. | Norm Augustine | Lockheed |
| 2. | Ed Woolard | Dupont |
| 3. | Dana Meade | Tenneco |
| 4. | Hank Barnett | Bethlehem Steel |
| 5. | Paul Allaire | Xerox |
| 6. | John Bryan | Sara Lee |
| 7. | John Snow | CSX |
| 8. | Larry Bossidy | Allied Signal |
| 9. | George Fisher | Eastman Kodak |
| 10. | Diane Graham | STRATCO |
| 11. | Ken Chenault | American Express |

Key Points.

The overall goal of the award will be to encourage "best practices" and create a legacy for business honoring those in the community that follow the principles of good corporate citizenship. We have asked that the steering committee consider the following:

- ⇒ Base the criteria on the five Corporate Citizenship challenges you outlined at Xavier University.
- ⇒ Consult with the labor community on criteria for the award.
- ⇒ Have the sitting President present the award on a yearly basis.

Outstanding Issues.

We are currently working with the speechwriters, Counsel, and the Departments of Commerce and Labor to develop acceptable language for announcing the creation of this group at the conference on Thursday.

IV. PUBLIC EVENT.

Overview. Following the breakfast, the conference will reconvene at Gaston Hall at Georgetown University, where you will lead roundtable discussions with two small panels of business leaders whose companies each highlight one of the your Corporate Citizenship challenges. There will be seven members on each panel.

Panel One. Panel One is designed to highlight exemplary corporate practices in three areas of corporate citizenship -- (1) family friendly practices; (2) health and retirement security and (3) safe and secure workplaces. The central message of this panel is that corporate practices in these key areas reflect a mutuality of interests between corporations and employees.

<u>Principle</u>	<u>Panelist</u>	<u>Company</u>	<u>Union Status</u>
Family Friendly	Ken Lehman	Fel-Pro (CEO)	non-union
Family Friendly	Fran Rogers	Work-Family Directions (CEO)	non-union
Family Friendly	Yvon Yvon Chouinard	Patagonia (CEO)	non-union
Safe & Healthy Workplaces	David Jiullani	Optiva (CEO)	non-union
Safe & Healthy Workplaces	Ralph Larsen	Johnson and Johnson (CEO)	small-union
Health and Retirement Security	Roger Ackerman	Corning (CEO)	union
Health and Retirement Security	Larry Benkowski	National Flint Glassworkers (Union President)	union
Health and Retirement Security	Howard Schultz	Starbucks (CEO)	non-union

[For Complete Biographical Information On These Companies See Attachment C]

Panel Two. Panel Two is designed to highlight exemplary corporate practices in the two other areas of corporate citizenship -- (4) investment in employees and (5) partnership with employees. The central message is that while there is no single universal approach, American businesses and workers both benefit from a strong emphasis on training and innovative partnerships.

<u>Principle</u>	<u>Panelist</u>	<u>Company</u>	<u>Union Status</u>
Investment in Employees	Michael Plumley	Plumley (CEO)	non-union
Investment in Employees	Jim Henderson	Cummins Engine (CEO)	union
Partnership	Gerald Greenwald	United Airlines (CEO)	union
Partnership	Robert Frey	Cin-Made (CEO)	union
Partnership	Arnold Langbo	Kellogg	union
Partnership	Russel Maier	Republic Engineered Steel	union
Partnership	George Becker	International Steelworkers (Union President)	union

[For Complete Biographical Information On These Companies See Attachment C]



STRATCO, Inc.
4601 College Boulevard, Suite 300
Leawood, Kansas 66211

S. DIANE GRAHAM

Chairman and President, STRATCO, Inc.

Diane Graham holds an unusual position in the petroleum industry as Chairman and President of STRATCO, Inc., a chemical engineering firm founded in 1928 in Kansas City, Missouri. Ms. Graham has directed operations for the company since 1981.

Today, STRATCO employs more than fifty chemical, petroleum and mechanical engineers and other professionals, has over \$20 million in annual revenues, and is poised for rapid growth in a state-of-the-art technological field. STRATCO's alkylation and grease technologies have been licensed in over thirty countries, including Russia, China, France, Italy, Japan and Kuwait.

In 1986, Diane Graham was elected to the National Lubricating Grease Institute Board of Directors, the first woman to be selected for that honor in its sixty year history. She also became the first female President of the organization in 1992. Lubricant World, a grease industry trade publication, voted her as its 1993 Person of the Year.

In 1987, she was invited to join the prestigious "Committee of 200", a national organization of over 200 leading women entrepreneurs and business owners. In 1992, the Fellowship of Christian Athletes honored her with the Tom Landry Award. Other citations include the 1987 Fellows Award presented by the NLGI and the 1987 Outstanding Alumni Award presented by her alma mater.

Diane Graham is a 1988 graduate of the Harvard Business School Owner/President Management Program, an intensive course which took place over three years and is designed to assist business owners in marketing, finance, accounting and human relations. She earned an undergraduate degree in business and economics from Culver-Stockton College in Canton, Missouri.

She has been involved with and served on the boards of over twenty non-profits. Her annual Women Helping Women® Golf Tournament has raised over \$200,000 for underprivileged children and women.

Diane Graham was on the cover of the July, 1991 issue of Ingram's magazine as "Kansas City's Best Boss" and identified in the May, 1989 issue of Nation's Business as a leading Woman Entrepreneur. She has been featured in Fortune magazine and numerous other publications, and appeared on "20/20", among other TV shows.

Diane is the mother of four children--Cassie 7; Ashley 9; Cody 11; Joshua 17. She and her children enjoy all sports, especially golf, reading, drawing and painting.

Ruby has Roosev, for 3-4p
do you want to do Portal
Birth There?

There are 9 people - we
could do it here but will
be crowded.

She we include Ann Lewis

Do you know anything about
Transportation Bringing you
Jared Baum to arrange?

U.S. DEPARTMENT OF COMMERCE
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FACSIMILE COVER SHEET

TO: Holly Carver

ORGANIZATION: White House

DATE: 5/13/96

FAX NUMBER: 456-2983

NUMBER OF PAGES: 13
(Including This Cover Sheet)

FROM: **Jeffrey A. Hunker**
Deputy Assistant to the Secretary
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COMMENTS: Per our conversation.

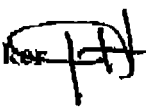
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UNITED STATES DEPARTMENT OF COMMERCE
Office of the Secretary
Washington, D.C. 20230

April 22, 1996

MEMORANDUM TO: Laura Tyson
Gene Sperling
Kate Carr
Steve Ronnell
David Lane
Cheryl Bruner

FROM: Jeffrey Hunter 

SUBJECT: DEVELOPING A CORPORATE CITIZENSHIP AWARD

In order to help frame the planning for the proposed Corporate Citizenship Award, in this memo I have outlined key elements of the Malcolm Baldrige National Quality Award, and also note some of the challenges in creating a 'Baldrige-type' Corporate Citizenship Award.

Background on the Malcolm Baldrige National Quality Award

Among the key factors contributing to the success of the Baldrige Award are the following:

- *Substantial and continuing support from its intended constituency -- the U.S. business community:* From the beginning, with the creation of the Foundation for the Malcolm Baldrige National Quality Award by prominent business leaders, the U.S. business community has and continues to provide substantial monetary and in-kind contributions;
- *Rigorous criteria:* A GAO analysis calls the Baldrige Award criteria "the most widely accepted formal definition of what constitutes a total quality management company." The Award criteria are designed not only to serve as the basis for making the Awards but also to permit each applicant to diagnose their overall performance management system -- and make improvements. Furthermore, each applicant receives a feedback report at the end of the Award review;
- *Universality:* The Award criteria focus on the requirements that all businesses -- especially those facing tough competitive challenges -- need to understand. The criteria, however, do not call for specific practices or organizational structures -- recognizing that there are many approaches depending on factors like the size, stage of development, or competitive challenges facing a business.

Key elements of the Baldrige -- and Corresponding Issues for the Corporate Citizenship Award

The table below outlines the major elements of the Baldrige Award structure -- with comments as appropriate on the corresponding issues for a Corporate Citizenship Award.

Malcolm Baldrige Award	Corporate Citizenship Award
Foundation for the Malcolm Baldrige Award -- main objective is to raise private funds to permanently endow the Award. Prominent business leaders serve as the Foundation Trustees. The Foundation raised approximately \$10 million.	Discussions with business leaders ongoing; possible announcement of drive to form foundation at the May 16 event.
U.S. Government role: Commerce's National Institute of Standards and Technology (NIST) manages the Award program. NIST provides about \$3.6 million (of the total \$4 million annual cost). The American Society for Quality Control (ASQC) assists in administering the Award program under contract to NIST.	To be defined. Note that the Baldrige has and continues to be a substantial budget item for the Federal government. The same commitment of resources may not be appropriate/feasible for a Corporate Citizenship Award.
Board Of Overseers: the advisory group on the Award to the Department of Commerce - - appointed by the Secretary of Commerce, and consisting of distinguished leaders from all sectors of the U.S. economy. A critical role for the Board is to assess the how well the Award is serving the national interest.	

Board of Examiners: in 1996, about 270 business and quality experts (mostly senior corporate leaders) who evaluate Award applications, prepare feedback reports, and make Award applications. Of the Examiners, 9 are judges appointed by the Secretary, and 50 are senior examiners. Examiners are chosen through competitive application. .	Reflects commitment of the business community to the Baldrige.
Criteria and Framework: The core values and concepts embodied in the criteria are: Leadership <i>quality</i> Information and Analysis Strategic Planning Human Resource Development Process Management Business Results Customer Focus and Satisfaction These criteria are connected and integrated through a Baldrige Award criteria framework (attached). Attached also are specific elements of the criteria that relate to the concepts of corporate citizenship.	The President set forth the following principles: - family friendly - safe and secure workplace - adequate pension and medical benefits - invests in employees - partnership with employees Note that while many private sector awards exist for aspects of corporate responsibility, none (to my knowledge) have much degree of rigor in their criteria.

Key Challenges in Constructing a Baldrige-type Corporate Citizenship Award

The success and esteem of the Baldrige Award makes it a good model for the Corporate Citizenship Award; the public resources necessary to support the Baldrige, however, may not be appropriate to emulate. This means that the private sector may have a much greater role in supporting and shaping the Corporate Citizenship Award than -- at least in practice -- it has had in the Baldrige.

This raises at least two issues:

1) *It is critical that the business community wholeheartedly support the Corporate Citizenship Award.* Fundamentally this means that business must view the Award as providing a benefit,

rather than being viewed as an imposition. The support for the Baldrige reflects the recognition that quality is an important source of competitive advantage -- and one that at the time U.S. business lagged in. The Baldrige was a highly visible step to address that shortcoming.

Following this analogy, Corporate Citizenship Award criteria need to reinforce the strong link between corporate success -- as valued by the business community -- and corporate citizenship as outlined by the President.

2) *The criteria need to be rigorous and widely applicable:* There already exist many corporate responsibility awards with widely varying but seemingly subjective award criteria. If the Corporate Citizenship Award is to succeed, the criteria have to be rigorous without being narrowly prescriptive. Like the Baldrige, the criteria should be a useful framework for businesses to improve their operations -- whether or not the business actually applies for the Award.

The challenge of making the criteria both rigorous and widely applicable will be further complicated if responsibility for developing them mostly is in the hands of the private sector. Substantial analytic resources were committed by NIST in developing the Baldrige criteria. Similar or greater analytic challenges may exist in refining the Corporate Citizenship Award criteria.

I look forward to your comments on the above.

Attachments

1996 AWARD CRITERIA — ITEM LISTING



1996 Categories/Items	Point Values
1.0 Leadership	90
1.1 Senior Executive Leadership.....	45
1.2 Leadership System and Organization.....	25
1.3 Public Responsibility and Corporate Citizenship.....	20
2.0 Information and Analysis	75
2.1 Management of Information and Data.....	20
2.2 Competitive Comparisons and Benchmarking.....	15
2.3 Analysis and Use of Company-Level Data.....	40
3.0 Strategic Planning	55
3.1 Strategy Development.....	35
3.2 Strategy Deployment.....	20
4.0 Human Resource Development and Management	140
4.1 Human Resource Planning and Evaluation.....	20
4.2 High Performance Work Systems.....	15
4.3 Employee Education, Training, and Development.....	50
4.4 Employee Well-Being and Satisfaction.....	25
5.0 Process Management	140
5.1 Design and Introduction of Products and Services.....	40
5.2 Process Management: Product and Service Production and Delivery.....	40
5.3 Process Management: Support Services.....	30
5.4 Management of Supplier Performance.....	30
6.0 Business Results	250
6.1 Product and Service Quality Results.....	75
6.2 Company Operational and Financial Results.....	110
6.3 Human Resource Results.....	35
6.4 Supplier Performance Results.....	30
7.0 Customer Focus and Satisfaction	250
7.1 Customer and Market Knowledge.....	30
7.2 Customer Relationship Management.....	30
7.3 Customer Satisfaction Determination.....	30
7.4 Customer Satisfaction Results.....	160
TOTAL POINTS	1000



Award Criteria Framework

The core values and concepts are embodied in seven Categories, as follows:

- 1.0 Leadership
- 2.0 Information and Analysis
- 3.0 Strategic Planning
- 4.0 Human Resource Development and Management
- 5.0 Process Management
- 6.0 Business Results
- 7.0 Customer Focus and Satisfaction

The framework connecting and integrating the Categories is given in the figure below.

The framework has three basic elements:

Driver

Senior executive leadership sets directions, creates values, goals, expectations, and systems, and pursues customer and business performance excellence.

System

The system comprises the set of well-defined and well-designed processes for meeting the company's customer and overall performance requirements.

Goal

The basic aims of leadership and the purposes of the system are two-fold:

Customer and Marketplace Performance

Customer and marketplace performance means delivery of ever-improving value to customers, high levels of customer satisfaction, and a strong competitive position.

Business Performance

Business performance is reflected in a wide variety of financial and non-financial results, including human resource development and corporate responsibility.

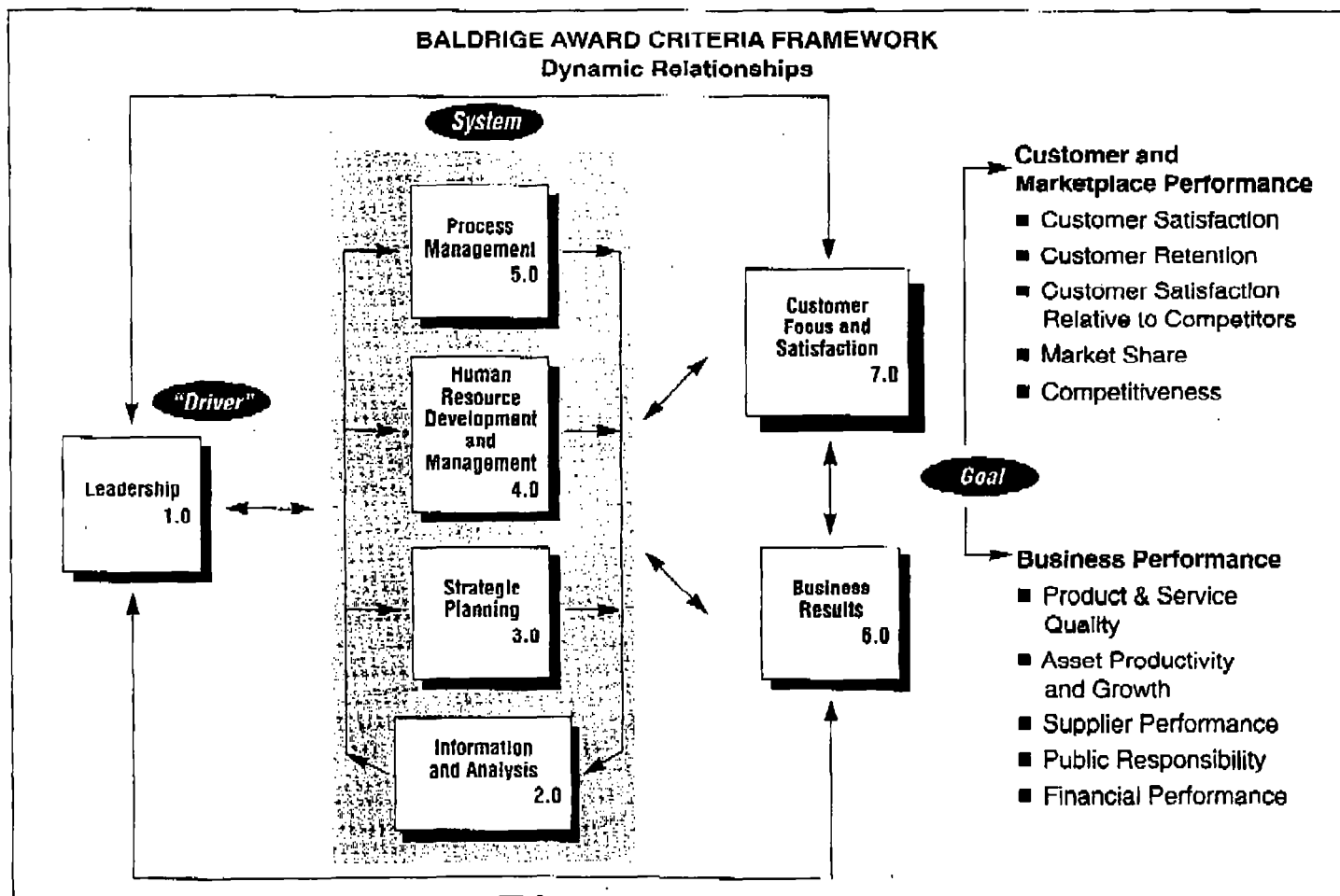
The seven Criteria Categories shown in the figure are subdivided into Items and Areas to Address:

Items

There are 24 Items, each focusing on a major requirement. Item titles and point values are given on page 3. The Item format is shown on page 27.

Areas to Address

Items consist of one or more Areas to Address (Areas). Information is submitted by applicants in response to specific requirements of these Areas.



1.3 Public Responsibility and Corporate Citizenship (20 pts.)

Describe how the company addresses its responsibilities to the public in its performance management practices.

Describe also how the company leads and contributes as a corporate citizen in its key communities.

A - D

Notes:

(1) Public responsibility issues (1.3a) relate to the company's impacts and possible impacts on society associated with its products, services, facilities, and operations. They include environment, health, safety, and emergency preparedness as they relate to any aspect of risk or adverse effect, whether or not these are covered under law or regulation. Health and safety of employees are not addressed in Item 1.3. Employee health and safety are covered in Item 4.4.

(2) Major public responsibility or impact areas should also be addressed in planning (Item 3.1) and in the appropriate process management items of Category 5.0. Key results, such as environmental improvements, should be reported in Item 6.2.

(3) If the company has received sanctions under law, regulation, or contract (1.3a(3)) during the past three years, briefly describe the incident(s) and its current status. If settlements have been negotiated in lieu of potential sanctions, give an explanation. If no sanctions have been received, so indicate.

AREAS TO ADDRESS

- a. how the company integrates its public responsibilities into its performance improvement efforts. Describe: (1) the risks and regulatory and other legal requirements addressed in planning and in setting operational requirements, measures, and targets; (2) how the company looks ahead to anticipate public concerns and to assess possible impacts on society of its products, services, facilities, and operations; and (3) how the company promotes legal and ethical conduct in all that it does.
- b. how the company leads and contributes as a corporate citizen in its key communities. Include a brief summary of the types of leadership and involvement the company emphasizes.

(4) The corporate citizenship issues appropriate for inclusion in 1.3b relate to efforts by the company to strengthen community services, education, health care, environment, and practices of trade or business associations. Examples of corporate citizenship appropriate for inclusion in 1.3b are:

- influencing and helping trade and business associations to create school-to-work programs;
- communicating employability requirements to schools;
- influencing national, state, and local policies which promote education improvement;
- partnering with and charitable giving to schools, e.g., sharing computers and computer expertise;
- developing trade and business consortia to improve environmental practices;
- promoting volunteerism among employees;
- partnering with other businesses and health care providers to improve health in the local community; and
- influencing trade and business associations to engage in cooperative activities to improve overall U.S. global competitiveness.

4.2 High Performance Work Systems (45 pts.)

Describe how the company's work and job design and compensation and recognition approaches enable and encourage all employees to contribute effectively to achieving high performance objectives.

A - D

Notes:

(1) Work design refers to how employees are organized and/or organize themselves in formal and informal, temporary or longer-term units. This includes work teams, problem-solving teams, functional units, departments, self-managed or managed by supervisors. In some cases, teams might involve individuals in different locations linked via computers or conferencing technology.

Job design refers to responsibilities and tasks assigned to individuals. These responsibilities and tasks help define education and training requirements.

(2) Examples of approaches to create flexibility [4.2a(2)] in work design might include simplification of job classifications, cross training, job rotation, work layout, and work locations. It might also entail use of technology and changed flow of information to support local decision making.

AREAS TO ADDRESS

- a. how the company's work and job design promote high performance. Describe how work and job design: (1) create opportunities for initiative and self-directed responsibility; (2) foster flexibility and rapid response to changing requirements; and (3) ensure effective communications across functions or units that need to work together to meet customer and/or operational requirements.
- b. how the company's compensation and recognition approaches for individuals and groups, including managers, reinforce the effectiveness of the work and job design

(3) Compensation and recognition (4.2b) refer to all aspects of pay and reward, including promotion and bonuses. The company might use a variety of reward and recognition approaches — monetary and non-monetary, formal and informal, and individual and group.

Compensation and recognition approaches could include profit sharing and compensation based on skill building, use of new skills, and demonstrations of self-learning. The approaches could take into account the linkage to customer retention or other performance objectives.

Employee evaluations and reward and recognition approaches might include peer evaluations, including peers in teams and networks.

4.3 Employee Education, Training, and Development (50 pts.)

Describe how the company's education and training address company plans, including building company capabilities and contributing to employee motivation, progression, and development.

A - D

Notes:

(1) Education and training address the knowledge and skills employees need to meet their overall work objectives. This might include leadership skills, communications, teamwork, problem solving, interpreting and using data, meeting customer requirements, process analysis, process simplification, waste reduction, cycle time reduction, error-proofing, priority setting based upon cost and benefit data, and other training that affects employee effectiveness, efficiency, and safety. It might also include basic skills such as reading, writing, language, and arithmetic.

(2) Training for customer-contact (frontline) employees should address: (a) key knowledge and skills, including knowledge of products and services; (b) listening to customers; (c) soliciting comments from customers; (d) how to anticipate and handle problems or failures ("recovery"); (e) skills in customer retention; and (f) how to manage expectations.

AREAS TO ADDRESS

- a. how the company's education and training serve as a key vehicle in building company and employee capabilities. Describe how education and training address: (1) key performance objectives, including those related to improving customer responsiveness and enhancing high performance work units; and (2) progression and development of all employees.
- b. how education and training are designed, delivered, reinforced, evaluated, and improved. Include: (1) how employees and line managers contribute to or are involved in determining specific education and training needs and designing education and training; (2) how education and training are delivered; (3) how knowledge and skills are reinforced through on-the-job application; and (4) how education and training are evaluated and improved.

(3) Determining specific education and training needs [4.3b(1)] might include use of company assessment or employee self-assessment to determine and/or compare skill levels for progression within the company or elsewhere. Needs determination should take into account job analysis — the types and levels of skills required — and the timeliness of training.

(4) Education and training delivery [4.3b(2)] might occur inside or outside the company and involve on-the-job, classroom, computer-based, or other types of delivery. This includes the use of developmental assignments within or outside the company to enhance employees' career opportunities and employability.

(5) How education and training are evaluated [4.3b(4)] could address: effectiveness of delivery of education and training; impact on work unit performance; and cost effectiveness of education and training alternatives.

4.4 Employee Well-Being and Satisfaction (25 pts.)

Describe how the company maintains a work environment and a work climate conducive to the well-being and development of all employees.

A-D

AREAS TO ADDRESS

- a. how the company maintains a safe and healthful work environment. Include: (1) how employee well-being factors such as health, safety, and ergonomics are included in improvement activities; and (2) principal improvement requirements, measures and/or indicators, and targets for each factor relevant and important to the employees' work environment. Note any significant differences based upon differences in work environments among employee groups.
- b. what services, facilities, activities, and opportunities the company makes available to employees to support their overall well-being and satisfaction and/or to enhance their work experience and development potential
- c. how the company determines employee satisfaction, well-being, and motivation. Include a brief description of methods, frequency, the specific factors used in this determination, and how the information is used to improve satisfaction, well-being, and motivation. Note any important differences in methods or factors used for different categories or types of employees, as appropriate.

Notes:

(1) Examples of services, facilities, activities, and opportunities (4.4b) are: personal and career counseling; career development and employability services; recreational or cultural activities; non-work-related education; day care; special leave for family responsibilities and/or for community service; safety off the job; flexible work hours; outplacement; and retiree benefits, including extended health care. These services also might include career enhancement activities such as skills assessment, helping employees develop learning objectives and plans, and employability assessment.

(2) Examples of specific factors which might affect satisfaction, well-being, and motivation are: effective employee problem or grievance resolution; safety; employee views of leadership and management; employee development and career opportunities; employee preparation for changes in technology or work organization; work environment; workload; cooperation and teamwork; recognition; benefits; communications; job security; compensation; equality of opportunity; and capability to provide required services to customers. An effective determination is one that provides the company with actionable information for use in improvement activities.

(3) Measures and/or indicators of satisfaction, well-being, and motivation (4.4c) might include safety, absenteeism, turnover, turnover rate for customer-contact employees, grievances, strikes, worker compensation, as well as results of surveys.

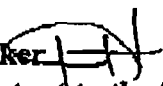
(4) How satisfaction, well-being, and motivation information is used (4.4c) might involve developing priorities for addressing employee problems based on impact on productivity.

(5) Trends in key measures and/or indicators of well-being and satisfaction should be reported in Item 6.3.

**UNITED STATES DEPARTMENT OF COMMERCE**
for the Secretary

May 10, 1996

MEMORANDUM TO THE SECRETARY

FROM: Jeffrey Hunker 
Deputy Assistant to the Secretary
Office of Policy and Strategic Planning

SUBJECT: BACKGROUND ON THE CORPORATE CITIZENSHIP
CONFERENCE

On May 16, you will participate in a Conference on Corporate Citizenship together with the President, Vice President, and other Cabinet-level members of the Economic Team. Over 100 corporate leaders are expected to attend.

Background

Since March the President has been conducting a dialogue with the Nation about corporate citizenship. In two addresses on March 23, the President *committed to holding a conference on corporate citizenship*, and outlined the key points of his vision:

- The most fundamental responsibility of any business in a free enterprise system is to make a profit -- to create jobs and income by competing and growing;
- Businesses do not exist in a vacuum -- they are part of their communities. It is the morally right thing for businesses to support their communities -- and also good for the company.
- The President encouraged companies to pursue the following five principles:
 - i) Be more family friendly;
 - ii) Find ways to provide access to health care and pensions;
 - iii) Invest in their workers -- particularly training;
 - iv) Work in greater partnership with their employees;
 - v) Provide a safe workplace.

Corporate Citizenship Conference

The Corporate Citizenship Conference will be held on Thursday, May 16. Note however that the Conference structure remains in flux; many important decisions are still being made.

The purpose of the Conference is to *highlight examples of companies implementing the President's principles, demonstrate the linkage between corporate citizenship and competitive success, and encourage more companies to advance towards these principles.*

Over 100 corporate CEO's are expected to attend. Attached is the most recent available list of invitees. The companies invited have been vetted to ensure that there are no embarrassing or illegal activities, but have not been selected necessarily as being leaders in corporate citizenship principles.

The agenda is as follows:

8:15 - 10:00 AM: East Room Breakfast, closed to the press: CEO's will be arranged in tables of 8-10 together with one Cabinet-level official. Following remarks by the President and Vice-President, each table will discuss corporate citizenship. While the plan has not yet been finalized, it may be that tables will be grouped to focus the discussion on one or more specific principles and to develop recommendations on how to further private sector implementation.

There may be an announcement by business leaders of plans to create a corporate citizenship award.

Note that the Department of Commerce will be paying for the breakfast.

10:00 - 11:00 AM: Travel time to Georgetown University: POTUS may meet for 15 minutes with the private-sector steering committee for the corporate citizenship award.

11:00 AM - 2:45 PM: Roundtable Sessions at Gaston Hall, Georgetown University: There will be two Roundtables each lasting 90 minutes. Each Roundtable will be moderated by the President with the Vice-President in attendance, and have six CEO's whose companies are exemplars of one or more corporate citizenship principles.

Participation by Cabinet Secretaries is undecided. The Roundtable sessions are open to the press and public. Some CEOs are choosing to attend only the breakfast session however.

The structure of each 90 minutes roundtable is as follows:

POTUS: 5 minutes introduction

First Issue
3 CEO presentations 15 minutes (5 minutes each)

Discussion 20 minutes

Second Issue
3 CEO presentations 15 minutes (5 minutes each)

Discussion 20 minutes
Audience Q&A 15 minutes

The first Roundtable will focus on *family friendly workplaces, safe workplaces, and adequate medical and pension benefits*. Confirmed corporate panelists are:

Optiva (small business, manufactures toothbrushes)
Johnson and Johnson
Corning
FelPro (gasket manufacturer)
Patagonia (outdoor equipment)
Starbucks

The second Roundtable will focus on *building partnership with employees, and investment in employees (training)*. Confirmed panelists are:

Republic Engineered Steels
Cummins Engine
Plumley Company (subsidiary of Dana Corporation)
Cin-Made (small business, packaging supplies)

Possible other panelists are United Technologies, CSX, TRW, and Tootsie Roll.

Your staff is responsible for scripting the second Roundtable.

Outstanding Issues

The Conference structure remains in flux, with many important decisions yet to be made. Among these are:

- *Announcement of a Corporate Citizenship Award:* Alexis Herman has contacted a number of corporate leaders about the prospect of a private-sector steering committee to develop a corporate citizenship award. However, whether an announcement will be made has yet to be decided.
- *Participation of Organized Labor:* There has been discussion about having both senior leaders of organized labor (eg: John Sweeney) participate, as well as having Local president's make presentations..
- *Follow-on Events:* Again, the idea has been raised about having a follow-on event that would include more participation by organized labor.

Also attached is text of the President's speech.

Attachments

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MALCOLM BALDRIGE NATIONAL QUALITY AWARD WINNERS

1995

yes Armstrong World Industries' Building
Products Operation
Lancaster, Pa. (manufacturing)

yes Corning Telecommunications Products Division
Corning, N.Y. (manufacturing)

1994

yes AT&T Consumer Communications Services
Basking Ridge, N.J. (service)

yes GTE Directories Corp.
Dallas/Ft. Worth, Texas (service)

NO Wainwright Industries Inc.
St. Peters, Mo. (small business)

1993

yes Eastman Chemical Co.
Kingsport, Tenn. (manufacturing)

NO Ames Rubber Corp.
Hamburg, N.J. (small business)

1992

yes AT&T Network Systems Group/
Transmission Systems Business Unit
Morristown, N.J. (manufacturing)

yes Texas Instruments Inc.
Defense Systems & Electronics Group
Dallas, Texas (manufacturing)

yes AT&T Universal Card Services
Jacksonville, Fla. (service)

NO The Ritz-Carlton Hotel Co.
Atlanta, Ga. (service)

NO Granite Rock Co.
Watsonville, Calif. (small business)

1991

NO Solectron Corp.
Milpitas, Calif. (manufacturing)

NO Zytec Corp.
Eden Prairie, Minn. (manufacturing)

NO Marlow Industries
Dallas, Texas (small business)

1990

NO Cadillac Motor Car Division
Detroit, Mich. (manufacturing)

yes IBM Rochester
Rochester, Minn. (manufacturing)

yes Federal Express Corp.
Memphis, Tenn. (service)

NO Wallace Co. Inc.
Houston, Texas (small business)

1989

NO Milliken & Company
Spartanburg, S.C. (manufacturing)

yes Xerox Corp.
Business Products and Systems
Rochester, N.Y. (manufacturing)

1988

yes Motorola Inc.
Schaumburg, Ill. (manufacturing)

yes Commercial Nuclear Fuel Division
of Westinghouse Electric Corp.
Pittsburgh, Pa. (manufacturing)

NO Globe Metallurgical Inc.
Beverly, Ohio (small business)

October 1995

April 1, 1996

MEMORANDUM TO: DR. LAURA D'ANDREA TYSON
NATIONAL ECONOMIC ADVISOR

GENE SPERLING
DEPUTY NATIONAL ECONOMIC ADVISOR

CC: TOM O'DONNELL
CHIEF OF STAFF, NATIONAL ECONOMIC
COUNCIL

FROM: JEFFREY HUNKER
DEPUTY ASSISTANT TO THE SECRETARY

SUBJECT: CREATION OF A "BALDRIGE-TYPE" AWARD FOR
CORPORATE CITIZENSHIP

The discussion at today's planning meeting for the April 10 event highlighted the importance of understanding the lessons of the Malcolm Baldrige National Quality Award as background for any process to create a "Baldrige-type" Corporate Citizenship Award. This memo i) summarizes the key steps surrounding the creation and on-going management of the Baldrige Award, ii) notes some possible issues in shaping the Corporate Citizenship Award and iii) outlines suggested initial steps to move forward on the creation of a Corporate Citizenship Award.

It is important to note also that prior to his departure for the G-7 Conference and Bosnia, Secretary Brown expressed his strong personal and Departmental interest in playing a key role in shaping and organizing a Corporate Citizenship Award based on the Baldrige.

Background on Creating and Running the Baldrige Award

The Baldrige Award selection process is highly detailed, quantitative, and exacting. A GAO analysis calls the Baldrige Award criteria "the most widely accepted formal definition of what constitutes a total quality management company." *The detail required to qualify for consideration in the Baldrige competition is cited by many firms as among its primary benefits -- providing the tools and structure for improving quality and overall company performance.*

This process requires considerable resources. It costs roughly \$4 million per year (Federal and private sector both contribute) in addition to substantial private sector in-kind contributions.

The key steps in creating the Malcolm Baldrige National Quality Award included:

- i) *Initiating action by Congress in 1987 to establish the Award program -- to raise awareness about quality management.*
- ii) *The commitment by two prominent CEO's -- Sandy McDonald of McDonald Douglas, and John Hudiberg of Florida Power and Light -- to convene a group of corporate leaders to raise an endowment and garner corporate support for the Award. This group, which came together quickly, raised about \$10 million to endow the private foundation.*
- iii) *A substantial commitment -- both in budget and personnel -- by the Federal government to start and sustain the Award. During the initial organizational phase, Commerce had about 150 people working on creating the Award. Since then, while the personnel commitment has declined, of the total cost of \$4 million annually, the Federal contribution is about \$3.4 million.*
- iv) *The ongoing in-kind contribution of very senior corporate talent. Each year 300 senior corporate managers (from vice-presidents for quality up to CEO's of Fortune 500 firms) volunteer for up to two weeks each -- many without reimbursement from the Baldrige process.*

The Baldrige Award was organized (i.e. -- funding established, criteria set, and the award process opened for submissions of nominees) over an 11 month period in 1988. Following the opening of the awards process, it was roughly another year before the first Baldrige award winners were announced.

The high level of commitment by the private sector is grounded on a number of factors. Prior to the Baldrige Award, the only prominent quality award was Japan's Demming Prize, which, although open to all firms, had at that time only been awarded to Japanese firms (though since, U.S. firms have won). The growing realization of a quality gap between U.S. and overseas competitors, and the increasing importance of quality as a competitive driver, increased private sector interest.

Possible Issues Shaping a Corporate Citizenship Award

Based on the lessons of the Baldrige, among the issues that need to be decided in structuring a Corporate Citizenship Award are:

--*Definition and degree of rigor in the criteria/ Commitment of resources:* For the Baldrige, there was a rich and quantitative history of defining quality and creating quality systems -- and the willingness of the private sector to commit substantial resources. How to define the criteria of corporate citizenship -- and the corresponding rigor in their application for an award -- needs to be decided.

-- *Role of the Award:* Is the Award intended to do what the Baldrige does -- both i) recognize exemplary practice, and ii) provide a framework for all companies to improve practice? Or is the intent more simply to recognize corporate citizenship 'stars'? This issue obviously is closely related to the level of resources.

-- *Participation by labor and community leaders in the private sector foundation:* What combination of business leaders, labor, employees, and community leaders reflects the President's vision in shaping and selecting winners for this Award?

-- *Competition from other awards:* When the Baldrige was created, in essence there were no other 'competing' quality awards open to U.S. companies. This is not the case with corporate citizenship, where numerous private sector groups present awards with varying criteria.

Proposed Next Steps

Perhaps the issue that needs clarification soonest is the composition of private sector involvement -- specifically if labor and community leaders are to be engaged. With clarification of this, and with Secretary Brown's commitment, a process can begin to identify and contact likely private-sector leaders to build the private-public partnership underlying the Award.

While significant other issues remain -- such as the criteria and funding -- these can be resolved over time.

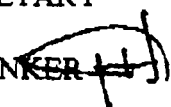
These are initial thoughts, and I look forward to your comments.



UNITED STATES DEPARTMENT OF COMMERCE
for the Secretary

MAR 29 1996

MEMORANDUM FOR THE SECRETARY

FROM: JEFFREY HUNKER 

SUBJECT: "BALDRIDGE-TYPE" AWARD FOR CORPORATE CITIZENSHIP

The April 10 Corporate Citizenship Conference likely will feature the commitment by the Administration and business leaders to create a Baldrige-type award for corporate citizenship. The award, as envisioned, would be high-profile, competitive, and run by a public-private partnership.

Your degree of personal involvement -- perhaps as a legacy to your tenure as Secretary of Commerce -- as well as the involvement of the Department needs to be decided.

Were you to wish to demonstrate personal leadership, your role might include contacting and discussing with business leaders their role in funding and helping to create the Corporate Citizenship Award. The Commerce Department, in turn, might work -- perhaps in conjunction with the White House and other Departments -- in ensuring the framework and mechanics of the awards process reflect the quality and intent of the President and you.

There are several advantages to a high commitment by you and the Department to this process. Your involvement and that of the Commerce Department would reassure the business community that 'corporate citizenship' is a spur, not a burden, to competitiveness, growth, and job creation. A major role would further help ensure that the new award would not duplicate, compete, or confuse the high prestige of the Baldrige Award. And your personal involvement would again contribute to your stature and legacy as Secretary of Commerce.

There are also disadvantages. The amount of work required to create a successful award is by no means trivial. Nor is the ultimate success of the award a foregone conclusion. And the issue of corporate citizenship is by no means one exclusively within the province of the Commerce Department.

Given the fast pace of events leading up to the April 10 event, your thoughts on this issue prior to your departure would be appreciated. It may also be that Secretary Reich will raise these or related issues during the trip to Lille.



UNITED STATES DEPARTMENT OF COMMERCE
Office of the Secretary
Washington, D.C. 20230

April 22, 1996

MEMORANDUM TO: Laura Tyson
Gene Sperling
Kate Carr
Steve Ronnell
David Lane
Cheryl Bruner

FROM: Jeffrey Hunker 

SUBJECT: DEVELOPING A CORPORATE CITIZENSHIP AWARD

In order to help frame the planning for the proposed Corporate Citizenship Award, in this memo I have outlined key elements of the Malcolm Baldrige National Quality Award, and also note some of the challenges in creating a 'Baldrige-type' Corporate Citizenship Award.

Background on the Malcolm Baldrige National Quality Award

Among the key factors contributing to the success of the Baldrige Award are the following:

- *Substantial and continuing support from its intended constituency -- the U.S. business community:* From the beginning, with the creation of the Foundation for the Malcolm Baldrige National Quality Award by prominent business leaders, the U.S. business community has and continues to provide substantial monetary and in-kind contributions;
- *Rigorous criteria:* A GAO analysis calls the Baldrige Award criteria "the most widely accepted formal definition of what constitutes a total quality management company." The Award criteria are designed not only to serve as the basis for making the Awards but also to permit each applicant to diagnose their overall performance management system -- and make improvements. Furthermore, each applicant receives a feedback report at the end of the Award review;
- *Universality:* The Award criteria focus on the requirements that all businesses -- especially those facing tough competitive challenges -- need to understand. The criteria, however, do not call for specific practices or organizational structures -- recognizing that there are many approaches depending on factors like the size, stage of development, or competitive challenges facing a business.

Key elements of the Baldrige -- and Corresponding Issues for the Corporate Citizenship Award

The table below outlines the major elements of the Baldrige Award structure -- with comments as appropriate on the corresponding issues for a Corporate Citizenship Award.

Malcolm Baldrige Award

Corporate Citizenship Award

Foundation for the Malcolm Baldrige Award -- main objective is to raise private funds to permanently endow the Award. Prominent business leaders serve as the Foundation Trustees. The Foundation raised approximately \$10 million.	Discussions with business leaders ongoing; possible announcement of drive to form foundation at the May 16 event.
U.S. Government role: Commerce's National Institute of Standards and Technology (NIST) manages the Award program. NIST provides about \$3.6 million (of the total \$4 million annual cost). The American Society for Quality Control (ASQC) assists in administering the Award program under contract to NIST.	To be defined. Note that the Baldrige has and continues to be a substantial budget item for the Federal government. The same commitment of resources may not be appropriate/feasible for a Corporate Citizenship Award.
Board Of Overseers: the advisory group on the Award to the Department of Commerce - - appointed by the Secretary of Commerce, and consisting of distinguished leaders from all sectors of the U.S. economy. A critical role for the Board is to assess the how well the Award is serving the national interest.	

Board of Examiners: in 1996, about 270 business and quality experts (mostly senior corporate leaders) who evaluate Award applications, prepare feedback reports, and make Award applications. Of the Examiners, 9 are judges appointed by the Secretary, and 50 are senior examiners. Examiners are chosen through competitive application.	Reflects commitment of the business community to the Baldrige.
Criteria and Framework: The core values and concepts embodied in the criteria are: - Leadership - Information and Analysis - Strategic Planning - Human Resource Development - Process Management - Business Results - Customer Focus and Satisfaction These criteria are connected and integrated through a Baldrige Award criteria framework (attached). Attached also are specific elements of the criteria that relate to the concepts of corporate citizenship.	The President set forth the following principles: - family friendly - safe and secure workplace - adequate pension and medical benefits - invests in employees - partnership with employees Note that while many private sector awards exist for aspects of corporate responsibility, none (to my knowledge) have much degree of rigor in their criteria.

Key Challenges in Constructing a Baldrige-type Corporate Citizenship Award

The success and esteem of the Baldrige Award makes it a good model for the Corporate Citizenship Award; the public resources necessary to support the Baldrige, however, may not be appropriate to emulate. This means that the private sector may have a much greater role in supporting and shaping the Corporate Citizenship Award than -- at least in practice -- it has had in the Baldrige.

This raises at least two issues:

1) *It is critical that the business community wholeheartedly support the Corporate Citizenship Award.* Fundamentally this means that business must view the Award as providing a benefit,

rather than being viewed as an imposition. The support for the Baldrige reflects the recognition that quality is an important source of competitive advantage -- and one that at the time U.S. business lagged in. The Baldrige was a highly visible step to address that shortcoming.

Following this analogy, Corporate Citizenship Award criteria need to reinforce the strong link between corporate success -- as valued by the business community -- and corporate citizenship as outlined by the President.

2) *The criteria need to be rigorous and widely applicable:* There already exist many corporate responsibility awards with widely varying but seemingly subjective award criteria. If the Corporate Citizenship Award is to succeed, the criteria have to be rigorous without being narrowly prescriptive. Like the Baldrige, the criteria should be a useful framework for businesses to improve their operations -- whether or not the business actually applies for the Award.

The challenge of making the criteria both rigorous and widely applicable will be further complicated if responsibility for developing them mostly is in the hands of the private sector. Substantial analytic resources were committed by NIST in developing the Baldrige criteria. Similar or greater analytic challenges may exist in refining the Corporate Citizenship Award criteria.

I look forward to your comments on the above.

Attachments

1996 AWARD CRITERIA — ITEM LISTING



1996 Categories/Items	Point Values
1.0 Leadership	90
1.1 Senior Executive Leadership.....	45
1.2 Leadership System and Organization.....	25
1.3 Public Responsibility and Corporate Citizenship.....	20
2.0 Information and Analysis	75
2.1 Management of Information and Data.....	20
2.2 Competitive Comparisons and Benchmarking	15
2.3 Analysis and Use of Company-Level Data.....	40
3.0 Strategic Planning	55
3.1 Strategy Development.....	35
3.2 Strategy Deployment.....	20
4.0 Human Resource Development and Management	140
4.1 Human Resource Planning and Evaluation	20
4.2 High Performance Work Systems	45
4.3 Employee Education, Training, and Development.....	50
4.4 Employee Well-Being and Satisfaction	25
5.0 Process Management	140
5.1 Design and Introduction of Products and Services	40
5.2 Process Management: Product and Service Production and Delivery	40
5.3 Process Management: Support Services	30
5.4 Management of Supplier Performance	30
6.0 Business Results	250
6.1 Product and Service Quality Results	75
6.2 Company Operational and Financial Results.....	110
6.3 Human Resource Results	35
6.4 Supplier Performance Results	30
7.0 Customer Focus and Satisfaction	250
7.1 Customer and Market Knowledge	30
7.2 Customer Relationship Management	30
7.3 Customer Satisfaction Determination.....	30
7.4 Customer Satisfaction Results	160
TOTAL POINTS	1000



Award Criteria Framework

The core values and concepts are embodied in seven Categories, as follows:

- 1.0 Leadership
- 2.0 Information and Analysis
- 3.0 Strategic Planning
- 4.0 Human Resource Development and Management
- 5.0 Process Management
- 6.0 Business Results
- 7.0 Customer Focus and Satisfaction

The framework connecting and integrating the Categories is given in the figure below.

The framework has three basic elements:

Driver

Senior executive leadership sets directions, creates values, goals, expectations, and systems, and pursues customer and business performance excellence.

System

The system comprises the set of well-defined and well-designed processes for meeting the company's customer and overall performance requirements.

Goal

The basic aims of leadership and the purposes of the system are two-fold:

Customer and Marketplace Performance

Customer and marketplace performance means delivery of ever-improving value to customers, high levels of customer satisfaction, and a strong competitive position.

Business Performance

Business performance is reflected in a wide variety of financial and non-financial results, including human resource development and corporate responsibility.

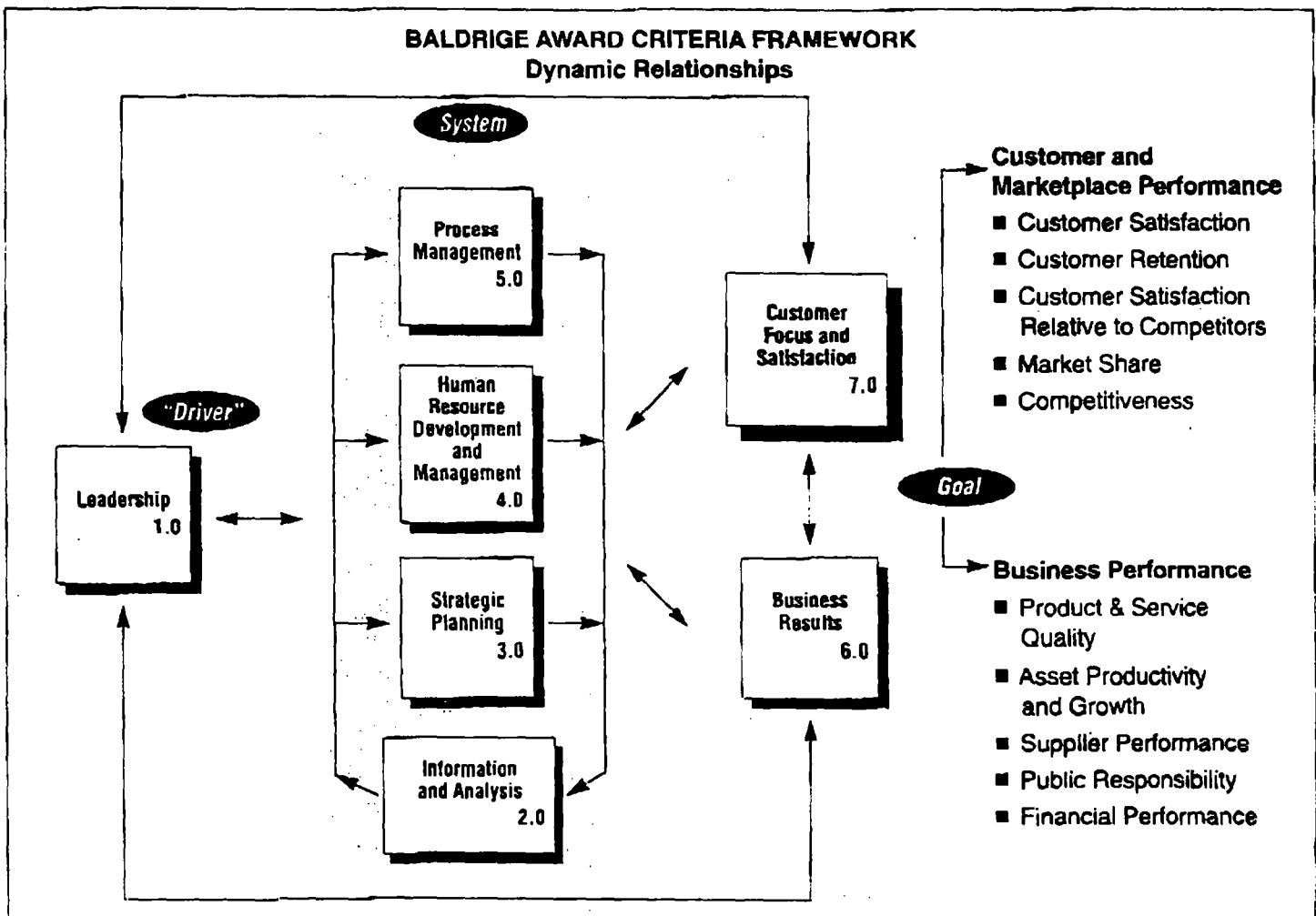
The seven Criteria Categories shown in the figure are subdivided into Items and Areas to Address:

Items

There are 24 Items, each focusing on a major requirement. Item titles and point values are given on page 3. The Item format is shown on page 27.

Areas to Address

Items consist of one or more Areas to Address (Areas). Information is submitted by applicants in response to specific requirements of these Areas.



1.3 Public Responsibility and Corporate Citizenship (20 pts.)

Describe how the company addresses its responsibilities to the public in its performance management practices.

Describe also how the company leads and contributes as a corporate citizen in its key communities.

A - D

AREAS TO ADDRESS

- a. how the company integrates its public responsibilities into its performance improvement efforts. Describe: (1) the risks and regulatory and other legal requirements addressed in planning and in setting operational requirements, measures, and targets; (2) how the company looks ahead to anticipate public concerns and to assess possible impacts on society of its products, services, facilities, and operations; and (3) how the company promotes legal and ethical conduct in all that it does.
- b. how the company leads and contributes as a corporate citizen in its key communities. Include a brief summary of the types of leadership and involvement the company emphasizes.

Notes:

(1) Public responsibility issues (1.3a) relate to the company's impacts and possible impacts on society associated with its products, services, facilities, and operations. They include environment, health, safety, and emergency preparedness as they relate to any aspect of risk or adverse effect, whether or not these are covered under law or regulation. Health and safety of employees are not addressed in Item 1.3. Employee health and safety are covered in Item 4.4.

(2) Major public responsibility or impact areas should also be addressed in planning (Item 3.1) and in the appropriate process management Items of Category 5.0. Key results, such as environmental improvements, should be reported in Item 6.2.

(3) If the company has received sanctions under law, regulation, or contract (1.3a(3)) during the past three years, briefly describe the incident(s) and its current status. If settlements have been negotiated in lieu of potential sanctions, give an explanation. If no sanctions have been received, so indicate.

(4) The corporate citizenship issues appropriate for inclusion in 1.3b relate to efforts by the company to strengthen community services, education, health care, environment, and practices of trade or business associations. Examples of corporate citizenship appropriate for inclusion in 1.3b are:

- influencing and helping trade and business associations to create school-to-work programs;
- communicating employability requirements to schools;
- influencing national, state, and local policies which promote education improvement;
- partnering with and charitable giving to schools, e.g., sharing computers and computer expertise;
- developing trade and business consortia to improve environmental practices;
- promoting volunteerism among employees;
- partnering with other businesses and health care providers to improve health in the local community; and
- influencing trade and business associations to engage in cooperative activities to improve overall U.S. global competitiveness.

4.2 High Performance Work Systems (45 pts.)

Describe how the company's work and job design and compensation and recognition approaches enable and encourage all employees to contribute effectively to achieving high performance objectives.

AREAS TO ADDRESS

- a. how the company's work and job design promote high performance. Describe how work and job design: (1) create opportunities for initiative and self-directed responsibility; (2) foster flexibility and rapid response to changing requirements; and (3) ensure effective communications across functions or units that need to work together to meet customer and/or operational requirements.
- b. how the company's compensation and recognition approaches for individuals and groups, including managers, reinforce the effectiveness of the work and job design

A - D

Notes:

(1) *Work design* refers to how employees are organized and/or organize themselves in formal and informal, temporary or longer-term units. This includes work teams, problem-solving teams, functional units, departments, self-managed or managed by supervisors. In some cases, teams might involve individuals in different locations linked via computers or conferencing technology.

Job design refers to responsibilities and tasks assigned to individuals. These responsibilities and tasks help define education and training requirements.

(2) Examples of approaches to create flexibility [4.2a(2)] in work design might include simplification of job classifications, cross training, job rotation, work layout, and work locations. It might also entail use of technology and changed flow of information to support local decision making.

(3) Compensation and recognition (4.2b) refer to all aspects of pay and reward, including promotion and bonuses. The company might use a variety of reward and recognition approaches — monetary and non-monetary, formal and informal, and individual and group.

Compensation and recognition approaches could include profit sharing and compensation based on skill building, use of new skills, and demonstrations of self-learning. The approaches could take into account the linkage to customer retention or other performance objectives.

Employee evaluations and reward and recognition approaches might include peer evaluations, including peers in teams and networks.

4.3 Employee Education, Training, and Development (50 pts.)

Describe how the company's education and training address company plans, including building company capabilities and contributing to employee motivation, progression, and development.

AREAS TO ADDRESS

- a. how the company's education and training serve as a key vehicle in building company and employee capabilities. Describe how education and training address: (1) key performance objectives, including those related to improving customer responsiveness and enhancing high performance work units; and (2) progression and development of all employees.
- b. how education and training are designed, delivered, reinforced, evaluated, and improved. Include: (1) how employees and line managers contribute to or are involved in determining specific education and training needs and designing education and training; (2) how education and training are delivered; (3) how knowledge and skills are reinforced through on-the-job application; and (4) how education and training are evaluated and improved.

A - D

Notes:

(1) Education and training address the knowledge and skills employees need to meet their overall work objectives. This might include leadership skills, communications, teamwork, problem solving, interpreting and using data, meeting customer requirements, process analysis, process simplification, waste reduction, cycle time reduction, error-proofing, priority setting based upon cost and benefit data, and other training that affects employee effectiveness, efficiency, and safety. It might also include basic skills such as reading, writing, language, and arithmetic.

(2) Training for customer-contact (frontline) employees should address: (a) key knowledge and skills, including knowledge of products and services; (b) listening to customers; (c) soliciting comments from customers; (d) how to anticipate and handle problems or failures ("recovery"); (e) skills in customer retention; and (f) how to manage expectations.

(3) Determining specific education and training needs [4.3b(1)] might include use of company assessment or employee self-assessment to determine and/or compare skill levels for progression within the company or elsewhere. Needs determination should take into account job analysis — the types and levels of skills required — and the timeliness of training.

(4) Education and training delivery [4.3b(2)] might occur inside or outside the company and involve on-the-job, classroom, computer-based, or other types of delivery. This includes the use of developmental assignments within or outside the company to enhance employees' career opportunities and employability.

(5) How education and training are evaluated [4.3b(4)] could address: effectiveness of delivery of education and training; impact on work unit performance; and cost effectiveness of education and training alternatives.

4.4 Employee Well-Being and Satisfaction (25 pts.)

Describe how the company maintains a work environment and a work climate conducive to the well-being and development of all employees.

A - D

AREAS TO ADDRESS

- a. how the company maintains a safe and healthful work environment. Include: (1) how employee well-being factors such as health, safety, and ergonomics are included in improvement activities; and (2) principal improvement requirements, measures and/or indicators, and targets for each factor relevant and important to the employees' work environment. Note any significant differences based upon differences in work environments among employee groups.
- b. what services, facilities, activities, and opportunities the company makes available to employees to support their overall well-being and satisfaction and/or to enhance their work experience and development potential
- c. how the company determines employee satisfaction, well-being, and motivation. Include a brief description of methods, frequency, the specific factors used in this determination, and how the information is used to improve satisfaction, well-being, and motivation. Note any important differences in methods or factors used for different categories or types of employees, as appropriate.

Notes:

(1) Examples of services, facilities, activities, and opportunities (4.4b) are: personal and career counseling; career development and employability services; recreational or cultural activities; non-work-related education; day care; special leave for family responsibilities and/or for community service; safety off the job; flexible work hours; outplacement; and retiree benefits, including extended health care. These services also might include career enhancement activities such as skills assessment, helping employees develop learning objectives and plans, and employability assessment.

(2) Examples of specific factors which might affect satisfaction, well-being, and motivation are: effective employee problem or grievance resolution; safety; employee views of leadership and management; employee development and career opportunities; employee preparation for changes in technology or work organization; work environment; workload; cooperation and teamwork; recognition; benefits; communications; job security; compensation; equality of opportunity; and capability to provide required services to customers. An effective determination is one that provides the company with actionable information for use in improvement activities.

(3) Measures and/or indicators of satisfaction, well-being, and motivation (4.4c) might include safety, absenteeism, turnover, turnover rate for customer-contact employees, grievances, strikes, worker compensation, as well as results of surveys.

(4) How satisfaction, well-being, and motivation information is used (4.4c) might involve developing priorities for addressing employee problems based on impact on productivity.

(5) Trends in key measures and/or indicators of well-being and satisfaction should be reported in Item 6.3.

MAR 12 1996

March 1, 1996

Ms. Paula DiPerna
P.O. Box 467
Cooperstown, NY 13326

Dear Ms. DiPerna:

Thank you for your 28 February 1996 letter concerning a White House Conference on job security. You make a number of excellent points and suggestions. We are giving serious thought to a White House Conference on job security and, more broadly, on corporate responsibility. As being currently discussed, such a conference would involve corporate and other leaders. I have forwarded your letter to other White House senior staff for their information and comments.

Sincerely,

Harold Ickes

Harold Ickes
Assistant to the President
and Deputy Chief of Staff

cc: Evelyn Lieberman
Mack McClarty
George Stephanopoulos
Alexis Herman
Laura Tyson
Kate Carr

Paula DiPerna

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P.O. Box 467
Cooperstown, New York 13326
28 February 1996

Mr. Harold Ickes
Deputy Chief of Staff
The White House
Washington, D. C.

re: White House Conference/Event on
Job Security

Dear Mr. Ickes,

We met at the Women's Leadership Forum in November and chatted quickly about the above idea. I wanted to resuscitate it with you, as I think it could be relevant as the summer unfolds. The concept of "job security" bridges the protectionism of Buchanan--untenable but appealing to the insecure, and the raw free tradism of Dole et al--which frightens.

Security is the "values" side of economic issues, if you will, a subjective expression of an underlying role of government within the traditions of the Democratic Party. "Job security" is, as you know, more than a job and salary per se--it is a state of mind that allows individuals self-esteem and confidence, a keystone for building a future.

Such a Conference (or other high-visibility event) would also help crystallize the President's recognition that positive macro-economic trends don't necessarily reassure those who fear for their jobs and who feel insulated from the benefit of a strong macro-economy. It would also enable the President to approach "downsizing" through the lens of the worker without directly confronting the employer.

My original idea was that the President could convene the leaders of major corporations and other businesses for a discussion on how to strengthen the concept of job security in a global and highly competitive economy. President Clinton would be masterful at emerging with a common compact on the value of the American worker, and perhaps even a statement, or some innovative initiatives, from corporate leaders that might serve to reassure workers that they are not simply "costs" to today's business leaders.

All of this ties into what I call "the margin of compassion," about which I am currently writing. This margin can be understood as that subjective psychological cushion that allows individuals to concern themselves with matters outside of and beyond themselves--the homeless, the poor, the environment, future generations, etc. Today, as we know, even the job secure feel less secure than ever before. And, in my view, more than any other factor, job insecurity is eating into the margin of compassion, deflating the cushion, as it were, undermining the constituency--particularly among younger voters--for issues that

demand some emotional or psychological stretch.

If some sense of job security can be restored, I believe it will help other concerns at the heart of the Clinton Administration, as it might help re-expand that compassion margin and strengthen the voter's ability to support initiatives which have indirect or postponed benefit, such as foreign assistance, investments in education, Americorps, health care and other programs for the poor, etc.

A corollary of the above idea would be a "White House Conference/Event on Jobs Creation and Environmental Technologies." Such an event would hit two chords at once, obviously, and there is new reliable data from the O.E.C.D. which demonstrates that environmental investments and policies have a net positive effect on employment--again a macro-effect but one which will only gain in viability and visibility. Clearly, the Administration, and especially the Vice-President, is completely versed with this phenomenon, but I think the Administration could exploit it more visibly.

I noted the President's reference to jobs creation and the environment in the State of the Union speech--a high-profile event could echo and amplify that reference. All around the country, there are examples of jobs that have been created by protecting the environment and this phenomenon and many success stories could be gathered together with extremely good national and local media resonance.

I've taken the liberty of enclosing some background material. In addition to my work with Jacques-Yves Cousteau, I was the Democratic Congressional candidate against Sherwood Boehlert in 1992, in fact the first credible opponent of his career. I've enclosed an article I wrote about my campaign, as well as my basic campaign piece.

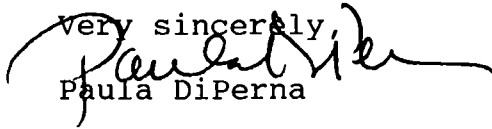
I am known to Vice-President Gore, having had several substantive meetings with him, including close strategy sessions in connection with Antarctica when he was in the Senate. I have met President Clinton once at the White House.

I truly believe that if this Administration is not re-elected, everything I have ever worked for in my lifetime will be lost for the rest of my lifetime.

Therefore, I am committed to do whatever I can to help. Clearly, if there were a way for my experience to be brought to bear if the above ideas go forward, or more directly in the campaign, I would be eager to know. I can provide you any number of references, and I have also met with Ann Lewis in this connection.

Meanwhile, I would love to hear what you think about the Job Security/Jobs Creation idea.

Thank you.

Very sincerely,

Paula DiPerna

607-547-8356
212-688-0942

P.S. I've also enclosed a copy of a recent article I wrote for Golf Journal. I noted in the Washington Post that the President is short of golf partners these days. Needless to say, I am always available for such a game!

Paula DiPerna

1

RESUME

Telephone: 607-547-8356
212-688-0942

Mailing Address: P.O. Box 467
Cooperstown, N.Y. 13326

POLICY EXPERIENCE

Vice-President for International Affairs, The Cousteau Society, 777 United Nations Plaza, New York, New York 10017 (until 7/1995) (Jacques-Yves Cousteau, President)

Officer and Chief advisor to the President on environmental, economic, and social development policy, including implementation pursuant to 1992 United Nations Conference on Environment and Development (UNCED) and additional Conferences; responsible for research and presentation of policy options in national and international contexts, including innovative approaches; chief representative of President at high-level conferences and hearings; chief liaison for policy with governments, including the U.S. Executive Branch and Congress, and international institutions such as the United Nations and World Bank; responsible for drafting and/or presentation of policy statements and speeches as needed;

Also writer and co-producer, The Cousteau Society (films, articles, public statements); advisor on policy relevant to membership, fundraising and public education activities (1979 to 1995)

ELECTORAL EXPERIENCE

Candidate for U.S. House of Representatives, 1992, 23rd C.D., N.Y.; received 1/3 of vote cast after 15-week campaign

WRITING AND EDITING EXPERIENCE

Author of books and widely published in such magazines and newspapers as The New York Times, The New York Times Magazine, The Nation, Ms., The New York Daily News, Women's Review of Books, The Earth Times, The Village Voice, Golf Journal, The Chicago Tribune, The Philadelphia Inquirer, Working Woman, Ladies Home Journal, USA Today, et al. (Publications list available)

Books

Author, His Wife's Version: The Discoveries of Mrs. Christopher Columbus, (Permanent Press, fall 1994) a novel "written" by the wife of Christopher Columbus in a version previously untold; also published in Germany and Turkey, 1995

(Books, Cont'd)

Author, With These Hands (Pilgrim Press, Fall, 1986) text to accompany photographs by Ken Light, with introduction by Cesar Chavez; impressions of farmworkers and their families.

Author, Cluster Mystery: Epidemic and the Children of Woburn, Mass. (C. V. Mosby Company, Fall, 1985); the story of how one boy's death from leukemia acquired national significance when his mother proved the illness was part of a mysterious neighborhood cluster of leukemia cases, possibly caused by water contamination due to toxic waste seepage; film rights acquired.

Author, Juries on Trial: Faces of American Justice, Dembner Books/W.W. Norton, fall 1984); a behind-the-scenes narrative following a child pornography trial, based on juror interviews and other observations and research

Contributing Editor and Principal Writer, The Cousteau Almanac, (Doubleday, fall, 1981); illustrated collection of numerous articles presenting environmental problems in uncommon, lively fashion, such as the "roots" of blue jeans, new technologies, nuclear war, endangered species, etc. Contributed over 50 original articles, helped develop book outline and organizing concepts, reviewed and/or edited all book copy.

Author, The Complete Travel Guide to Cuba, (St. Martin's Press, winter, 1979, second printing); the first English-language guidebook since 1959; includes informational essays on social, political and economic aspects, as well as practical information

Films

Writer, Palawan: The Last Refuge, one hour television documentary concerning the Philippines; October, 1992; Turner Broadcasting System, narrated by David Warrilow; Jacques-Yves Cousteau and Jean-Michel Cousteau, Executive Producers

Co-Producer and Writer, Nauru: The Island Planet, one hour television documentary about an island that has become financially wealthy but ecologically impoverished due to phosphate mining, July 1992, Turner Broadcasting System; narrated by Frank Langella; Executive Producers as above.

Co-Producer and Writer, "Outrage at Valdez," one-hour "Special Report" on Exxon Valdez oilspill; Writer's Guild, 1990 nominee Outstanding Current Affairs television script; nominee overall outstanding achievement Women in Film Festival, 1990; Environmental Film Festival 1990; Bronze Award, Houston Film Festival, Turner Broadcasting Network, aired March 25, 1990, Jean-Michel Cousteau, Executive Producer and Narrator

Films (Cont'd)

Writer, Western Australia: Out West, Down Under;
Australia: A Continent At Odds; two television films, narrated
 by Mel Gibson, April 1990/Fall 1991, Turner Broadcasting System.

Writer, Lilliput in Antarctica, a one-hour television special on a
 journey with six children, Cousteau Society and Turner
 Broadcasting System, April 1990; part of successful campaign to
 secure moratorium on minerals exploitation in Antarctica

Writer, Australia: The Last Barrier, one-hour television film
 narrated by Anthony Hopkins, summer 1989; nominated ACE Awards
 for best documentary special; winner Bronze Award, Film Festival
 of Columbus, Ohio among other awards; Jacques-Yves Cousteau,
 Executive Producer, Turner Broadcasting

Writer and Associate Producer, New Zealand: The Land of the
Long White Cloud; two-hour television film as above, aired
 spring, 1988, narrated by Anthony Hopkins

Writer and Associate Producer, New Zealand: The Smoldering Sea;
 one-hour film, as above, aired spring 1989; narrated by Anthony
 Hopkins; winner of "Chris" Award, highest honor at Film Festival
 of Columbus, among other awards

Writer and Production Coordinator, Cuba: Waters of Destiny,
 as above, aired, fall, 1986; narrated by Joseph Campanella; Gold
 Prize, Houston Film Festival, among other awards.

ADMINISTRATIVE EXPERIENCE

The Cousteau Society: Supervision of staff for execution of
 various policy initiatives; as co-producer and production
 coordinator, responsible for administration of staff and crews,
 including control of funds, in remote locations worldwide

TEACHING EXPERIENCE

Guest Lecturer on environment and international relations,
 Center for the Study of the Global South at American University,
 Washington, D.C., summer, 1995; Guest Instructor, Paris Writing
 Workshop, Women's Institute of Continuing Education at the
 American College in Paris, France, June 1989; Visiting
 Instructor, Ohio State University School of Journalism, Senior
 and Graduate classes, 1988; Instructor, English and Reading, New
 York City public high schools; Instructor, Writing, The New
 School for Social Research, Language Division, and New York
 Institute of Technology, New York City, 1974-8

LANGUAGES

Working ability in French. Some Spanish, Portuguese, modern Greek and Italian

GRANTS

James Thurber Writer-in-Residence, Thurber House (guest resident in Thurber's restored boyhood home in Columbus, Ohio; guest faculty at Ohio State University, School of Journalism and writing coach, The Columbus Dispatch), spring and summer, 1988.

The Fund for Investigative Journalism, 1982, 1983, 1984: (travel and research on groundwater contamination in Woburn, Mass.; use of the preemptory challenge to racially shape juries; farmworkers and pesticide exposure); Ford Foundation and the Youth Project, 1982: (travel and research on environmental hazards to children)

OTHER WRITING EXPERIENCE

Guest Editor, "The Immortal Line," special issue of Columbus Dispatch Sunday Magazine (9 October 1988); edited and assigned articles to staff reporters on emerging issues in biotechnology as part of Thurber House Writer-in Residence program

Syndicated column, editor and writer, "The Cousteau Watch," Los Angeles Times Syndicate, weekly column of environmental news, opinion and impressions reaching over 65 newspapers worldwide, 1990-1993

OTHER FILM EXPERIENCE

Canada: Location, logistical and story research for Cousteau Society film teams on St. Lawrence River expedition, including remote areas of Quebec, Newfoundland and Labrador; in collaboration with the National Film Board of Canada and Turner Broadcasting System; two films released December 1982;

Amazon: Advance location and story research as above, one-year in remote Brazil, Peru and Colombia; seven television films released 1984-5, Cousteau Society and Turner Broadcasting System; series won numerous awards, including Peabody Award for Broadcast Journalism and A.C.E. Award; Haiti: Production Coordinator, "Haiti: Waters of Sorrow;" similar activities as above; aired spring, 1986; Gold Prize, Houston Film Festival

TRAVEL EXPERIENCE

Extensive professional and personal national and international travel, including throughout the Amazon, the Caribbean, Greece, Western Europe, Great Britain, Iran, India, Morocco, the Philippines, Malaysia, Australia, New Zealand; Lived in Crete, Greece for two years (1969-70)

EDUCATION

B.A., M.A., 1974, 1975, New York University, New York City

PROFESSIONAL HONORS AND MEMBERSHIPS

Who's Who in Emerging Leaders; International Who's Who; Who's Who in Entertainment; Writer's Guild; Author's Guild; National Writer's Union; Women's Foreign Policy Council

Frequent panelist, lecturer and guest on national and local media

ADVISORY PROFESSIONAL ACTIVITIES

Member, College Council of State University of New York, Oneonta, N.Y.; Member, Board of Directors, Planned Parenthood (Delaware-Otsego Counties); Otsego 2000 and Otsego County Conservation Association (local development and environmental advocacy groups); Member of Sustaining Board, Gallery 53 (contemporary arts organization, Cooperstown, New York)

REFERENCES, AGENTS AND CLIPPINGS On request



The Cousteau Society

July, 1995

To Whom It May Concern:

Paula DiPerna has been my close collaborator and adviser over many years. As my Vice-President for International Affairs, she has been responsible for helping me execute all matters of environmental and development policy at the highest level of multi-lateral and national institutions. As a writer, she has provided creative and inspired narrations for many of my films, and as a co-producer and coordinator of production in the field, she has been an incomparably effective troubleshooter and logistician.

Paula offers a rare combination of keen intelligence, imagination and analytical understanding. Her gift of probative curiosity is tempered always by tact and discretion. In many matters involving Heads of State, Paula has demonstrated impeccable discretion, judgement and strategic thinking on which I have been able to rely. She was, for example, crucial to my successful campaign to secure a 50-year mining moratorium in Antarctica, and to all aspects of my involvement in the United Nations Conference on Environment and Development and its aftermath.

Over the years, Paula has accompanied me to many remote parts of the world--from Amazonia to New Zealand, Haiti to Newfoundland. I have always been able to count on her good sense and good humor and the fact that she is able to work smoothly with people at all levels, bringing out the best in each individual around her.

Paula DiPerna has also represented me at high-level meetings around the world, and I have trusted her on my behalf, knowing that she would fully warrant that trust.

My experience of Paula's skills has ranged over so many years, places and varied circumstances that no letter of reference can truly capture the extent to which I have valued her contribution.

Thus, I shall simply say that I recommend her without reservation for any post she may seek.

Thank you.

Most sincerely,

Jacques-Yves Cousteau

Women's Review of Books

January 1993

74035

\$2.00

Thinking globally, acting locally

by Paula DiPerna

ROUTE 20, THE ARROW-STRAIGHT road that once took American pioneers west across New York, traverses what would have been my Congressional district. At night, only blackness fills the rearview mirror; one can feel like an astronaut alone in the void except for an occasional flash of red, a deer or raccoon's eye, or the face-on too-bright headlights of some other late night space traveler. The crossroads towns and villages close up early—well before midnight when I was en route—and all the people inside their homes, my potential constituents, had no idea that I, the candidate, was driving by.

An arduous but exquisite interior and exterior journey, campaigning generated miles night and day, miles of distance and conversation and contact with the great diversity of human nature. In the end, I lost, though I did capture about one-third of the total vote, more than half the incumbent's showing in some counties. I spent only \$30,000 on a campaign started fifteen weeks before the election and staffed exclusively with volun-

teers—friends, acquaintances and once perfect strangers who saw in me and my election a potential worth working excruciatingly hard to realize.

Winning would have been sweeter, but nothing in my life has borne the emotional, intellectual and inspirational infusion of my bid for a seat in the US House of Representatives. I felt endowed with X-ray vision that could see through the electoral "system," as if I'd rubbed the boundaries like a horse nudges a brittle fence, to feel what it's made of and maybe knock it down. And I saw many horses doing just that, as the campaign propelled me through central New York, each tended clapboard farmhouse and rotund sturdy silo radiating bucolic calm, complete with ducks aswim on glistening ponds, chickens in the yard, contentment among the cows—yet all masking agricultural tragedy and expanding poverty in America's rural life. (The district also suffers urban decline: the largest cities, Utica, pop. 70,000, and Rome, pop. 45,000, once twin engines of Mohawk Valley industrial power, now gasp for economic

breath, losing jobs and young people to richer opportunity.)

Running was an odyssey of engagement, pitting my analytical self, trained as a journalist to eschew involvement, against my activist self, steeped in the belief that individuals make global change and have an obligation to do so.

I felt I could handle the job because my writing and research with the Cousteau Society gave me more than a decade of experience with Congressional issues and workings, as well as solid exposure to national and international leaders. But the germ of my decision grew at the Earth Summit in Rio de Janeiro in June 1992, that unprecedented gathering of world leaders intended to confront the bedrock dilemma of our age—namely, can economic development occur in the face of degraded and dwindling natural resources? This global question has endless local permutations—Utica, for example, aches to attract new jobs but wrestles with the cost of cleaning up a contaminated municipal water system.

Hopeful resolutions abounded in Rio, but new initiatives proved rare. When the heads of state assembled for their group photo, they no longer seemed agents of progress but rather mere wooden soldiers, impotent from a lack of courage or penetrating ideas.

♦♦ "Politics is only as remote and as tarnished as we ordinary citizens let it become," writes Paula DiPerna, as she reflects on her race as a feminist and environmentalist Congressional candidate in November's elections, p.6.

(over)

I RETURNED TO THE US still tasting this political stagnation, to find that the just-announced Congressional redistricting process had not eliminated the seat of my representative, a moderate Republican who'd been in office since 1982. But now his few potential opponents were living outside the district lines. The ironies hit me: in the year of change, an incumbent who had usually run unopposed seemed poised to run unopposed yet again; in the year of the woman, no female contender; and in a world and nation where fresh approaches seemed so desperately necessary, the incumbent would serve up more of the same, indeed what I had judged over the years to be exaggerated accomplishments and lackluster performance.

Carpe diem. I decided to run for Congress against the odds from the upstate region I had come to love, understand and make my home. I felt the pulse of an opportunity to stop complaining about politics and try to reshape it.

Registered Republicans outnumber Democrats in this district, but the public's anti-Washington craving for change was supposedly cascading in my favor. Dukakis had gotten 45 percent of the popular Presidential vote in 1988, despite the unfavorable enrollment. Minor party candidates, including Randall Terry of infamous Operation Rescue as the Right-to-Lifer, made it a five-way race and just unpredictable enough.

I canvassed key county Democratic Committee leaders, all enthusiastic, who laid the groundwork for my ultimate district-wide party endorsement and galvanized their ranks to secure the petition signatures needed to qualify my name for the ballot. Within two days of setting the process in motion, I was racing around a stifling Manhattan in search of a telegenic blazer to wear during a few precious moments of national coverage—the Democratic National Convention's salute to women.

For the speed of my trip from contemplation to candidacy, I can thank only good friends who said "Go for it, you'd be great" and the New York State Women's Political Caucus. Combining pragmatism with unquestioning sisterhood, a particular woman at the Caucus took my exploratory call and swung into action. Thanks to her, when Congresswoman Pat Schroeder threw a baseball out to the press to pronounce a political league of her own, my name was on the list and I was there to share the electricity.

That night, we did have our prime time, almost. Since the Convention ran late, the networks signed off before we even got to the podium. Still Governor Ann Richards of Texas announced our names one by one as we came on stage. We waved and waved to a

"I found I loved the people part of campaigning: the voters appreciated my writer's tendency to listen rather than talk, the reverse of the politician."

watching America—we thought. (If you've ever wondered, as I have, how the candidates know when to stop waving, they don't.) Finally the razzmatazz music ended, and we pulled down our exhausted arms. I walked offstage with Governor Richards, no slouch in the political instincts department, and asked her whether I, a pro-choice political neophyte, was crazy to be challenging an entrenched pro-choice moderate man. She tilted her head and quipped, "Honey, they all gotta go." With these words, the curtain fell on the glory of Madison Square Garden and rose on my grassroots campaign.

I started in deep summer at county fairs where right-minded people actually pay to bungee-jump from metal cranes and where traditional livestock competition gives way to demonstration booths touting gleaming whirlpool bath units. But the fairs still form the heart of rural life, and I met thousands of people. In a decade, Otsego County, my base, has lost half of its dairy farms, a dismal trend repeated throughout the district. I called for aggressive reform of dairy pricing and innovative debt relief for family farmers, and promised I could be their national voice by securing a seat on the House Agriculture Committee, an action the incumbent had failed to take. It was energizing to consider being able, maybe, to help people concretely.

Indeed there is nothing theoretical about being a candidate. When I mentioned health care reform, I was always asked how I planned to pay for it. And my belief in the peace dividend was tempered by the pain of real voters who would be losing real defense jobs. I cited the area's continuing dependence on defense spending for employment as an example of the incumbent's lack of vision, and pointed out defense conversion initiatives he had missed. I sketched my plans for steering the district into position as a model of post-Cold War prosperity, based on a strengthened agricultural base and new manufacturing jobs that would flow from investments in environmental technologies poorly understood by the current crop of

— But people will choose change only if they believe things can change for them, and it's tough for a challenger to raise voter self-esteem in the face of general ambient decline. The 23rd District suffers from approximately nine percent unemployment and a mean per capita income of \$14,000 per year, every indicator of social need—for example the number of families requesting food stamps—has risen over the last year. Yet voters disdain government as too big and too present. "Mandate" and "regulation" are practically dirty words, equated with higher property taxes, up between eight and thirteen percent in New York since 1986. I reminded voters that the years of Reaganomics—what I called the decade of deficit, despair and lost opportunity—were the same years the incumbent had been in office supporting policies that cost New York state alone roughly \$500 million annually in aid.

Republican enrollment, though, is almost genetically inherited in upstate New York. Eroding resistance demands advertising and voter contact—meeting as many constituents personally as is physically possible, at bowling alleys and country clubs and factory gates and pancake breakfasts and crafts fairs and Chamber of Commerce seminars and fire hall barbecues—anywhere they are. I found I loved the people part of campaigning: the voters appreciated my writer's tendency to listen rather than talk, the reverse of the politician.

AT THE VILLAGE CAFE on Main Street in Canastota, New York, population roughly 5000, three men at the marbled formica counter gripped mugs of steaming late afternoon coffee, and a couple sat at a table out of earshot in the back. I introduced myself to the coffee drinkers and handed out the palm card that concisely presented my reasons for running. The men read it, and stated as one, "We need a change," echoed by the two waitresses. I moved on to the couple. Only up close did I notice that a large linen-white sterile gauze covered where the women's larynx should be, fluttering lightly with her breathing.

I spoke to her anyway, seeing that she and her husband were communicating feverishly and efficiently by note. "What will you do for us?" she bluntly wrote on a 5 x 7 lined sheet of paper she tore from her ready pad. I gave my priorities.

"Get Bush out," she shot back on the same piece of paper, now gripping my wrist. In heavily Republican territory, I had happened upon a non-Bush voter, maybe a voter for Democratic me. Her husband gave no inkling of his views, but with the three men, the waitresses and the no-nonsense note-writing woman, I'd possibly garnered six votes. Plus one of the waitresses had agreed to pile my palm cards on the counter for other customers to peruse, and a woman accountant I'd met a bit earlier in the day gladly centered a "Di-Perna for Congress" sign in her Main Street

Slowly volunteers began to materialize from within and without the Democratic party. In Madison County, lushly beautiful and newly incorporated into the 23rd, the nexus was unabashedly women—in July all unknown to me and vice versa, but very soon all willing to spend hours on the trail, including one special day in the pouring rain as part of my “Cara-Van for Change.” My rented white emblazoned van led a line of cars, each sporting a huge DIPERNA sign on top. We whistlestopped across the county—opening the day at the Hamilton Farmer’s Market to highlight agricultural issues, moving to the Morrisville college campus to stress education reform, and promoting a “roadside chat” at Chittenango, the birthplace of the author of *The Wizard of Oz*, to declare that politics needed more heart, brains and courage. We had a ball, culminating in a Big Band “Dance into Tomorrow” at the Elks Club.

By the next week I had added to the sound truck a tape of my radio spots that included a twangy campaign song written by friends called “Change it, Rearrange it.” We rode across hill and dale and parking lot and juggled the portable speakers, pointing them out the window at any group of prospective voters—very low-tech, but it turned heads and raised smiles.

I received enthusiastic and wonderful mail, like a note from a Perot supporter that ended with “You sound like a nice lady, I wish I could send you a dozen roses.” Or a greeting card that came out of the blue with a \$10 check after the first article about me appeared in the local paper, saying simply “You sound good and your opponent sounds pompous. Please don’t turn out to be just talk too.”

Gradually, media coverage increased. I began to be recognized on the streets, called by my first name in shopping malls. I rented a large moveable balloon instead of a billboard and fitted it with a banner that said “She’s not hot air—DiPerna for Congress.” I urged the redefinition of politics as “truth in service to the people.” My Chenango County coordinator coined “Paula-tics, the end of business-as-usual.” At a sausage-and-peppers feast at an Italian church in Utica, I even had my picture kissed and lifted up to the sky.

But there was no escaping the hardest nut, fundraising. Although money came in every day from people who knew me as well as the newly converted, including my sole political action committee contribution, from Green-Vote, I was never able to crack the women’s candidate committees, such as Emily’s List and the Women’s Campaign Fund. Facing a pro-choice moderate Republican in a Republican area, I was too long a shot and too low a priority for them, doubly cursed with the need to demonstrate my “viability”

through polling they demanded but I couldn’t afford.

I got a full dose of the catch-22 that plagues the political newcomer—once you prove you can win we can help you win. A few leading individual women contributed to me directly and some, like Geraldine Ferraro and New York’s Secretary of State Gail Shaffer, enthusiastically endorsed me and urged my support. The National Women’s Political Caucus endorsed me too, but gave no cash. Deaf ears all around met my plea that sums well below the \$5000 maximum a PAC can contribute would go a long way.

I naturally understand triage takes over when money is scarcer than candidates, but some of the decision-makers frankly seemed to take a dour pleasure in telling me, as I dutifully met their requests to report my fundraising progress—the measure of one’s chances—that alas, my progress wasn’t yet enough to trigger a contribution from them. At times I felt belittled just for trying. I bear no grudges, but as more women run for office, the women’s movement will be pinched by tough and disquieting choices and a new financial power structure that threatens to pre-ordain the winners—who don’t always win—and doom the rest.

Yet my campaign was taken seriously throughout the district. Seeing me at a large dinner gala, a friendly Republican official did not hesitate to tell me that “You have the best commercials of any one running.” I was endorsed over the incumbent by one major district newspaper and received positive comments, like “DiPerna is a first-rate candidate with a good grasp of the issues,” from all editorial boards that gave me a fair hearing. But even Clinton and Gore did not carry my district, and my returns came in faster than the trip from one election night party to another. The incumbent carried away 139,774 votes to my 61,835.

A reporter who called me for a post-mortem suggested that my loss demonstrated that voters, after all, just prefer incumbents. But de facto censorship of challengers is real, and public forums are few. I asked the reporter, “How do you expect a voter to choose a chal-

lenger he or she has heard almost nothing about?” I pointed out that the reporter’s own paper had written nothing about me since my announcement in July—no in-depth interview and no campaign coverage—until a candidate “round-up” just before the election.

I always knew my campaign was uphill, but I also know I proved that idealism, integrity and substance still have a place in politics. I did nothing I wish I hadn’t, and said nothing that was untrue—two key victories to cling to when the limelight fades and the reporters stop calling. Even my opponent complimented me in print on my “excellent campaign.”

To other potential women candidates, I say don’t make a move without the three “m’s”—money, momentum and management. Any one can occasionally offset the others, but never substitute for them. I supplemented my budget by writing all my own words; the incumbent’s quarter-million-dollar war chest, derived from political action committees of every stripe, enabled him to pay a staff, constantly grease the public relations machinery, exude mailings and keep a general lock on local party dynamics. I don’t know whether any late-starting candidate has ever done as well as I did with so little, but overall I couldn’t neutralize the incumbent advantage.

Some would say I was naive to imagine that I could, but as much as I ran to win, I ran to demonstrate that campaigns are too long, too superficial and too obscenely expensive. I would do it again, because I profoundly believe I can contribute more to national and international advancement than the incumbent can or will. And because in the end, politics is only as remote and as tarnished as we ordinary citizens let it become.

The woman in Canastota wrote me one last vivid phrase before she let go of my hand, the words spilling almost off the page. “Need more women in all places,” she scrawled, “even Washington.” If a woman without a voice could so passionately speak of her dreams to me, I do not regret a single trial of the sometimes dark but always luminous roads I traveled.

PAULA DIPERNA is the author of several books and frequently writes on the politics of the environment. She works as a film producer and advisor at The Cousteau Society. She was the Democratic candidate in the Congressional race in New York’s 23rd district.

The Women’s Review of Books / Vol. X, No.4 / January 1993
Wellesley College



Paula
DIPERNA
U.S. CONGRESS

**And VOTE The Entire
Democratic Team**

IT'S TIME FOR A CHANGE

PLAYING BY THE LETTER

Writing and golf, both solo pursuits, require some of the same talents — and offer similar rewards.

by Paula DiPerna

THERE WAS no choice. Either I had to stop what I was writing or miss my starting time. I capped my pen, filed my papers, changed, grabbed my shoes and poured a handful of fresh tees in my pocket. Trading one set of implements for another, I quickly drove over to the course, feeling eager and very happy to now be facing the great blank sheets of the fairway.

I came to golf very young, thanks to my father's insistence, and to writing, thanks to some inner voice that developed on its own. But now both are fully voluntary, if inescapably pursued, like breathing and other vital functions.

My father, who played beautifully and skillfully, started me with lessons at the age of 7 or so. I was the only child in the family so favored, and though my mother also played a bit, she quit when my brother and sister came along. Since no other girls, and few boys, were playing golf in our neighborhood, my yen to play dissipated in peer pressure. I let golf slip away for nearly three decades.

Now, I've rediscovered the game and find its appeal more profound than perhaps it would be had I stuck with it all along, for it beautifully complements, even stimulates, my work.

Writers are a motley lot, with an infinite variety of working styles, but we've one thing in common: the need for quiet. Writing is a silent affair — at

least I know of no writers who talk while working, despite all urges one has to procrastinate and discuss what one wants to say instead of just getting down to saying it. The stillness that golf provides fits the writer's personality well. And yet, at the end of a writing session, the interaction of a golf game is perfect: an extension of the quiet

punctuated now and then by just enough banter with a partner. Never loud, a round of golf continues the writer's intense concentration on a single task, but the task, mercifully, is totally different. Thus, the mind is cleansed in perfect relaxation. I can't think about golf when writing, and I'd better not think about writing

ROBERT GOETZL



PAULA DiPERNA is the author of several non-fiction books and many magazine articles. Her novel, *The Discoveries of Mrs. Christopher Columbus* (Permanent Press), was published last year.

when playing golf. But the parallels do seep in.

As when I watch the tee shot fly, unlimited and unrestrained, like the first explosion of an idea, that electric second when the writing begins and pen meets paper. Even on short holes the drive stands as one's first, if not always best, expression of the raw material that remains; it is, however, meaningless without polish. And for both writer and golfer, it can be hard to recover when that material has no basic value with which one can work. Not to say a hole-in-one can't happen, but it is as rare as the piece of writing that cannot be improved upon, even by changing as little as a single word. Revision is both ally and foe to the writer and the editor; like the coach, they are the people who are usually right about the product, who see it with fresh and distant eyes and whose suggestions we ignore at our peril.

While the tee shot has everything behind it, no matter the desired distance, it is merely akin to the original

rumbling of a concept yearning to find the right outcome. Book, poem, love letter — all begin with the same initial burst. After that thought, it takes work and skill, the infinite pursuit of detail.

In writing, one is constantly approaching something better, always seeking the efficiency and precision of words, the reduction of waste, the ultimate expression of the idea in both form and substance. Each word is a coin, to be spent well, just as putts and fairway shots must be.

The whole game is a process of refinement, of doing more with less — reduce to par and then below, then a better, neater, more skilled expression of at least as good a score. There are pars and *pars* — putts the wind blew in. They count, but they don't really matter. Not that I won't take an accidental putt anytime, but what really bears significance is dropping the ball in the hole the next time the right way, by explicit design.

Both golf and writing have roughs, though one is a draft and can be re-

done almost ad infinitum and the other, as all golfers know, disturbingly gives little second chance. And more and more, like writing, golf can be done anywhere. Golf courses, I can attest, turn up at the most remote corners of the world, driven by expansion of the game itself and the insatiable wanderlust of golfers. I have now a network of courses and partners from Costa Rica to Malaysia to France. And so I can add a game day or two to my writing trips and find that just like the writer on the road, the traveling golfer must be intrepid and observant to play some of the exotic courses offered. I played one on a remote Fijian outisland where fairway grass was so lush, I thought yellow balls would stand out more and switched. I hit one down the middle of the sloping, curving, sensual next hole, only to find that so many fresh lemons had fallen from the wild, bordering trees and rolled into the fairway my new ball was literally lost. Only fire-engine red would be findable there.

High technology invades my profession as well as my game, as software packages develop that purport to erase the very need for the writer — claiming that anyone should be able to produce readable novels by formula. Dictionaries and spellchecks and portawrites all try to substitute for that basic grain of idea and talent, like the proliferating golf gadgetry that still cannot replace that single element called know-how, and its counterpart, the equally intangible and indescribable passion for the game.

Who, for example, in their right mind would want to become a writer today, with reading trailing far behind television watching as America's favorite leisure activity? Only those as bound to say what they must say as the golfer is bound to return to the course, possessed by what can only be called desire.

Golf separates me totally from all other cares, however serious, and reminds me both of the value and limits of solitude. On the course, among friends, I am the writer liberated from all but one need for expression, and this freedom brings new energy when I am ready to, again, address myself to the page. Writing and golf are, for me, equally never-ending, equally renewing. For that is the final commonality. Work with them is never done.



Discovering America: How Mrs. Columbus Saw It

By Jake Lamar

PARIS — Christopher Columbus has been having a rough time of it lately. For nearly five centuries he was considered one of history's great men, an icon for the ages. But in recent years, the Italian explorer has been damned as the father of colonialism. The more added and misbegotten the American experiment seems to some people, the more Columbus is faulted for all the sins of the New World, from the slaughter of Native Americans to the enslavement of Africans. Why, his critics seem to ask, couldn't he just have stayed at home?

The Columbus debate usually breaks down into the traditionalists versus the revisionists, the elitists versus the multiculturalists. Now into the fray jumps Paula DiPerna, an artist rather than an ideologue, a writer more interested in the scope of human compassion than the boundaries of political correctness. She describes her new book, "The Discoveries of Mrs. Christopher Columbus: His Wife's Version" (The Permanent Press), as a "feminist examination" of history. It is also a clever and inventive ravel that illuminates one of history's more shadowy spouses.

A travel writer and an investigative journalist with five nonfiction books under her belt, DiPerna chose Felipa Moniz e Perestrelo as the heroine of her first novel. In precise, elegant, somewhat formal prose, the first person narrator provides a new dimension to the tale of her husband's most famous voyage. "She's the conscience," DiPerna says. "She tells the things that weren't told at the time. She fills in a lot of the spaces."

DiPerna was researching her "Complete Travel Guide to Cuba" when she first read Christopher Columbus's diary, a document with a curious history. "The first two or three pages are in the first person and then it slips into the third person," DiPerna says. "Nobody really knows what happened to the original. As with everything in Columbus's story, there's all this mystery. False documents, forgeries, strange things."

While some hold Columbus's journal in high regard, DiPerna found the explorer's dry style "completely flat. . . Columbus had an obsession with product. He got to the New World and the idea was: What can we get out of this? We can make coffee, let's cut down the trees and plant sugar, we've got tobacco. It was all products. . . Not anything about the implications of what was going on, the New World meeting the Old World, the fact that there were people there, that this place was entirely different from anything they were expecting."

"And I wondered, if a woman had been on

this trip, would the story have been written any differently? I wondered what a woman would have said. Would she have been as obsessed with the product or would she have had more interest in the process, which I think is a fundamental male-female difference. And it just occurred to me: Who were the women in Columbus's life? Did he even have women in his life?"

Every biography DiPerna picked up about Columbus offered "the same four or five facts" about his wife. "No one added to them, no one made any attempt to expand on them, to find out more about her."

Felipa was born into a prominent but "cash-poor" Portuguese family around 1453. Her father, Bartolome Perestrelo, was a navigator and discoverer of the islands of Madeira and Porto Santo. Felipa attended Lisbon's exclusive All Saints convent school. She met Columbus while studying there and married him in 1479. "That's all anybody knows about the wife," DiPerna says. "She drops out of history in roughly 1484 or 1485. There is a legitimate controversy over whether she was abandoned in Portugal by Columbus or whether she died."

DiPerna's Felipa is a strong-willed, adventurous young woman who rebels against the constraints of convent school. After the nuns refuse to teach her how to write — "No value will come of it," say the sisters — Felipa improvises her own "sufficiently chaste" line while reciting a prayer. A nun standing within earshot resigns herself to teaching Felipa what she wants to learn.

DiPerna crafts meticulous recreations of the late 15th century, conjuring richly textured pictures of island life on Porto Santo, where Felipa and Christopher honeymooned, and political intrigue in the Lisbon court. Against this exhaustively researched background, the author lets her imagination roam free.

Felipa is clearly the brains in the Columbus marriage. It is she who suggests to her husband, whom she almost always refers to as the Admiral, that he sail west to find the East. When the Admiral needs funding for his proposed voyage, it is Felipa through her connections to royalty who gets Columbus an audience with the king of Portugal. And when the Portuguese crown turned him down, how did Columbus



The author Paula DiPerna beside a statue of Columbus.

manage to hook up with Queen Isabella of Spain? "I think his wife had something to do with that, too," DiPerna speculates. "She had relatives and people who might have made the bridge for him to Spain."

This Felipa does not disappear from history before Columbus's voyage, but joins her husband aboard the Santa Maria. And while DiPerna found Columbus's travel journal bereft of "evocation," his wife's version abounds with lush descriptions of the Edenic American landscape: "Surely this land was still mirage, a false sighting, for if the human mind had

ever conjured up such serenity, surely it could disappear like vapor at the touch of a human hand."

On Oct. 12, 1492, Mr. and Mrs. Columbus discover America. Greeted by a small band of naked Native Americans, the Admiral reads a declaration of possession, claiming the land before him as the property of Spain. The leader of the Native Americans responds "in a language none of us could grasp, full of short clicks." Thus, Felipa concludes, the first speeches between the Old and New Worlds ended with neither side comprehending the other.

A member of the welcome party cuts his hand, badly, bloodily, while examining Columbus's sword, an incident that actually occurred. "Before we had even spent a full day here," Felipa writes in her diary, "we had brought harm to this place."

It is not ideology but empathy for the people of the New World and an innate respect for the land that make Felipa worry about the moral and political dimensions of the discovery. She begins to recognize the Admiral's rapacious side. "The more she begins to think of his motives and . . . the implications of what they're doing," says DiPerna, "the more she begins to question herself and him."

But DiPerna's book never engages in glib Columbus-bashing. "The people who followed Columbus committed the worst atrocities," the author explains. "But Columbus himself did not. I thought it was unfair to lay on him the blame for everything that came after."

On the other hand: "There is also the responsibility of the explorer. He found this place but he didn't really present it as some place to be protected." In that respect, Felipa is very much her husband's better half.

She is, at once, cunning and compassionate; a preserver rather than an exploiter of resources.

A bit too good to be true, perhaps. Yet, Paula DiPerna makes Felipa and her adventure in the New World easy to believe in.

After all, DiPerna notes, "Nobody's ever said she didn't really go."

Jake Lamar is a free-lance writer living in Paris.

DIPERNA CHRONICLE FOR CHANGE

For the public interest, against the special interest

WHO IS PAULA DIPERNA?

Resident, Cooperstown, Otsego County, since 1982; active in local issues; writer, co-producer and advisor for national and international issues for Jacques-Yves Cousteau and Jean-Michel Cousteau for over 10 years, experience with Congress and officials including Heads of State; author of books and articles on subjects of economic, social and environmental importance; extensive experience on global and local issues; widely travelled; frequent lecturer and panelist; listed in Who's Who in Emerging Leaders, Who's Who in Entertainment; member, Women's Foreign Policy Council; former public school teacher; M.A., B.A., Born 1949 Democratic Candidate for House of Representatives, 23rd C.D.

"There are many women out there who want to help redirect the country; I sense you are one of these."

Chenango County Resident

**PAULA DIPERNA
DEMOCRAT
FOR CONGRESS
from the
23rd
Congressional District
which includes
all of Otsego, Oneida,
Chenango, Madison
Counties plus parts of
Delaware, Herkimer,
Montgomery, Schoharie
and Broome Counties**



**New Prosperity
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"DiPerna represents exactly the new kind of leadership we need."

*National Women's
Political Caucus,
Washington, D.C.*

"Your opponent sounds pompous. You sound good. Please don't turn out to be just talk too."

Morris, New York Resident

"Go for it, Paula, you'd be great"

Otsego County Resident

**TURN THE
PAGE ON
INCUMBENTS
WHO
BROUGHT
US THE
FAILURES
OF
THE 1980'S
BECAUSE...**

PAULA DIPERNA SPEAKS OUT

• Children and Families:

In the last decade, the child poverty rate increased 25%—now one in five American children today is poor, one in six has no health insurance, one in eight drops out of high school. Children and their parents now account for about 1/3 of the homeless population.

All the money spent for the WIC program (Women, Infants and Children) in 1991—\$2.3 billion—is still nearly 50% less than the cost of a single B-2 bomber.

• Affordable housing:

Funding for public housing was cut over 90% during the last ten years. Homeless people, including Vietnam Vets, haunt our cities and towns like shadows. This is a disgrace that grew out of speculation, greed and failed government policies.

• Rich and poor:

From 1977 to 1988, the richest 1% of American families received 70% of average growth in family income. We are becoming a nation of only two classes, a sign not only of decline, but of misguided policies that will make it impossible for the next generation of Americans to achieve a comfortable standard of living.

• The right to health security:

We could get immediate tax relief to self-employed workers, farmers and small businesses by increasing allowable deductions for premium payments. We can also provide primary and preventive care through expanding community health plans, with premiums paid partly by the Federal government. We can preserve choice in our health care system, as well as provide health care to all. Other industrialized nations do—we can too.

• Jobs loss:

Smith Corona abandoned Cortland and its workers, and the incumbent did nothing to try to stop it. We can blame the Japanese and “dumping”, BUT the real reason for Smith Corona’s action is simple greed, to take advantage of cheap Mexican labor.

Chenango County lost Sherwood Medical for the same reasons, and the bleeding of jobs will only continue under current policies, especially with the North American Free Trade Act, which the incumbent favors.

• New Jobs and the Environment:

For ten years, we’ve missed the boat on our greatest potential for new jobs and I won’t let us miss another ten. The environment is more than the great outdoors—clean air and water and energy savings subsidize our economy. New environmental industries will grow to \$300 billion by the year 2000, BUT Germany and Japan are today’s leading exporters of air and water pollution control equipment. Of the top 20 environmental labs and top ten environmental contractors in America, none is in New York. The incumbent likes to publicize a grant received by a New York utility for clean-coal technology, but he fails to publicize the key fact—the process used is German because no American process was as efficient. We can do much better and create jobs that last—jobs with real pay.

• Energy:

Energy is money, but we still waste more energy than any other developed nation. We’re spending 83% less on alternative energy research than we spent ten years ago. Yet

we were willing to fight a \$20 billion war that cost human lives to protect oil fields, a very expensive subsidy for the price of gasoline. This is a shocking failure of leadership. Current spending on energy research is paltry and we need bold new investments, using both public and private sector capital.

• Defense:

From 1981 to 1990, the United States spent \$2.8 trillion dollars, **\$23 billion on Star Wars alone, which the incumbent favors.** The world wastes one trillion dollars a year on weapons, but we are far less prepared for peace than war. We are dangerously dependent on military spending—by 1995, approximately 1000 workers per day may be unemployed through defense cuts.

Defense industries must be rapidly converted to peaceful uses, but our government has no in-depth conversion plan. Defense employees deserve better, and I would work to make our District a model of post-Cold War prosperity based on products the whole world needs.

• The Deficit:

This paralyzing weight is too handy an excuse for lack of economic innovation. We need new investment in infrastructure and research, but this must come with parallel spending limits and automatic spending caps if Congress and the Administration fail to hold spending down.

The deficit grew from the “voodoo economics” that the incumbent supported with his budget and appropriation votes.

We need new leadership...

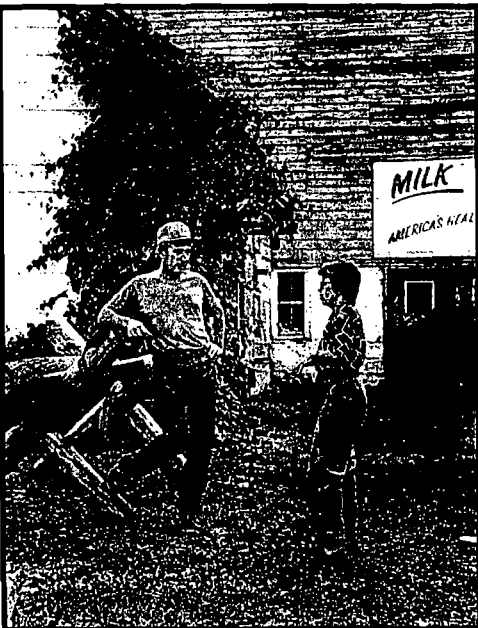
The world has changed rapidly, and our leaders have moved slowly. We need action, not reaction—no more go-along-to-get-along incumbent style of politics.

The 80's brought deficit, despair... and lost opportunity...

Ten years of Reagan-Bush-Boehlert have brought us \$400 billion in deficit due to swollen military spending, tax cuts for the better off, and stubborn recession. We are spinning in circles when we should be leading.

Family farms suffer...

Otsego County alone has lost half its family farms in ten years. This tragedy is due to policies that favor large agribusinesses and let the family farmer face property tax burdens and low prices alone. Farmers need debt relief and reasonable prices for their products, and the public needs to recognize that farmers are the key to America's food security.



Senior citizens worry for their future...

Our elder citizens fear loss of their savings, their homes, their health. Our national priorities need rearranging, to favor community-based elder homes; at-home nursing care, affordable housing and true family values that allow our seniors to live in dignity and security.

“I am running because I love life, I have hope, and I know we could be doing so much better.”

Health care reform gets talk but no action...

37 million Americans are either uninsured, or underinsured, yet health care costs soar, now consuming about 12 percent of our GNP. In ten years, the incumbent has taken no health care action. He calls for study; I call for progress.

New Jobs lie only in new thinking...

Unemployment nationally is at 7% and higher in the 23rd C.D. About 17 million Americans are unemployed or underemployed, and 3 of any 4 so-called new jobs created in the 1980's were in the lowest-paying sectors, retail and services. We need leadership that sees ahead to new ways of working, new products, new necessities. Today's lead-

ers have let weapons become America's chief growth export—a tragedy for us and the world.

Our nation has no energy plan...

I walked the blackened beaches after the Exxon Valdez and saw more than an accident. In 1977 the Alaska pipeline opened and was supposed to supply our oil until we found alternatives. But we've squandered the time since then; today half our oil is imported and we have made little progress on alternatives. The incumbent's party continues to fight against improved mileage standards, even though this would not only save oil, but make American cars more competitive.

Property tax burdens drain our rural communities...

Crushing property taxes derive from a Federal government that has turned its back on responsibility, dumping “mandates” on state and local governments without providing resources. We must break this destructive short-sighted cycle.

Local problems now demand a global view...

Even the smallest communities suffer from failed national and international Federal policies. Poverty in the Third World directly harms us, since very poor people will work for far less than the American worker and lure jobs away. We are not an island of growth anymore, and we need leaders who understand the dynamics of the world without sacrificing American citizens to selfish global competition.

(continued on back page)

Choice and Women's Issues...

Women are 51% of the population, but only 5% of the Congress. More women in Congress would be good for everyone. And all women should resent the presence of Clarence Thomas on the Supreme Court, an intellectual mediocrity and enemy of a woman's right to make decisions for herself. The incumbent's party put Thomas there; the incumbent's party remains rigidly anti-choice, and after ten years, the incumbent's voice of moderation has proven to be a voice of impotence.

Ten years of any incumbent are enough...

The incumbent has had his chance; the nation is in trouble. **His stay in Congress has been lackluster, his legislative record weak.** He takes credit for the good ideas of others but tries to slip away from the failures of his own party. You can't be all things to all people for ten years — Congress has become a safe haven of PERCS, PACS and PRIVILEGES — the incumbent uses them all. To break the PARALYSIS in Congress, WE NEED CHANGE.

**Please support
PAULA DIPERNA**
*A voice for truth
and change in Congress*

**P.O. Box 467
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Vote for PAULA DIPERNA...

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An activist
and thinker who
has always been
ahead of the
politicians,
whose work has
helped
educate the
public and bring
environmental
and social issues
into focus.

A woman
with unique
experience who
can speak for
all of us.

**Vote for
Paula-Tics,
the end of
politics-
as-usual**



**TURN THE
PAGE
ON THE
PAST—
CHOOSE
CHANGE,
NOW THAT
YOU HAVE
THE
OPTION!**

**FACSIMILE COVER SHEET**

DATE: April 5, 1996

TO: Ms. Alexis Herman - c/o: Ruby Moy

FAX #: 202/456-2983

NUMBER OF PAGES TRANSMITTED (INCLUDING COVER SHEET) 17

FROM: Janet B. Reid - per Joyce Pfarr

FAX #: 731-8702

NOTES: Alexis,

We would like to include David Dorff from Arby's in the President's

roundtable. Following is information concerning Arby's community/

employee activities and programs.

Would you please let us know if Mr. Dorff will be invited to

participate.

Talk with you soon.

Janet / J.P.

7162 READING ROAD, SUITE 250
CINCINNATI, OHIO 45237
(513) 366-8344

The Arby's Foundation, Inc.

The Arby's Foundation was established in 1986 by Arby's, Inc., as part of a focused commitment to make a valuable difference in the education and development of the youth of America. The non-profit, non-sectarian, grant giving organization is dedicated to the support and nurturing of *families in need and their children.*

Big Brothers/Big Sisters of America, which matches school-age children from primarily single-parent homes with adult volunteers who act as friends and role models, was chosen by the Arby's Foundation as its national corporate charity.

The unwavering commitment to Big Brothers/Big Sisters of America has led to some tremendous accomplishments.

- Arby's & Big Brothers/Big Sisters of America Scholarship Program: This program, founded by the Arby's Foundation, has funded college scholarships totaling approximately \$500,000 which have been awarded to kids associated with Big Brothers/Big Sisters of America.

This program provides two four-year, \$20,000 scholarships and 10 one-year, \$1,000 scholarships annually to participants in the Big Brothers/Big Sisters program. Nominations are accepted from throughout the United States, and the awards are presented at the Big Brothers/Big Sisters annual convention.

- Arby's Rockin' Hat Ranch Program: This program, founded by the Arby's Foundation, for Big Brothers/Big Sisters of America was inaugurated in 1994 and has been a tremendous success. The Rockin' Hat Ranch program gives at risk children and their mentors an opportunity to learn leadership and life skills in a fun and unique ranch experience.

The initial program was designed for "Bigs" and "Littles" to receive an all-expense-paid trip to a ranch setting for a week. Activities include horseback riding and nature walks to leadership building and skills development with an emphasis on community service.

The Arby's Foundation's goal is to increase the number of ranch sessions to expand this opportunity to Big Brothers/Big Sisters participants nationwide.

- Over \$8.5 million dollars has been donated to Big Brothers/Big Sisters of America with the help of the Arby's system.

HUMAN RESOURCES



Date: March 24, 1995
To: All Arby's and Royal Crown Home Office Employees
From: Tom Christopher
Re: Alternative Education Program

In light of the number of Royal Crown and Arby's employees currently working on their bachelor's degree, we are pleased to announce a proposed joint venture with Lynn University.

The proposed program is an alternative education program designed for working adults pursuing bachelor's degrees. Qualifying students will meet once a week for 4 hours for a total of 24 months resulting in a bachelor's degree from Lynn University. Best of all these classes will be held here right on site!

To qualify students need to have fulfilled a list of prerequisite courses basically equaling those required for an associate degree. However, even if you are short courses, Lynn University has a variety of methods to help you get the necessary prerequisites.

This program is eligible for reimbursement under both the Arby's and Royal Crown Tuition Reimbursement plans.

To see if you qualify and hear more about the program, we will be holding an informative meeting on 4/6/95 at 5:30pm in the Test Kitchen Training Room. Please RSVP by 4/4 to Marilyn Strosberg (5232) if you plan to attend. If possible please try to bring a copy of your most recent transcript(s) as counselors will be on site to provide initial program counseling.

THEY HAVE IT THEIR WAY . . . ARBY'S EMPLOYEES

In June of this year, a group of Arby's employees started a Bachelor of Professional Studies program at a site so convenient to them that it was impossible for them to ignore the opportunity. It was at their corporate headquarters in Ft. Lauderdale.

Their first night in class was the culmination of about four months of planning and development between Lynn University representatives, Mary Tebes, Assistant Dean, and Linda Kosene, Area Director and Human Resources representatives from Arby's, Tom Christopher, Sr. Director and Diann Minoso, Director of Travel, who is also a student in the inaugural class.

The program, as it was designed, offers ten courses, comprising a major in Business Administration, at the Arby's site in ten week sessions which run without a break for two years. Students who have earned prior college credits, transfer those to the University and those students who do not have prior academic credit can earn the credit by taking classes at the Boca Raton campus or through standardized testing. All students in the program are eligible to earn up to 30 credits for work experiences through a process called Prior Learning Assessment.

The program, which has garnered much publicity for both the University and for Arby's, is about to start the third module in which students will be studying Organizational Behavior. Previously, the class, which has doubled in enrollment since the inception of the program, has studied Human Resources Management and International Business.

If you're interested in a similar program at your work site, or would like to have a program designed specifically for the needs of your company, please call the School of Professional, Continuing and Graduate Studies at (407) 994-0770, Ext. 194/196.

Employees



FYI

Fou MBA program

February 27, 1996

TO: All Arby's Corporate Employees

FROM: Bob Dees
Senior Vice President Human Resources

SUBJECT: ARBY'S MBA PROGRAM

Arby's, Inc., in conjunction with Florida Atlantic University (*an AACSB accredited university*), will be offering all Arby's corporate employees a Masters in Business Administration program.

Beginning in late April, the MBA program will be held on site in the Test Kitchen conference room located on the first floor. Classes will be held on Mondays and Wednesdays from 5:30 p.m. to 9:30 p.m. The MBA program is set up with fall, spring, and summer semesters and will take approximately 24 months to complete.

The cost to you is minimal. Your charges will be as follows:

- \$1,000 for 1996
- \$500 for 1997
- No Cost for 1998
- Books Extra

Currently, there are a minimum of 10 slots open and a maximum of 20. This program will also be open to spouses if there are unfilled slots.

If you are interested in the MBA program, please contact John Campbell, Arby's Manager of Human Resources, at extension 5220 no later than Monday, March 4 for more details.

Objectives

- Provide full-time Arby's/RC employees an opportunity to obtain graduate business degree in convenient location and at accelerated rate
- Partner with FAU to create true "Learning Organization" environment
- Increase individual development
- Improve leadership skills of current leaders
- Provide employees with additional skills for current position
- Provide organization cost-effective means for developing "pipeline" of future leaders



1994 & 1995 COMMUNITY PROJECTS

1994 Community Activities

- Southern Christian Leadership Conference (minority organization): placed ad in their Martin Luther King conference magazine.
- Shrine Circus: purchased circus tickets that were donated to Big Brothers/Big Sisters of Broward County.
- Hope Center: money donation
- AIDS Walk For Life: money donation
- Broward Center for Performing Arts: Fed 900 volunteers for "Curtains Up '94" Event.
- UM Golf Tournament: food sponsor for University of Miami Golf Tournament
- Junior Achievement: donated money to help provide classes to promote business.
- Broward Sheriff's Department: fed walkers for the "March Against Crime and Drugs."
- Areawide Council on Aging: sponsored "Swing for Seniors" golf tournament.
- MALDEF (Mexican-American Legal Defense Education Fund): money donation.
- Uptown Business Council of Ft. Lauderdale: food sponsor for "Kids 'N' Us" event.
- Museum of Art: corporate sponsorship.
- American Cancer Society: money donation
- School Days with the Marlins: sent kids from Broward County Public Schools to Marlins game.
- ITV Homework Hotline: donated money and treat cards to children's television homework hotline.
- NABA (National Association of Black Accountants): money sponsor for annual dinner.

1995 Community Activities

- Arby's Uptown 5k Run: a yearly event sponsored by Arby's, Inc. where proceeds go to Big Brothers/Big Sisters of Broward County.
- Juvenile Diabetes Foundation "Walk For The Cure": sole food sponsor (served 1100 walkers); employees participated in walk raising the most money out of all the companies that participated in the walk.
- Arby's/Royal Crown Summer Arts Program: sponsored a summer art camp for kids with the Ft. Lauderdale Museum of Art.
- Broward Center for Performing Arts: fed 900 volunteers for "Curtains Up '95" event.
- South Florida School Days: fed 1400 kids at the Lipton Tennis Tournament
- School Days with the Marlins: sent kids from Broward County Public Schools to Marlins baseball game.
- National Multiple Sclerosis Society: fed 250 walkers at MS Walk.
- Big Brothers/Big Sisters of Miami Recruitment Project: money donation.
- Marlins' Ticket Donations: donated 70 baseball tickets to Big Brothers/Big Sisters of Miami and Big Brothers/Big Sisters of Broward County.
- City of Boynton Beach Centennial Celebration: treat card donation

- Abundant Life Golf Tournament: treat card donation
- Palm Beach County Crime Prevention Golf Tournament: treat card donation
- N. Miami Swingers (dance for retarded citizens): treat card donation
- Chamber of Commerce Partners in Excellence Program: treat card donation
- Chris Evert/Elesse Celebrity Tennis Tournament: money donation
- Shepherd Spinal Center (golf tournament): sponsored a foursome.
- Catholic Charities: money donation
- Boca Raton Municipal Golf Tournament: money donation
- American Cancer Society: money donation
- Starlight Foundation: money donation
- Nashville Songwriters Association International: money donation
- MALDEF: \$5,000 donation
- Broward County Library Literacy Conference: money donation
- Youth Automotive: money donation
- Hallandale Adult Community Center: donation of toy musical instruments
- "Throw Out The First Pitch At A Marlins Game": Gave Arby's, Inc. employee an opportunity to throw out the first pitch of a baseball games.
- Employee Days at Ft. Lauderdale Museum of Art: sponsored two employee days.
- NABA (National Association of Black Accountants): money sponsor for annual dinner.

1996 Community Activities (to date)

- Museum of Art: sponsor of 10th anniversary gala
- Arby's annual 5k run: proceeds benefited Big Brothers/Big Sisters of Broward County.
- Big Brothers/Big Sisters of Broward: sponsor of "Shepherd Estate" event.
- American Heart Association: money donation
- Juvenile Diabetes Foundation "Walk For The Cure": primary food sponsor for 1500 walkers; employees of Arby's, Inc. participated in the walk to raise money.
- Juvenile Diabetes Foundation "Father's Day Council": working with South Florida Juvenile Diabetes Foundation to present 1st annual "Father's Day Council."
- The Starting Place: money donation (sponsor) of 5k Run Away From Drugs.
- The Foundation Fighting Blindness: treat card donation for golf tournament
- Arby's/Royal Crown Summer Arts Program: sponsoring this year's summer art camp for kids with the Ft. Lauderdale Museum of Art.
- Simon Wiesenthal Center: \$10,000 sponsor.
- Shepherd Spinal Center (golf tournament): sponsoring a foursome.
- Orange Bowl Committee: money sponsor to help raise funds for the United Negro College Fund.



For Your Health

"Promoting A Sound Body And Mind"

TO: Arby's Employees

FROM: Bob Dees *BD/a*

DATE: April 4, 1996

SUBJECT: **WORKSITE WELLNESS**

In keeping with Arby's goal of becoming the "Employer of Choice," we are continuing to enhance our benefits with the addition of a Corporate Wellness Program - Arby's "Worksite Wellness."

Worksite Wellness has been designed with two objectives in mind — to provide an opportunity to gain useful information about our health and to have some fun while learning. Many exciting activities are being planned for the year, beginning this month with a **Health Fair on Friday, April 19th**. The **Health Fair** will be held at corporate headquarters. This is a great opportunity for all of us to enhance our knowledge of health and fitness and to have a great time in the process. More information will be released in the next few weeks so that we can start marking our calendars!

Debbie Clasen will be coordinating **Worksite Wellness**. To assist her, a team of employees are participating in the development and implementation of the program. Team members are Andy Abbajay, Kelley Barnett, Carolyn Gorwitz, Suzie Hastings, Candy Hawkins, Richard Marshall and Stuart Suls. Please contact any of the individuals listed above if you have questions, comments or suggestions for the program. Our goal is to make **Worksite Wellness** a success for everyone, so your feedback is strongly encouraged.

As part of **Worksite Wellness**, Arby's will provide each of us with a complimentary subscription to the **HOPE Health Letter**, featuring information about health, safety, nutrition and fitness that we can share with our families. The first issue is attached with future issues being mailed directly to our homes monthly.

Worksite Wellness is designed for each of us, so let the team know how they can make this program more enjoyable and useful. Together we can create a program of fun, healthy activities for all to enjoy!

Hope

HEALTH LETTER

VOL. XVI, NO. 4



THE HOPE HEART INSTITUTE

APRIL 1996

FOR THE PROBLEMS OF YOUR JOB...

Be thankful NOW

Stephen R. Yarnall, MD
Fellow of the American College of Cardiology

Years ago I saw a sign over a desk that read: "Be thankful for the problems of your job — without them you could be replaced by someone who makes less money."



• Who has not made some terrible mistake?

• Who has not been judged falsely?

• Who has not thrown themselves into some worthy, passionate cause — only to be utterly and totally disappointed?

Over the years, life has continued to teach me that, on and off the job, we are evaluated more by *how* we handle problems than by the successes we achieve.

• Who is there among us who has not had some problem of self-esteem or feelings of inadequacy?

• Who has not had problems with friends and loved ones — or even with complete strangers?

• Who has not suffered financial worries and setbacks?

• Who has not suffered heart-break?

• Who has not suffered some challenge dealing with pain?

• Who has not had a physical or mental disability?

• Which parent has not had a problem with a child, and which child has not had a problem with a parent?

As much as we try to avoid pain and problems, they show their heads at every turn. This being the case, we should *embrace* them and let them be our teachers.

Without problems, we would not be the person we are.

Hope and happiness lie in the fact that there is no problem that an ounce of *love* and an ounce of *humor* cannot make better. Grab hold of these "flotation devices" the next time you find yourself overboard.

Problems are *really* golden opportunities disguised in work clothes.

Thank goodness for every one. □

Amazing things to see

• Jogger dashing across a busy intersection against a red light — worried that if she waits for a green light, her exercising heart rate will decrease. (You'll have *no* heart rate, if you keep this up!)

• Weight-watcher who "just eats salads" constructing an 800-calorie salad out of ham, cottage cheese, sunflower seeds, olives, macaroni, marinated beans, cheese, and two ladles of salad dressing. □

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• and Much More!

stress

THINK YOU'RE A FAILURE?
A LATE BLOOMER?

'April Fools'

 Michael Jordan, one of basketball's greatest players, did not make the high school basketball team in his sophomore year. His coach said "he wasn't good enough."

 Mickey Mantle struck out 710 times.

 Emily Dickinson wrote about 1,800 poems, but only seven were published in her lifetime.

 Ted Turner of Turner Broadcasting was suspended twice from Brown University; eventually he dropped out.

 Julia Child could barely cook until she was 34 years old — that's when she attended her first cooking school.

 Orville Wright was expelled from the sixth grade for bad behavior.

 Jay Leno, comedian, had a fifth-grade teacher who said, "If Jay spent as much time studying as he does trying to be a comedian, he'd be a big star."

 Charles Schulz failed algebra, Latin, English, and physics in high school — and had his cartoons rejected by the yearbook staff. He once applied for a cartoonist job at the Walt Disney studios, but was turned down.

 Whoopi Goldberg is a high school dropout. She once worked in a mortuary doing reconstruction work on hair and lips.

 Robin Williams was voted "Least Likely to Succeed" in high school.

 Katharine Hepburn was expelled from Bryn Mawr College for smoking a cigarette.

 Christie Brinkley, supermodel, says she was a chubby, shy teenager.

 Benjamin Franklin only went to school from age eight to age 10. □

Source: *Celebrity Setbacks* by Ed Lucaire

BOX YOUR STRESS

Look at the big and the little stresses in your life. Which box would you put each of them into?



IMPORTANT & CONTROLLABLE

- I'm frustrated that I don't get more exercise.
- I hate it when the phone rings during dinner and disturbs our family time.
- I'm worried that I'm charging too much on my credit cards.

NOT IMPORTANT & CONTROLLABLE

- I'm angry that the newspaper carrier keeps tossing the newspaper on the roof.
- I really hate it when people leave crumbs on the kitchen counter.

IMPORTANT & NOT CONTROLLABLE

- I'm upset that my best friend is moving away.
- I'm worried that grandma won't be here much longer.

NOT IMPORTANT & NOT CONTROLLABLE

- I'm depressed about getting older.
- It makes me mad when it rains after I wash the car.

Really think about what's important and what's not important.

And really think about what's controllable and what isn't.

If you can do something about a situation, take action. If it's entirely out of your hands, concentrate on making new plans, changing your thinking, and adjusting your attitude (get professional help, if necessary).

If your newspapers keep landing on your roof, don't stew about it — call the circulation department.

But if it rains on your newly washed car, what can you do but let it rain?

It all comes down to having the "serenity to accept what you cannot change, the courage to change what you can, and the wisdom to know the difference." □

HE DIDN'T FORESEE FAX MACHINES

"Before man reaches the moon, your mail will be delivered *within hours* from New York to California, from England to India, by guided missile.

"We stand on the threshold of rocket mail." □

— Arthur Summerfield,
U.S. Postmaster General,
June 23, 1969

The information in this publication is meant to complement the advice of your health care providers, not to replace it. Before making any major changes in your diet or exercise program, talk to your doctor.

Doc Talk

Stephen R. Yarnall, MD
Fellow of the American College of Cardiology

Q I smoke only one or two cigarettes a day. Is that a problem?

A Smoking speeds aging, and all of the diseases associated with aging.

A little smoke accelerates the problems a little bit; more smoking accelerates the problems to a greater extent.

It's all a matter of how much cumulative damage you are willing to accept.

Here are several things worth considering:

1. The nicotine in even one cigarette temporarily constricts (reduces the size of) the arteries. This can lead to heart arrhythmia and sudden cardiac death.

2. The carbon monoxide in even one cigarette binds to the hemoglobin in the blood, and robs the tissues of some of the life-giving oxygen they need.

3. Smoking even one cigarette makes a statement to young people and others who will say, "If he or she smokes, it must be OK."

Ultimately, smoking is a choice. We all have to ask ourselves what sort of choices we want for our health, and what kind of example we set for others.

It's also true that smoking one or two cigarettes a day is literally playing with fire. Today it's one or two cigarettes; next month it's 10 — someday it might be a pack or two a day. Why take the chance? □

Have a question?
Write: "Doc Talk"
528 18th Avenue
Seattle, WA 98122

exercise

Muscle soreness?

Overworking our muscles causes tiny tears in the muscle fibers. This causes the muscles to swell, and this swelling — along with the waste products that result from muscle breakdown — causes soreness.

"We should be able to get into shape without getting stiff and sore," says fitness expert Joan Ulyot, MD.

"But most of us believe we have to overdo it to feel as if we've done something."



7 AFTER-THE-FACT TIPS

Ice If you know you've overdone it, take a cold shower, bath, or swim as soon as possible. (After a hard run, many runners hose their legs down with cold water. Racehorses get this treatment, too.)

Or, apply an ice pack to your muscles for 20- to 30-minute periods every hour.

Cold constricts (closes) the blood vessels and keeps the blood away from the injured muscles. This reduces inflammation.

Ice Avoid heat for the first 24 hours. Applying heat to sore muscles within the first 24 hours can increase muscle soreness and stiffness — even though it usually feels good.

Heat causes the blood vessels to dilate (open), which causes fluid to accumulate (i.e., swelling).

Ice Take anti-inflammatory medication such as aspirin or ibuprofen. Follow label directions.

Ice Do gentle stretches, or go for a walk or a swim. Getting some light exercise the day after hard exercise helps relieve muscle soreness.

Ice Forget "sports creams." These make your skin feel warm or cool, but they do nothing for underlying tissues.

Ice Use massage carefully. A gentle massage one or two days after "overdoing it" increases blood circulation and promotes healing.

Massaging your muscles too soon or too vigorously can increase soreness.

Ice Listen to your body. Pain is your body's way of telling you that you overdid it. Slow down. Take it easy. "Just do it" — gradually. □

Source: *The Home Remedies Handbook* by the Editors of Consumer Guide

personal safety

LOOK IN THE FRONT OF
YOUR PHONE DIRECTORY
YOUR LOCAL DOMESTIC
VIOLENCE HOT LINE



1. Call if you are ever a victim of domestic violence.



2. Call if you need help controlling your anger and violence.



3. Call if you need advice on how to help a friend or family member who is a victim or an abuser. □

beta carotene supplements

♥ Contrary to what was once thought, beta carotene taken in supplemental (pill) form does *not* seem to lower the risk of heart disease or cancer.

For smokers and others who have a high risk of cancer, it may increase their risk for this disease.

In a recent National Cancer Institute (NCI) study of more than 18,000 smokers and asbestos-exposed workers, researchers found 28% more lung cancer and 17% more deaths among those who were taking high doses of beta carotene and vitamin A.

Another NCI study of over 22,000 physicians found no harm — and no benefit — for smokers and nonsmokers who took beta carotene supplements.

There's no evidence that the low doses of beta carotene — usually about 3 mg. — in multi-vitamin supplements are a problem; but high-dose supplements are no longer considered a good idea — especially if you drink or smoke.

A diet high in beta carotene (i.e., one that's rich in dark green and dark yellow fruits and vegetables) has been proven to help prevent heart disease and various cancers.

One researcher sums it up: "This indicates that you can't go from the complexity of a healthy diet to a single pill."

Source: Fred Hutchinson Cancer Research Center; University of Washington; National Cancer Institute

bottled water

♥ New government regulations that go into effect this summer will standardize the labels on bottled water.

The label "spring water" will mean that the water actually came from a spring. The label "mineral water" will signify a certain content of minerals.

If the bottled water comes from municipal supplies, the label will have to say so. If the water is "sterile," it must be processed to meet the Food and Drug Administration's requirements; otherwise, the label must indicate that the water is not sterile.

Americans spend \$3 billion annually on bottled water.

Source: U.S. Food and Drug Administration

painful underwear

♥ Bras that have thin straps and/or that dig into your shoulders can cause various aches and pains over time.

Potential problems can include nerve damage to the neck that leads to headaches, neck and shoulder aches, and pain that radiates down the arms.

Solution: Choose a bra that has wider straps, and one that does not put pressure on your shoulders.

Editor's Note: Also, men should pay special attention to the size of their shirt collars and pant waists. Wearing too-tight clothing around the neck and the waist can cause assorted medical problems.

Source: University of Texas Southwestern Medical Center, Dallas

Research News

credit cards

♥ The average U.S. credit card holder carries a balance of \$3,900. Only one-third pay their credit card bills in full each month.

Source: Bankcard Holders of America

ulcers

♥ Only recently was it discovered that more than 95% of people who have duodenal ulcers, and more than 80% of people who have gastric ulcers are infected with *Helicobacter pylori* ("H. pylori") bacteria.

In the U.S., H. pylori is found in over half of the population over 50 years of age, but in only 20% of the population born since 1950.

Researchers say they've a lot to learn about the diagnosis, treatment, and prevention of ulcers. At present, leading-edge treatment involves antibiotic therapy.

It's been difficult for both doctors and patients to get used to treating ulcers with antibiotics — all of us were raised with the mistaken idea that ulcers are caused by stress.

Source: Epi-Log, Vol. 36, No. 10
Seattle-King County Department of Public Health

share a germ

♥ When no one's looking, 40% of men and 22% of women drink milk straight from the carton; 54% of men and 37% of women drink fruit juice straight from the carton.

Source: Are You Normal? by Bernice Kanter

DIGESTED FROM
LEADING
PUBLICATIONS AND
AUTHORITIES



kid dangers

♥ Every year, about 25,000 American kids are injured when they fall or jump out of grocery shopping carts. About 2,000 of these injuries are serious enough to require hospitalization. A few children have died.

Researchers say "lack of parental supervision" is to blame.

If you put your child into a grocery cart, don't ever turn your back on it. And don't allow your child to reach for items on grocery shelves; this can tip the cart.

Source: Archives of Pediatrics and Adolescent Medicine, Vol. 149, No. 11

organ donors

♥ Having a notice on your driver's license that you want to be an organ donor will *not* automatically make you an organ donor should the situation arise.

If your family says "no" to doctors, their wishes will be honored. So, make your feelings known.

Source: The University of Colorado Health Sciences Center

30 minutes

♥ Every adult should accumulate a total of 30 minutes (or more) of moderate-intensity exercise every day. Brisk walking (4 mph) is one way to do this. Experts say that even short bouts of exercise (e.g., taking the stairs instead of the elevator, riding an exercycle while watching TV, raking leaves) can confer important health benefits.

Exercise does *not* have to be vigorous or prolonged to be of worth.

Surveys show 30% of American adults are completely sedentary.

Source: *Journal of the American Medical Association*, Vol. 273, No. 5

AIDS

♥ In 1990, only 5,000 cases of HIV were reported in South Africa. Now, there are 1.2 million cases; and in the year 2000, it's expected 8 million South Africans — 20% of the country's population — will carry the virus.

The political isolation that limited the number of foreign visitors from epidemic areas slowed the arrival of the disease.

Source: *Associated Press* report; South African Health Minister Nkomozana Zuma

cervical cancer

♥ Cervical cancer is very rare in celibate women, such as nuns.

"Most of my colleagues consider cervical cancer to be a sexually transmitted disease. The human papilloma virus (HPV) (i.e., genital warts) is likely the agent responsible for this cancer."

Source: OB/Gyn Susan Davidson, MD, University of Colorado Health Sciences Center

sugar & behavior

♥ In a review of 22 scientific studies that followed the behavior of nearly 600 kids, researchers say "There's no evidence to support the idea that sugar affects the behavior or learning of children."

In other words, scientists do *not* believe that giving children a lot of sugar makes them "hyper."

Teachers and parents often blame *sugar* for children's excited behavior. But researchers say it's probably the *circumstances* in which sugary foods are provided — parties, awards, treats, etc. — that cause the excitement.

Source: *Journal of the American Medical Association*, Vol. 274, No. 20

ALLERGIC TO JEWELRY?

If you aren't able to wear pierced earrings or other everyday jewelry — consider calling for a free *Simply Whispers* catalog.

According to an independent medical study reported in the *Journal of the American Academy of Dermatology*, the jewelry in this catalogue can be "safely recommended to nickel-sensitive individuals who do not tolerate other types of earrings."

The catalog also includes allergy-safe rings, chains, bracelets, and pendants. □



For more information call:
1-800-451-5700

Vegetarians

♥ 6% of American adults never eat red meat; 4% never eat eggs; 4% never eat fish; 3% never eat poultry; 3% never eat dairy products — and 1% eat "none of the above" (i.e., they are "vegans").

Source: Roper poll sponsored by The Vegetarian Resource Group; (410) 366-VEGE

Soccer injuries

♥ Padded goalposts and shin guards are the two primary ways to reduce soccer injuries.

In the last decade, at least 18 people have died after they slammed into soccer goalposts. Shin guards reduce the force from kicks by up to 70%.

Source: U.S. Consumer Product Safety Commission

Look what was out to get us 300 years ago!

The following Coroner's Report lists the "causes of death" for the city of London during the week of August 15, circa 1680:

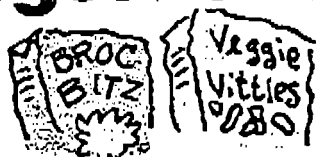


CAUSE OF DEATH	NUMBER OF VICTIMS	CAUSE OF DEATH	NUMBER OF VICTIMS
Aged	45	Gowt	1
Bleeding	1	Grief	3
Broken leg	1	Gripping in the Guts	79
Broke her skull by a fall in the street at St. Mary, Woolchurch	1	Head Mould Shot	1
Consumption	126	Jaundies	7
Convulsion	89	Imposthume	8
Cough	1	Kingzevil	4
Dropsy	53	Lethargy	1
Feaver	348	Stone	2
Livergrown	1	Stopping of the Stomach	17
Palsie	1	Strangury	3
Purples	2	Suddenly	2
Quinsie	5	Surfeit	74
Rickets	23	Teeth	112
Rising of the Lights	18	Thrush	6
Rupture	1	Tissick	8
Scurvy	3	Ulcer	1
Shingles	1	Vomiting	10
Spotted Feaver	166	Winde	4
Flux and Small Pox	11	Wormes	20
Flux	1	Plague:	1,237
Frighted	2	Parishes clear of the Plague:	27
		Parishes infected:	103

Eating Well

EXPERT SAYS, 'YOUR MOM WAS RIGHT'...

Eat your fruits and vegetables



Q You believe the "gold" in disease prevention, especially cancer prevention, is in nutrition. Why?

A The health benefits of fruit and vegetable consumption, and a low-fat diet, are so great.

People who eat the least fruits and vegetables have *twice* the cancer rate for most types of cancer as people who eat the most.

The people who are the healthiest eat at least *two* fruits and *three* vegetables every day. They also eat less animal fat.

Q Is diet as important in the prevention of *other* diseases as it may be for cancer?

A Absolutely. The rates of diseases such as heart disease and cataracts are *much* higher in people who do *not* eat enough fruits and vegetables.

I think all of the degenerative diseases of aging are minimized by a good diet.

Q Patients would like to believe there is a "magic bullet" that can delay or prevent disease and aging. What do you think?

A There are *three* "magic bullets": Don't smoke. Eat a good diet. And exercise.

Q What about genetic factors?

A Genetics obviously play a role, and we need to learn more about that role. But I think, right now, we *already* know what to do.



We have three big killers out there — smoking, bad diet, and sedentary lifestyles. We need to be constantly pushing our patients to improve in these areas. □

Source: Bruce Ames, PhD, professor of biochemistry and molecular biology and director of the National Institute of Environmental Health Sciences Center at the University of California, Berkeley.

PROTEIN...

You're probably eating too much of it

The average American eats approximately 100 grams of protein a day — nearly *twice* the amount required. The Recommended Daily Allowance [RDA] for protein is 56 grams for men and 46 grams for women.

Excess protein in the diet is either burned off through activity and exercise (just like carbohydrates), or stored as *fat*. It is *not* stored as protein. □

KEEPING YOUR BATHROOM SCALE HONEST

A simple way to check the accuracy of your bathroom scale is to weigh a five-pound bag of flour or sugar. □

EATING WELL RECIPE

Almost-No-Fat Potato Salad

- 1 1/2 pounds of small, red new potatoes (about 12)
- 1 pound sweet potatoes (2 medium)
- 3 scallions, inc. green tops, thinly sliced
- 1/2 cup packed parsley, finely chopped
- 1/2 cup packed cilantro leaves, finely chopped
- 1/4 cup loosely packed mint leaves, finely chopped
- 1/2 cup nonfat yogurt
- 1/2 cup low-fat mayonnaise
- 1/4 tsp. Tabasco
- Juice of 1 large lemon (about 3 Tbsp.)
- Salt and freshly-ground pepper (optional)

Scrub potatoes. Bake at 375° until just tender. Let cool slightly and cut into 1" cubes — leaving skins on.

In a large mixing bowl, combine the potatoes, scallions, and chopped herbs.

In a small bowl, combine the yogurt, mayonnaise, Tabasco, and lemon juice until well-blended. Stir the sauce into the potato mixture. Sprinkle with salt and pepper to taste; adjust other seasonings, if desired.

SERVES 8. Per serving: 140 calories and 3 grams of fat.

Source: *Cooking with the Stars: Healthy, Delicious Recipes from Celebrities' Own Kitchens*, edited by Michael F. Jacobson, PhD

Take care

health

Hay fever notes

• The symptoms of hay fever ("allergic rhinitis") include a stuffy, runny nose; watery, itchy eyes; headache; and sneezing. Biggest causes: dust, and spring and fall pollen.

• Treatment involves *avoiding* the allergen to the extent possible, and using over-the-counter or prescription medicines.

• Antihistamines block the action of *histamine* — a substance that's released during allergic reactions. Antihistamines also have a drying effect and help relieve nasal congestion.

Common over-the-counter antihistamines include diphenhydramine (e.g., Benadryl), chlorpheniramine maleate (e.g., ChlorTrimeton), tripeleminamine (e.g., PBZ), and brompheniramine (e.g., Dimetane).

These four drugs are from three different classes of antihistamine compounds. Because people respond to these drugs differently, you'll have to use trial-and-error to see which one works best for you.

• The most common side effect of antihistamines is *drowsiness* — which is why you should be very careful using them prior to driving, bicycling, and using machinery.

• The *prescription* antihistamine terfenadine (Seldane) causes less drowsiness, but it may be less effective.

• Decongestants (pseudoephedrine, etc.) are often added to antihistamine medication. These can help with the congestion, and may help combat the sleepiness caused by antihistamines.

Source: *Take Care of Yourself* by Donald M. Vickery, MD and James F. Fries, MD



For more information call:
Allergy Information
Referral Line
1-800-822-2762

TIPS

WHAT TO DO

• Use antihistamines routinely.

Take them *every day* as a preventive measure during the allergy season. Typically, people take them only when they're really miserable.

• Build up a tolerance.

If one kind of over-the-counter antihistamine makes you really sleepy, buy one with a *lower dose* and take the lower-dose pill before bedtime for several days.

Then, before bedtime, take a pill with a higher dose of antihistamine. Then start taking one higher-dose pill in the morning *and* one at night.

This *gradual* dose increase can help you build up a tolerance so you won't get so sleepy.

• Take your antihistamine 30 minutes *before* you go outside.

• Limit outdoor activity, especially in the morning.

Pollen counts peak between 5 a.m. and 10 a.m. Counts are lowest in the late afternoon.

• Limit nasal sprays.

If you use these for more than about three or four days, you can get resistant to them and your congestion can get worse.

Alternative: Inhale salt water (1 tsp. of salt to one pint of water, plus a pinch of baking soda). Place a few drops on a spoon and sniff it up each nostril.

• Use your air conditioner (cool or fan setting); clean filters at least once a month.

Keep your home and car windows *closed*.

• Beware of "pollen cling."

Wash your hair every evening to keep the pollen off your pillow at night. Don't line-dry clothes. Don't let your animals inside. □

Source: *The Doctors' Book of Home Remedies II* by Sid Kirchheimer; Steve Moore, MD



BREAST CANCER...

Information you never see

❑ In the absence of major risk factors, the average American woman's chance of developing breast cancer between the ages of 35 and 55 years is only 2.53%.

❑ Half of the average woman's risk of breast cancer occurs *after* she is 65 years old.

❑ Only 5% to 10% of breast cancers are thought to be due to specific inherited genes.

❑ If you have *multiple* relatives (maternal or paternal) with breast cancer, if you have a family history of ovarian cancer in association with breast cancer, or if you have a family history of bilateral (both breasts) and/or early-age breast cancer, then you may be looking at a *genetic* problem.

PROBABILITY OF DEVELOPING & DYING OF BREAST CANCER

AGE (YEARS)	RISK OF DEVELOPING BREAST CANCER	RISK OF DYING FROM BREAST CANCER
• 20-40	0.49%	.09%
• 35-55	2.53%	.56%
• 50-70	4.67%	1.04%
• 65-85	5.48%	1.01%
• Birth-110	10.2%	3.6%*

*This means that 3.6% of American women who live to be 110 die from breast cancer.

Source: CA — A Cancer Journal for Clinicians, published by the American Cancer Society, Vol. 45, No. 5

Heal Yourself

this 'n that

HOPING AND WISHING NOT THE SAME THING

"Hoping is active, and wishing is passive. Hoping means seeing that the outcome you want is possible, and then working for it. Wishing means just sitting there, waiting for a miracle to happen out of the blue." □

— Bernie S. Siegel, MD

ONE WAVE AT A TIME

"If an ocean liner could think and feel, it would never leave its dock. It would be afraid of the thousands of huge waves it would encounter.

"It would fear all of its dangers at once — even though it had to meet them only one wave at a time." □

— Author Unknown

GO FOR IT

Mark Spitz swam for eight gold medals at the 1972 Munich Olympics.

But, get this — not one of his records would even *qualify* him for today's U.S. Olympic team. □



DENTAL SEALANTS...

A must for growing kids

Ask your child's dentist about dental sealants.

Sealants are a plastic material that's painted on the chewing surfaces of the back teeth (premolars and molars) to prevent decay.

When the teeth are developing, depressions and grooves form in the chewing surfaces of the teeth's enamel. These grooves are nearly impossible to keep clean.

Sealants protect these vulnerable areas by "sealing out" plaque and food. End result: little or no cavities or fillings on back teeth. □

Source: American Dental Association

body, mind, & soul

"The crisis of today is the joke of tomorrow."

— H. G. Wells

"Remember that everyone you meet is afraid of something, loves something, and has lost something."

— Unknown

"Love looks through a telescope; envy through a microscope."

— Josh Billings

"Zen Master to hot dog vendor: 'Make me one with everything.'"

— Unknown

"Every time I buy new pants, I find I'm in a different slacks bracket."

— Bob Thaves

"Cheerful people resist disease better than glum ones. In other words — the surly bird catches the germ."

— Unknown

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