

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

CREATOR: Laura S. Marcus (CN=Laura S. Marcus/OU=WHO/O=EOP [WHO])

CREATION DATE/TIME:18-DEC-2000 12:14:28.00

SUBJECT: Re: DOD Anti-harassment and DADT

TO: Paul Oetken (CN=Paul Oetken/OU=WHO/O=EOP@EOP [WHO])

READ:UNKNOWN

CC: johannes a. binnendijk (CN=johannes a. binnendijk/OU=nsc/O=eop@eop [NSC])

READ:UNKNOWN

CC: richard r. beardsworth (CN=richard r. beardsworth/OU=nsc/O=eop@eop [NSC])

READ:UNKNOWN

CC: karen tramontano (CN=karen tramontano/OU=who/O=eop@eop [WHO])

READ:UNKNOWN

CC: elizabeth j. potter (CN=elizabeth j. potter/OU=who/O=eop@eop [WHO])

READ:UNKNOWN

TEXT:

I also called Rudy's office (Phoebe Novakovic) to check on the status on the anti-harassment directive. I'll get back to you as soon as I hear something.

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

CREATOR: Paul Oetken (CN=Paul Oetken/OU=WHO/O=EOP [WHO])

CREATION DATE/TIME:18-DEC-2000 12:09:52.00

SUBJECT: Re: DOD Anti-harassment and DADT

TO: Elizabeth J. Potter (CN=Elizabeth J. Potter/OU=WHO/O=EOP@EOP [WHO])

READ:UNKNOWN

TEXT:

fyi

----- Forwarded by Paul Oetken/WHO/EOP on 12/18/2000
12:09 PM -----

Richard R. Beardsworth
12/18/2000 12:01:43 PM
Record Type: Record

To: Paul Oetken/WHO/EOP@EOP
cc:
bcc:
Subject: Re: DOD Anti-harassment and DADT

Paul, Hans and I talked once again on this at this am's staff meeting.
My fax number is 456-9190. Let's talk at the end of the day. Randy

Paul Oetken

12/18/2000 11:45:38 AM

Record Type: Record

To: Johannes A. Binnendijk/NSC/EOP@EOP, Richard R.
Beardsworth/NSC/EOP@EOP
cc: Karen Tramontano/WHO/EOP@EOP, Laura S. Marcus/WHO/EOP@EOP,
Elizabeth J. Potter/WHO/EOP@EOP
Subject: DOD Anti-harassment and DADT

Any word yet from Rudy DeL. on getting out the directive (and more
detailed "instruction") to implement the anti-harassment policy?

Also, Congressman Frank has written to the President again about Steve
May, the Arizona legislator who declared that he's gay on the floor of the
legislature. Any thoughts about how to respond? I think ordering the

Army not to discharge May (as Frank requests) would be of questionable legality, and bad policy. But Leg Affairs thinks there should be some response from the President. I've given Karen a copy of Frank's letter; Randy, I'll fax it to you -- what's your fax number?

Paul

66297

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

CREATOR: Paul Oetken (CN=Paul Oetken/OU=WHO/O=EOP [WHO])

CREATION DATE/TIME:18-DEC-2000 11:45:45.00

SUBJECT: DOD Anti-harassment and DADT

TO: Johannes A. Binnendijk (CN=Johannes A. Binnendijk/OU=NSC/O=EOP@EOP [NSC])
READ:UNKNOWN

TO: Richard R. Beardsworth (CN=Richard R. Beardsworth/OU=NSC/O=EOP@EOP [NSC])
READ:UNKNOWN

CC: Karen Tramontano (CN=Karen Tramontano/OU=WHO/O=EOP@EOP [WHO])
READ:UNKNOWN

CC: Laura S. Marcus (CN=Laura S. Marcus/OU=WHO/O=EOP@EOP [WHO])
READ:UNKNOWN

CC: Elizabeth J. Potter (CN=Elizabeth J. Potter/OU=WHO/O=EOP@EOP [WHO])
READ:UNKNOWN

TEXT:

Any word yet from Rudy DeL. on getting out the directive (and more detailed "instruction") to implement the anti-harassment policy?

Also, Congressman Frank has written to the President again about Steve May, the Arizona legislator who declared that he's gay on the floor of the legislature. Any thoughts about how to respond? I think ordering the Army not to discharge May (as Frank requests) would be of questionable legality, and bad policy. But Leg Affairs thinks there should be some response from the President. I've given Karen a copy of Frank's letter; Randy, I'll fax it to you -- what's your fax number?

Paul

66297

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

CREATOR: Karen Tramontano (CN=Karen Tramontano/OU=WHO/O=EOP [WHO])

CREATION DATE/TIME:18-DEC-2000 13:28:26.00

SUBJECT: Re: DOD Anti-harassment and DADT

TO: Paul Oetken (CN=Paul Oetken/OU=WHO/O=EOP@EOP [WHO])

READ:UNKNOWN

CC: johannes a. binnendijk (CN=johannes a. binnendijk/OU=nsc/O=eop@eop [NSC])

READ:UNKNOWN

CC: richard r. beardsworth (CN=richard r. beardsworth/OU=nsc/O=eop@eop [NSC])

READ:UNKNOWN

CC: laura s. marcus (CN=laura s. marcus/OU=who/O=eop@eop [WHO])

READ:UNKNOWN

CC: elizabeth j. potter (CN=elizabeth j. potter/OU=who/O=eop@eop [WHO])

READ:UNKNOWN

TEXT:

i've spoken w/ rudy de leon today to get a status report on steve may --
laura give me a call when you get a moment.. thanks karen

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

CREATOR: Paul Oetken (CN=Paul Oetken/OU=WHO/O=EOP [WHO])

CREATION DATE/TIME:18-DEC-2000 13:19:51.00

SUBJECT: Re: DOD Anti-harassment and DADT

TO: Richard R. Beardsworth (CN=Richard R. Beardsworth/OU=NSC/O=EOP@EOP [NSC])
READ:UNKNOWN

TEXT:

Thanks Randy. I'll fax the letter to you now.

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

CREATOR: Jeff Trammell (Jeff Trammell [UNKNOWN])

CREATION DATE/TIME:18-DEC-2000 19:57:08.00

SUBJECT: FW: [lgbt-politics] Bush considers ultra-homophobe for Defense Secretary

TO: "Paul Yandura (E-mail)" ("Paul Yandura (E-mail)" [UNKNOWN])
READ:UNKNOWN

TO: 'Chad Johnson' ('Chad Johnson' [UNKNOWN])
READ:UNKNOWN

TO: 'Winnie Stachelberg' ('Winnie Stachelberg' [UNKNOWN])
READ:UNKNOWN

TO: Elizabeth J. Potter (CN=Elizabeth J. Potter/OU=WHO/O=EOP [WHO])
READ:UNKNOWN

TEXT:

-----Original Message-----

From: LGBT Activists List [mailto:doug.case@sdsu.edu]

Sent: Monday, December 18, 2000 7:44 PM

To: lgbt-politics@egroups.com; queerpolitics@abacus.oxy.edu

Cc: rex@rexx.com; wockner@panix.com

Subject: [lgbt-politics] Bush considers ultra-homophobe for Defense Secretary

Forwarded From: Bob Witeck

For immediate release Contact: Aaron Belkin, Director (805)
893-5664

December 18, 2000 Nathaniel Frank, Communications Director

POSSIBLE DEFENSE SECRETARY SEEN AS OPPONENT OF GAY RIGHTS
Former Senator Daniel Coats led Republican effort to expel gay soldiers

SANTA BARBARA, CA-December 18, 2000- In remarks delivered to the nation last week, President-Elect George Bush spoke of "respect for our differences" and said that he would be "president of every single American, of every race and every background." By considering a conservative Republican Senator from Indiana for the top post at the Pentagon, however, Bush may choose an outspoken opponent of gay rights.

While serving in the Senate, Dan Coats voted against a bill to prohibit job discrimination against gays and lesbians, refused to sign a non-discrimination policy for his own office, and opposed the Hate Crimes Statistics Act, a bill that sought to track, not punish, bias-motivated violence. He said that gay marriage was a sign of "deep moral confusion" and he strongly opposed the 1993 nomination of lesbian civil rights lawyer Roberta Achtenberg as Assistant Secretary for Fair Housing,

citing "some disturbing things about her background, character, and temperament" and claiming that her opposition to the Boy Scouts' ban against gays was "an example of a radical agenda that is outside the mainstream of civil rights."

As a former member of the Senate Armed Services Committee, Coats spearheaded the opposition to gays in the military, resisted gender integration in basic training units, and fought to prohibit abortions at overseas military hospitals. He equated President Clinton's proposal to allow gays to serve in the military with condoning sexual harassment, claiming that Clinton's proposal "would allow the kind of conduct that took place at the Tailhook convention to be exempted from any military regulation."

Evan Wolfson, a senior attorney at the Lambda Legal Defense and Education Fund, notes that Coats's position on gays in the military is more extreme than that of Vice-President elect Dick Cheney, who said that the gay ban was "a bit of an old chestnut" when he served as Defense Secretary. In 1991, Cheney distanced himself from "a policy I inherited" which said a "gay lifestyle is incompatible with military service." Given Cheney's previous criticism of the gay ban, Wolfson says that he hopes for a new era of inquiry into the empirical evidence on gay troops, which suggests that known homosexuals can serve alongside straight troops without undermining the military.

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The Center for the Study of Sexual Minorities in the Military is a research unit of the University of California, Santa Barbara. Its board includes Lawrence J. Korb of the Council on Foreign Relations, Coit Blacker of Stanford University and Professor Janet Halley of Harvard Law School, and its mission is to promote the study of sexual minorities in the armed forces. More information is available at www.gaymilitary.ucsb.edu.

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To Unsubscribe, send a blank message to:
lgbt-politics-unsubscribe@eGroups.com

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

CREATOR: Elizabeth J. Potter (CN=Elizabeth J. Potter/OU=WHO/O=EOP [WHO])

CREATION DATE/TIME:21-DEC-2000 18:01:32.00

SUBJECT: potus weekly

TO: Jonathan M. Young (CN=Jonathan M. Young/OU=WHO/O=EOP@EOP [WHO])
READ:UNKNOWN

CC: Rhonda S. Binda (CN=Rhonda S. Binda/OU=WHO/O=EOP@EOP [WHO])
READ:UNKNOWN

CC: Laura Efurd (CN=Laura Efurd/OU=WHO/O=EOP@EOP [WHO])
READ:UNKNOWN

TEXT:

The Office of Public Liaison and One America co-hosted a screening of "That's a Family", a new educational film about family diversity. The film highlights all sorts of families, including single parent, multiracial, divorced, guardian, adoptive and gay-and lesbian-headed households. This vital resource for schools and family service organizations addresses important themes such as school safety, preventing prejudice and recognizing family diversity as the cornerstone to building awareness of, and respect for, differences of all kinds.

Over 100 organizations were represented; speakers included, Shay Bilchik, Child Welfare League; Ginny Markell, National PTA; Connie Matsui, Girl Scouts; and Jane Smith of the National Council of Negro Women.

The Service Members Legal Defense Network is concerned that the Department of Defense is stalling on issuing directives to the Service Branches on anti-harassment policy. SLDN applauds your continued call to implement the DADT policy in a fair manner. Last summer, a DOD Taskforce made several good recommendations on implementing the policy, yet they have still not been acted upon. It is critical that DOD issue these directives before January 20th.

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

CREATOR: Gilbert S. Gonzalez (CN=Gilbert S. Gonzalez/OU=WHO/O=EOP [WHO])

CREATION DATE/TIME:21-DEC-2000 10:34:06.00

SUBJECT: FOX The O'Reily Factor--Dec. 20, 2000

TO: Karen C. Burchard (CN=Karen C. Burchard/OU=WHO/O=EOP@EOP [WHO])
READ:UNKNOWN

TO: Mary Ellen Countryman (CN=Mary Ellen Countryman/OU=NSC/O=EOP@EOP [NSC])
READ:UNKNOWN

TO: Devorah R. Adler (CN=Devorah R. Adler/OU=OPD/O=EOP@EOP [OPD])
READ:UNKNOWN

TO: Douglas J. Band (CN=Douglas J. Band/OU=WHO/O=EOP@EOP [WHO])
READ:UNKNOWN

TO: Grace E. Yu (CN=Grace E. Yu/OU=WHO/O=EOP@EOP [WHO])
READ:UNKNOWN

TO: James E. Kennedy (CN=James E. Kennedy/OU=OVP/O=EOP@EOP [OVP])
READ:UNKNOWN

TO: Alexander N. Gertsen (CN=Alexander N. Gertsen/OU=WHO/O=EOP@EOP [WHO])
READ:UNKNOWN

TO: Anna Richter (CN=Anna Richter/OU=OPD/O=EOP@EOP [OPD])
READ:UNKNOWN

TO: Anne W. Bovaird (CN=Anne W. Bovaird/OU=WHO/O=EOP@EOP [WHO])
READ:UNKNOWN

TO: Anne M. Edwards (CN=Anne M. Edwards/OU=WHO/O=EOP@EOP [WHO])
READ:UNKNOWN

TO: Beth Nolan (CN=Beth Nolan/OU=WHO/O=EOP@EOP [WHO])
READ:UNKNOWN

TO: Brian A. Reich (CN=Brian A. Reich/OU=OVP/O=EOP@EOP [OVP])
READ:UNKNOWN

TO: Daniel R. Wilson (CN=Daniel R. Wilson/OU=OMB/O=EOP@EOP [OMB])
READ:UNKNOWN

TO: Dawn M. Chirwa (CN=Dawn M. Chirwa/OU=WHO/O=EOP@EOP [WHO])
READ:UNKNOWN

TO: David B. Stockwell (CN=David B. Stockwell/OU=NSC/O=EOP@EOP [NSC])
READ:UNKNOWN

TO: Drew T. Gardiner (CN=Drew T. Gardiner/OU=WHO/O=EOP@EOP [WHO])
READ:UNKNOWN

TO: Elizabeth E. Baylor (CN=Elizabeth E. Baylor/OU=WHO/O=EOP@EOP [WHO])
READ:UNKNOWN

TO: Elliott H. Baer (CN=Elliott H. Baer/OU=OPD/O=EOP@EOP [OPD])
READ:UNKNOWN

TO: Elliot J. Diringer (CN=Elliot J. Diringer/OU=WHO/O=EOP@EOP [WHO])
READ:UNKNOWN

TO: Emily Karcher (CN=Emily Karcher/OU=WHO/O=EOP@EOP [WHO])
READ:UNKNOWN

TO: Erin K. Greer (CN=Erin K. Greer/OU=OVP/O=EOP@EOP [OVP])
READ:UNKNOWN

TO: Fern Mechlowitz (CN=Fern Mechlowitz/OU=WHO/O=EOP@EOP [WHO])
READ:UNKNOWN

TO: gamble-bennett@dol.gov (gamble-bennett@dol.gov @ inet [UNKNOWN])
READ:UNKNOWN

TO: Gene B. Sperling (CN=Gene B. Sperling/OU=OPD/O=EOP@EOP [OPD])
READ:UNKNOWN

TO: Gordon Li (CN=Gordon Li/OU=WHO/O=EOP@EOP [WHO])
READ:UNKNOWN

TO: Gilbert S. Gonzalez (CN=Gilbert S. Gonzalez/OU=WHO/O=EOP@EOP [WHO])
READ:UNKNOWN

TO: Helen L. Langan (CN=Helen L. Langan/OU=WHO/O=EOP@EOP [WHO])
READ:UNKNOWN

TO: Jason H. Schechter (CN=Jason H. Schechter/OU=WHO/O=EOP@EOP [WHO])
READ:UNKNOWN

TO: Jeffrey A. Shesol (CN=Jeffrey A. Shesol/OU=WHO/O=EOP@EOP [WHO])
READ:UNKNOWN

TO: Jeffrey M. Smith (CN=Jeffrey M. Smith/OU=OSTP/O=EOP@EOP [OSTP])
READ:UNKNOWN

TO: Jennifer Ferguson (CN=Jennifer Ferguson/OU=OMB/O=EOP@EOP [OMB])
READ:UNKNOWN

TO: Jennifer H. Smith (CN=Jennifer H. Smith/OU=WHO/O=EOP@EOP [WHO])
READ:UNKNOWN

TO: Joshua Gotbaum (CN=Joshua Gotbaum/OU=OMB/O=EOP@EOP [OMB])
READ:UNKNOWN

TO: Justin L. Coleman (CN=Justin L. Coleman/OU=WHO/O=EOP@EOP [WHO])
READ:UNKNOWN

TO: Joseph P. Lockhart (CN=Joseph P. Lockhart/OU=WHO/O=EOP@EOP [WHO])
READ:UNKNOWN

TO: Joshua S. Gottheimer (CN=Joshua S. Gottheimer/OU=WHO/O=EOP@EOP [WHO])
READ:UNKNOWN

TO: Jenni R. Engebretsen (CN=Jenni R. Engebretsen/OU=WHO/O=EOP@EOP [WHO])
READ:UNKNOWN

TO: Joel Johnson (CN=Joel Johnson/OU=WHO/O=EOP@EOP [WHO])
READ:UNKNOWN

TO: Kimberly S. Anderson (CN=Kimberly S. Anderson/OU=OA/O=EOP@EOP [OA])
READ:UNKNOWN

TO: Kristina Wolfe (CN=Kristina Wolfe/OU=OVP/O=EOP@EOP [OVP])
READ:UNKNOWN

TO: Lisa Ferdinando (CN=Lisa Ferdinando/OU=WHO/O=EOP@EOP [WHO])
READ:UNKNOWN

TO: Laura D. Schwartz (CN=Laura D. Schwartz/OU=WHO/O=EOP@EOP [WHO])
READ:UNKNOWN

TO: Laura J. Lewis (CN=Laura J. Lewis/OU=WHO/O=EOP@EOP [WHO])
READ:UNKNOWN

TO: Linda Sinoway (CN=Linda Sinoway/OU=WHO/O=EOP@EOP [WHO])
READ:UNKNOWN

TO: Mark A. Kitchens (CN=Mark A. Kitchens/OU=WHO/O=EOP@EOP [WHO])
READ:UNKNOWN

TO: Megan C. Moloney (CN=Megan C. Moloney/OU=WHO/O=EOP@EOP [WHO])
READ:UNKNOWN

TO: Melissa M. Murray (CN=Melissa M. Murray/OU=WHO/O=EOP@EOP [WHO])
READ:UNKNOWN

TO: Michael A. Hammer (CN=Michael A. Hammer/OU=NSC/O=EOP@EOP [NSC])
READ:UNKNOWN

TO: Michele Ballantyne (CN=Michele Ballantyne/OU=WHO/O=EOP@EOP [WHO])
READ:UNKNOWN

TO: Michael K. Gehrke (CN=Michael K. Gehrke/OU=WHO/O=EOP@EOP [WHO])
READ:UNKNOWN

TO: Matthew T. Schneider (CN=Matthew T. Schneider/OU=WHO/O=EOP@EOP [WHO])
READ:UNKNOWN

TO: Natalie S. Wozniak (CN=Natalie S. Wozniak/OU=NSC/O=EOP@EOP [NSC])
READ:UNKNOWN

TO: Nanda Chitre (CN=Nanda Chitre/OU=WHO/O=EOP@EOP [WHO])
READ:UNKNOWN

TO: Rachael F. Goldfarb (CN=Rachael F. Goldfarb/OU=WHO/O=EOP@EOP [WHO])
READ:UNKNOWN

TO: Raj Adlakha (CN=Raj Adlakha/OU=WHO/O=EOP@EOP [WHO])
READ:UNKNOWN

TO: Richard L. Siewert (CN=Richard L. Siewert/OU=WHO/O=EOP@EOP [WHO])
READ:UNKNOWN

TO: Robin M. Roland (CN=Robin M. Roland/OU=WHO/O=EOP@EOP [WHO])
READ:UNKNOWN

TO: Rebecca L. Walldorff (CN=Rebecca L. Walldorff/OU=WHO/O=EOP@EOP [WHO])
READ:UNKNOWN

TO: Rebecca J. Salay (CN=Rebecca J. Salay/OU=WHO/O=EOP@EOP [WHO])
READ:UNKNOWN

TO: Ruby Shamir (CN=Ruby Shamir/OU=WHO/O=EOP@EOP [WHO])
READ:UNKNOWN

TO: Stephen N. Boyd (CN=Stephen N. Boyd/OU=WHO/O=EOP@EOP [WHO])
READ:UNKNOWN

TO: Steven J. Naplan (CN=Steven J. Naplan/OU=NSC/O=EOP@EOP [NSC])
READ:UNKNOWN

TO: Sarah E. Gegenheimer (CN=Sarah E. Gegenheimer/OU=WHO/O=EOP@EOP [WHO])
READ:UNKNOWN

TO: Steve Ricchetti (CN=Steve Ricchetti/OU=WHO/O=EOP@EOP [WHO])
READ:UNKNOWN

TO: Sean P. O'Shea (CN=Sean P. O'Shea/OU=WHO/O=EOP@EOP [WHO])
READ:UNKNOWN

TO: Thurgood Marshall Jr (CN=Thurgood Marshall Jr/OU=WHO/O=EOP@EOP [WHO])
READ:UNKNOWN

TO: Victoria L. Valentine (CN=Victoria L. Valentine/OU=WHO/O=EOP@EOP [WHO])
READ:UNKNOWN

TO: Valerie J. Owens (CN=Valerie J. Owens/OU=WHO/O=EOP@EOP [WHO])
READ:UNKNOWN

TO: Kristen A. Triggs (CN=Kristen A. Triggs/OU=OMB/O=EOP@EOP [OMB])
READ:UNKNOWN

TO: Cheri L. Stockham (CN=Cheri L. Stockham/OU=WHO/O=EOP@EOP [WHO])
READ:UNKNOWN

TO: Craig A. Minassian (CN=Craig A. Minassian/OU=WHO/O=EOP@EOP [WHO])
READ:UNKNOWN

TO: Linda Ricci (CN=Linda Ricci/OU=OMB/O=EOP@EOP [OMB])
READ:UNKNOWN

TEXT:
THE O'REILLY FACTOR
Date: December 20, 2000

BILL O'REILLY, HOST: THE O'REILLY FACTOR is on.
Tonight, is Alan Greenspan a villain? There's no question Americans are beginning to suffer because of the sinking economy. We'll talk to a man who thinks Greenspan is doing a great job.

George W. Bush's likely choice as secretary of defense coming under fire by some women's groups and also by some gay activists. We'll tell you why.

And how many Christmas gifts should you give your kids? Caution, you are about to enter a no-spin zone. THE FACTOR begins in 90 seconds.

(NEWSBREAK)

O'REILLY: Hi. I'm Bill O'Reilly. Thank you for watching us tonight.

Well, everybody's New Year's resolution this year should be to try and acquire more personal power. And that's the subject of this evening's ``Talking Points Memo.''

With Christmas coming, I hope you'll have some time to think about what's going on in your life and how you can help yourself and your family next year.

It's interesting to see the good economic times coming to an end in America, at least for now. Next year is going to be a rough one, but we'll get through it.

Instead of acquiring things, I believe Americans should be trying to acquire personal power. And the way to do that is to build up your assets. And if you're just starting out, to get as much education as possible.

It makes me angry to hear politicians in Washington say that you shouldn't get a tax break. These people know that most Americans are working enormously hard. And many struggle to pay their bills and fulfill their family commitments.

But money is power in Washington. And they don't want to give up having control of as many tax dollars as possible.

We are not at war. We do not have high unemployment, at least not yet. But we do have the highest tax rates since World War II. Does this make sense to you?

And it's time for Americans to figure out what's going on. It is not good for other people to have power over you, period, whether it's a boss, a president, or a Federal Reserve chief. Power must be tempered with a concern for working Americans.

Now as I pointed out in yesterday's ``Talking

Points," one man, Alan Greenspan, is causing millions of Americans pain. At least he should explain himself.

But the point is that no one man should have the kind of power that Greenspan has. America will have a recession in 2001. Mark it down. And Greenspan could have prevented it.

For far too long, Americans have failed to hold their leaders responsible. We have grown apathetic and lazy in many cases.

Ironically, you who are watching me right now are not to blame. You guys care about what's going on. So millions of Americans who don't vote and don't care, they allow the callous politicians and bureaucrats to behave the way they do.

You can write the Federal Reserve Board in Washington and tell Mr. Greenspan exactly how you feel. Here's the address. And he'll love me giving this to you, 20th and C Street Northwest, Washington, D.C., 20051, 20th and C Street Northwest, Washington, D.C., 20051.

They wouldn't give me their e-mail because they knew the response we're going to get here. Now public pressure is the only way those in power still start caring about those who don't have power. And in your case, make 2001 the year you build your power base up.

And that's the memo. Now for the top story tonight. Do Americans realize the way the economy is going?

We saw Dick Morris, whose organization Voter.com just completed a survey about Americans and the economy. What's the headline, Dick?

DICK MORRIS, FOX NEWS ANALYST, VOTE.COM: Well, first of all, it's Vote.com.

O'REILLY: I'm sorry, what did I say?

MORRIS: Voter. They're the other guys.

O'REILLY: Vote.com.

MORRIS: That's like saying the Goodyear Blimp and the other one.

O'REILLY: Yeah, I know. And if you put E-R in there, you're not going to get into it. But it's up on the screen.

MORRIS: That's right. Yeah, we're hired by CLSA, which is a offshoot of Credit Lyonnais. And it's an investment bank and brokerage houses for emerging markets.

And they want us to do a study every month online of the attitude of American investors toward the economy. And for seven months, it's been basically optimistic, basically high up. And this month, it absolutely fell down.

Forty-one percent of the Americans think that we're headed for a recession. And the percent of Americans who feel that the market is going to go down over the next few months has risen from nine percent in October to 33 percent now.

O'REILLY: All right, but is this just people who invest in the stock market? Or do you just talk to all Americans?

MORRIS: These are stock market, individual stock market investors.

O'REILLY: All right, because there's no question in my mind...

MORRIS: And they're the people that are going to affect the market.

O'REILLY: ... Right, there will be a recession in

2001.

MORRIS: And by the way, while there is some perception that the stock exchange will reground the ground it's lost, 63 percent think it will, only 48 percent think Nasdaq is going to regain the ground it lost anytime soon.

O'REILLY: Not in the next two years it won't. It's down more than 50 percent. But I don't want to talk...

MORRIS: Back in October, three-quarters thought it would. Now only half think it will.

O'REILLY: ... All right, now you're the news analyst. We got the numbers out of the way. Do you think most Americans know what the heck is going on here?

MORRIS: No...

O'REILLY: Do you think they know the terror--and I'm using that word not lightly--the terror that's going to descend upon this country in the next nine to 12 months?

MORRIS: Americans have forgotten what a recession is. The last one was eight years ago, nine years ago. And even that was a recession that lasted only two quarters or three quarters. It barely met the definition of a recession.

O'REILLY: Enough to get Bush out of office, though.

MORRIS: That's right.

O'REILLY: And give your guy Bill Clinton the hammer he needed.

MORRIS: At a strategic time.

O'REILLY: Right.

MORRIS: But I think that if the economy actually goes into a recession and you get unemployment moving up from the current level of four up to six or seven, it's going to really be a shock because it's not like the old days when you had a recession every two years or three years. Now you haven't had--you've had...

O'REILLY: Sure.

(CROSSTALK)

O'REILLY: But we can see it in Christmas spending now that people aren't spending as much money. They're nervous. But I don't think they know how deadly one man--and it's Alan Greenspan.

MORRIS: That's right.

O'REILLY: I mean, we're going to have a defender of Greenspan coming up right after you. But it's this guy. He could have cut those interest rates yesterday and at least given us a fighting chance not to go into recession.

MORRIS: And most economists say that there's a six-month lag time between the time the Fed takes action and the time you feel it.

O'REILLY: Yeah.

MORRIS: And to argue that by June we're not going to need a shot in the arm, by May or June, is really crazy.

O'REILLY: Is it...

MORRIS: You know, the Bush people felt that Greenspan killed their father, killed Bush's father...

O'REILLY: Right, and then Bush is cozying up to him yesterday.

MORRIS: ... by holding the rates down. And then actually when I went to work for Clinton, my Republican friends said,

“Get rid of Greenspan. He'll kill you.” And he didn't. He was very good with Clinton. But one wonders if he has it in for the Bushes.

O'REILLY: What do you think about Greenspan? What did Clinton think about it? Did he fear him?

MORRIS: Yeah. But Clinton felt that he had to deal with Greenspan. In the first couple of days after the election, he sat down with Greenspan. And they made a deal, which is essentially Clinton said, “I will cut the deficit. I'll raise taxes where I have to. I'll even raise broad base taxes. And in return, you'll bring down interest rates.”

And Greenspan signed onto that. And for the whole administration, the sine qua non was you could never criticize Greenspan. There was one point at which Clinton wanted Greenspan to be for higher growth policies. And I wrote some speeches with that. And Rubin threatened to quit if he gave the speech.

The whole deal was you never criticized the Fed. And Clinton always felt that the Fed was his (UNINTELLIGIBLE)...

O'REILLY: And it helped him out a lot.

MORRIS: ... Yeah.

O'REILLY: Now Greenspan, the behind-the-scenes power player is telling me, won't cut interest rates because he's sending a message to Bush saying, “You'd better cut the deficit. You'd better not cut taxes as much as you want and get us into deficit spending again. If you do, I'm going to ruin you.”

MORRIS: I think that's it. I think that basically Greenspan is not afraid of the economy being over-stimulated. He's afraid of Bush being over-stimulated with the tax cut.

And when Bush says, “We're headed for a recession, we have to cut taxes by my full \$1.3 trillion over 10 years,” his speech helps ensure that Greenspan won't cut rates whereas Clinton got it that he needed to sacrifice his popularity and control of Congress by raising taxes in '93 for one man.

O'REILLY: For Greenspan.

MORRIS: I had a conversation with Clinton in '93. I said, “Why are you raising energy taxes? You don't have to. Just raise the top brackets on the income tax, and you'll get all the money you need.”

And he said, “I know I don't. But Greenspan won't believe me if I don't.”

And I said, “You mean you're raising these taxes for one guy?”

And he said, “Absolutely.”

O'REILLY: And Greenspan...

MORRIS: He said, “The only way I'm going to get rate cuts is that.”

O'REILLY: ... the most powerful man in the United States. And he's hurting the working American. He's hurting the working American.

All right, Dick, we always love your insights. And we appreciate it very much. And Vote.com.

MORRIS: Hey, you've got it right.

O'REILLY: Up next, we'll speak to a man...

MORRIS: By the way, we have the e-address of the Fed. So I'll give it to you.

O'REILLY: ... Yeah, give it to me.

MORRIS: But log on to Vote.com and we'll send an e-mail for you to Greenspan.

O'REILLY: Very good. And we'll speak to a man defending Alan Greenspan in a moment.

(COMMERCIAL BREAK)

O'REILLY: Continuing now with our reporting about your money. As you know, I think Alan Greenspan is hurting all Americans by not slashing interest rates. But joining me now from Washington is a man who disagrees with me.

Erick Gustafson is a director of the Center for Consumer Choice and Citizens for a Sound Economy.

Yesterday, Greenspan did not cut rates. If he had cut rates a quarter point, I believe that we would have had a chance to head off a recession. Now I don't think we can. Why did he not cut rates a quarter point?

ERICK GUSTAFSON, DIRECTOR, CENTER FOR CONSUMER CHOICE AND CITIZENS FOR A SOUND ECONOMY: Well, I think the reason he did not cut rates a quarter point was because he was trying to preserve sound fiscal policy, which is you can't go from a bias towards raising rates to actually cutting rates. You've got to cross that middle ground and send a signal to the markets, not only here in the U.S. but around the world that, hey, a rate cut is coming. Get ready for it.

O'REILLY: All right, well, did the market send a signal back to Mr. Greenspan saying, I'm not going to use an obscenity here, but, "Fill in your own word you," OK, that's what they did. And now millions of Americans and people overseas are going to get hurt.

And is this posturing? Why does he have to send a signal? Why can't he just say, "The economy is slowing down faster than I thought it was going to slow down. I'm going to cut a quarter. And hopefully we'll break this thing and have the," quote, "soft landing," unquote.

GUSTAFSON: Well, you know, if you're driving on ice, you don't want to slam on the brakes. You want to tap them. You want to slow down generally.

That's perhaps the reverse analogy for this instance. But this builds momentum for a tax cut, which I think if you're going to suggest that interest rates are the sole problem with this particular economy, you miss a whole host of fundamentals.

We need fundamental tax reform. We need Social Security privatization in addition to lower interest rates.

O'REILLY: Listen, I'm with you there. But I'm worried about the folks in the next year, OK? I'll deal with the legislative tax cuts. And I believe that they should be implemented on a freedom basis more than anything else.

But we've got a guy Alan Greenspan. And he's a genius. I'm not saying he's not. But I'm saying that he's willing to have Americans, individual working Americans, hurt by the millions for his kind of grandiose scheme of, well, in the long run this will be better for the country.

And I'm saying a quarter rate cut. And I challenge you, Mr. Gustafson, I challenge you or any other economist in this country to come on here and tell me that that would have been bad for the country

to cut a quarter yesterday.

GUSTAFSON: Well, I'm not necessarily telling you that it would have been bad.

O'REILLY: Yeah, no one can.

GUSTAFSON: The bottom line is...

O'REILLY: No one can because it wouldn't have been bad. It would have been good. And that's why I'm teed off.

GUSTAFSON: Well, look, you can't go from a bias towards raising rates...

O'REILLY: Yes you can.

GUSTAFSON: ... Why? They don't do it. They just...

(CROSSTALK)

O'REILLY: What do you mean they don't do it? You can do anything you want. He's a dictator, Greenspan. He can't be fired. You know he can't be fired. He's appointed for four years. Nobody can say a word to him.

If he sees danger ahead, if I can see it, and I'm not an economic genius, he can see it. He knows what's going to happen in the next six months of next year. He knows.

GUSTAFSON: Well, look, a rate cut is a very important thing. But sound fiscal policy is a far more important thing. Just because...

O'REILLY: Why does it hurt? Why does a rate cut hurt sound fiscal policy?

GUSTAFSON: Because it sends a signal that the Fed can vacillate from a bias towards raising rates towards a bias toward cutting rates on a moment's notice.

O'REILLY: So what?

GUSTAFSON: And that's not the kind of thing...

O'REILLY: So what?

GUSTAFSON: ... Well, the bottom line is you send the wrong signal to investors, who depend over the long run on a sound fiscal policy. And it's not just investors in the United States. It's investors around the country.

O'REILLY: Mr. Gustafson, the stock market went down 300 points today. Nasdaq was down almost 8 percent...

(CROSSTALK)

O'REILLY: ... Yeah. What? I didn't get that.

GUSTAFSON: And you and I both know that the market could do a total reversal on 300 points tomorrow.

O'REILLY: No, it's not going to do an about-face. I'm sorry, sir, it's simply not.

(CROSSTALK)

O'REILLY: It's devastated. And that's going to come back on the worker as companies cut back research, development, advertising, spending, and everything else. A hiring freeze here at Newscorp.

And listen, what you're telling me--and please correct me if I'm wrong--is that the Fed can't because of appearance sake, because--they can say, ``Gee, you know, we made a mistake. We raised interest rates too high. And now we're going to try to ease them on down."

You're saying to me it's a face saving thing that they're doing. And I believe you.

GUSTAFSON: Well, it's not a face saving thing because...

O'REILLY: Sure. They'll cut in January. You know they're going to cut.

GUSTAFSON: Yeah, they will.

O'REILLY: They will. They could have cut yesterday. But instead, they're playing a little game. And Americans are going to get hurt by that game.

GUSTAFSON: Well, look, to suggest that interest rates are the sole savior for this economy is wrong. You and I both know that we need a sound environment--well, a sound energy policy. I mean, that's part of the problem here as well.

We also need some regulation relief. I mean, there are a whole host of things that are actually causing companies to enact hiring freezes and these sorts of things.

O'REILLY: I know all that. But I also know that people are going to get hurt because of something that's inexplicable. You haven't been able to explain it to me, and neither has anybody else, because they could cut yesterday.

GUSTAFSON: The bottom line is...

O'REILLY: The bottom line is he cut have cut a quarter. And if he did...

GUSTAFSON: ... Well, investors know that in January there is more than likely going to be a quarter cut. And in fact...

O'REILLY: It's too late.

GUSTAFSON: ... the market went down 300 points today, there may be some solid buying opportunities in it. And it may well go up 300 points tomorrow.

O'REILLY: But it's too late. It's too late. Now the prevailing wisdom is we're going to go into a recession. Nobody can stop it.

GUSTAFSON: Oh, I disagree with that.

(CROSSTALK)

O'REILLY: People are going to suffer. No? They're not going to suffer?

GUSTAFSON: Well, I don't necessarily think people will suffer in the short term.

O'REILLY: All right, well, we'll see on that. You're with Neil Cavuto. He doesn't think so either. But we'll see.

Thank you, Mr. Gustafson. Merry Christmas to you.

GUSTAFSON: All right. Merry Christmas.

O'REILLY: Directly ahead, why are women's groups and gay activists unhappy about George W. Bush's choice for secretary of defense?

Also in the rundown this evening, is there a downside to giving your kids Christmas presents? Right back.

(COMMERCIAL BREAK)

O'REILLY: In the "Impact" segment tonight, some gay activists and women's groups are objecting to the likely appointment of former Indiana Senator Dan Coats as secretary of defense.

Senator Coats is a conservative. But is there more to it than that?

Joining us now from Washington is Elizabeth Toledo, the executive director of the National Gay and Lesbian Task Force.

So Ms. Toledo, you don't like Senator Coats. Why?

ELIZABETH TOLEDO, EXECUTIVE DIRECTOR, NATIONAL GAY AND LESBIAN TASK FORCE: Well, Senator Coats is anything but a compassionate conservative. Senator Coats has opposed gays and lesbians in the military. He's opposed nondiscrimination measures against gays and lesbians. He even opposed signing a nondiscrimination pledge in his own office against people who were gay, lesbian, bisexual, or trans-gendered.

He has opposed abortions in military hospitals overseas. He's been an activist conservative, led the opposition of the don't-ask-don't-tell policy that Clinton put in place early in his administration.

He's somebody who has spent his career defining himself in opposition to equal rights and social justice for the gay, lesbian, bisexual, trans-gendered community and for women. And I think he would be bad for the country.

O'REILLY: All right, George Bush says that he is a don't-ask-don't-tell man. Remember that part of the debate up in New Hampshire where he went on the record. So I think it's safe to say that that policy is pretty safe and that if Coats is secretary of defense, which it looks like he will be, that's not going to change. Would you agree?

TOLEDO: Well, we need to hear that specifically from Bush and from Coats. But we also need to remember that don't-ask-don't-tell is not a good policy. Even President Clinton has pointed out its flaws.

O'REILLY: Yeah, but that's not going to change.

TOLEDO: It's not a good policy because it didn't eliminate discrimination against gays and lesbians in the military. You can still be discharged because of your sexual orientation...

O'REILLY: Ms. Toledo, look...

TOLEDO: ... And so we need somebody in place who's going to be committed to equal rights for everybody in employment, in particular in the military.

O'REILLY: Ms. Toledo, that's never going to happen. OK? You're never going to get it. Never, never, never, never going to get it.

TOLEDO: Well, this country will absolutely continue to move forward. In fact, public opinion in this country continues to move toward nondiscrimination based on sexual orientation in the military.

O'REILLY: OK, public opinion in the military...

(CROSSTALK)

O'REILLY: ... Ms. Toledo, hold it, hold it, hold it. You state yours, then I state mine, then you state yours. That's how we're going to do it here.

Public opinion in the military is against having gays serve openly on--it's almost like eight to two, 80 percent to 20 percent.

TOLEDO: Well, that...

O'REILLY: I believe this is a Cheney appointment. I believe that Dick Cheney feels comfortable with Coats. And it's a counterbalance to the more liberal Colin Powell. Do you think that analysis is correct?

TOLEDO: I think that it is a balance to the more liberal Colin Powell. I do think, however, that there are a lot of issues regarding women and gays and lesbians in the military that are not going to go away just because we have a Colin Powell in office or because you've got Dick Cheney in office, who ironically is going to be more to the left than this secretary of defense.

O'REILLY: All right, but let me throw this out to you. One of the first things that President Clinton tried to do was the don't-ask-don't-tell thing. And he got smacked. He got smacked by his own party.

See, what you guys don't understand--and I respect your work. I think that everybody in the United States should be treated equally and nobody should be persecuted...

TOLEDO: Well, then--so then you're in favor...

O'REILLY: ... No, I'm not. And here's why.

TOLEDO: ... of having equal treatment in the military.

O'REILLY: I am in favor of having equal treatment for everyone. But I'm also in favor of having everybody in the military shut up about their sexuality. All right. Not discuss it, it's not germane. It's irrelevant.

TOLEDO: Does that include people who are not--does that include heterosexual members in the military?

O'REILLY: Yes. That means everybody in the military shut up...

TOLEDO: So you would have no sexuality...

O'REILLY: ... about their sexuality.

(CROSSTALK)

TOLEDO: ... nobody revealed their sexuality in the military.

O'REILLY: Correct.

TOLEDO: Oh, come on. The basic issue is...

O'REILLY: In a perfect world, that's what I want. If I'm the commander...

TOLEDO: ... If you were...

O'REILLY: ... If I'm the commander, I say I don't want any sex talk in the barracks. I know you guys will probably do it. But I don't like it.

TOLEDO: But it's not about sex talk. This is about the ability to be fired from your job simply because somebody knows about your sexual orientation. It's not about sex talk.

O'REILLY: Two words, don't tell. You don't get fired if you don't tell.

TOLEDO: If you are truly for nondiscrimination, we have the biggest employer in this country, our biggest employer fires people--the military fires people because they reveal their sexual orientation or somebody suspects them of sexual orientation.

O'REILLY: Because it's bad for morale, Ms. Toledo. Ms. Toledo, look, it's not a democracy in the military, OK? It's bad morale.

TOLEDO: There's nothing about being gay, lesbian, bisexual, or trans-gendered that's bad for morale.

O'REILLY: You live in a completely--you live in a twilight zone if you believe that. You live in the Twilight Zone if you

believe that the guys in the military want a gay guy bunking next to them.
I don't think...

(CROSSTALK)

O'REILLY: I'd like to have everybody open-minded.

But that's just not the way it is.

TOLEDO: Look, one of the foundations of this country is that we're supposed to treat people equally, that we have an equal opportunity for employment, for living our lives free of violence, free of harassment, free of intimidation...

(CROSSTALK)

O'REILLY: ... if you don't talk...

TOLEDO: ... when the military says, "We will discriminate against you because of your sexual orientation..."

O'REILLY: No, they don't say any...

(CROSSTALK)

TOLEDO: ... There's violence. There's harassment. There's intimidation.

O'REILLY: Ms. Toledo...

TOLEDO: It's not something that we should be proud of.

O'REILLY: ... Ms. Toledo, they say don't talk about your sexuality. I think that's reasonable.

Anyway, we respect your position. And we appreciate you very much.

TOLEDO: Thanks for having me.

O'REILLY: Plenty more ahead as THE FACTOR moves along this evening. Christmas is coming. What should you give your kids?

(COMMERCIAL BREAK)

O'REILLY: In the "Unresolved Problem" segment tonight, how much should you give your children at Christmas? Most kids expect a lot. I know I did, and my father always disappointed me. He was very measured in the presents department.

Joining us now from Washington is Dr. Karen Shanor, a clinical psychologist and the author of the book, "The Emerging Mind."

All right. Here's--here's the problem, I think--and you correct me if I'm wrong, Doctor--in contemporary America. We have child envy. We have kids seeing other kids getting more stuff, better stuff than they get, and then they put pressure on their parents, they feel guilty, and there's this cycle. Is that what's going on?

KAREN SHANOR, PH.D., CLINICAL PSYCHOLOGIST, "THE EMERGING MIND" AUTHOR: That's very true. Of course, we've always had that.

And, by the way, back to your father, he was very measured in his gift giving. Look how well you turned out.

O'REILLY: I didn't, though. I'm a terr--you should see my mail. They'll disagree with that. But I understood why my father did--number one, we didn't have a lot of money. I mean, that was--that was--that was paramount. We just didn't have it.

SHANOR: Yes.

O'REILLY: And, number two, I mean, my father said, "Look"--he was comparing his upbringing to my upbringing. He said, "Look, I got three or four toys, and that should be enough," and I--and I don't begrudge it, but I just remember looking out to the other--some of

the other kids and going, "Whoa! Why can't I move in with them?"

SHANOR: Which is--right. Exactly. Well, you do have that competition among children. It's keeping up with the Joneses with the children.

At the same time, what I--now I have a 17-year-old son, so I've also gone through this besides writing about the child's mind and the interactive brain and how we develop the best children possible and why we overstimulate when we give them too many gifts and when we give them too much, that, in fact, their view of the world is then one of "The world owes me something all the time." and "What am I getting next?" and "Me, me, me." instead of contributing and creating.

O'REILLY: But isn't it hard...

SHANOR: What do you say to the other children, though?

I'm sorry. Go ahead.

O'REILLY: Isn't it hard to impose discipline on Christmas morning? I mean, I know what you're saying, and--but...

SHANOR: Yes.

O'REILLY: ... kids are bombarded constantly with--you know, by our society, "Well, you've got to have this" and "You've got to have that" and "You've got to have the PlayStation" and "You've got to have this station and that station," and on Christmas morning, who wants to hear a lecture from a dopey guy like me or even a lovely woman like you about, you know, "You can't have too--you can't be overstimulated. You can't have too much stuff." I mean, there's...

SHANOR: You don't say it that way. You don't do it that way, and you prepare them early on. You prepare them and say, "Isn't it amazing? Whenever you watch any children's show, you see all these things advertised all the time, and most of them nobody needs. In fact, they're kind of stupid." You prepare them along the way. You also say, "Yes, it's nice that you get some of these things." At the same time, "You don't want to be like all of the other children all of the time. You're a leader," and, in fact...

O'REILLY: That doesn't work because they go, "Yes, I do. I want that."

SHANOR: "I want that."

O'REILLY: "Shelley has that doll."

SHANOR: "Well, then go to their house and play with their toys."

O'REILLY: No. Look, I mean, I--isn't it a very, very tough dilemma, though, especially today when we have so many parents working so hard trying...

SHANOR: It is.

O'REILLY: And their kids are sitting there looking pathetic because--I know how pathetic kids can look. They patent that look, and you go...

SHANOR: You--you've practiced it. Well, we have to realize--look at the big picture and say, "What am I teaching my child?" Many parents are feeling guilty and saying, "Well, I'm at work. I don't spend time with my child." That's what the child wants, is love, is time. And, yes, they're going to say, "Well, where are all of my gifts?" Give them gifts, but prepare them for life by saying, "This isn't the only thing that we do in life, is give presents and open presents all the time." Children get bored with those things anyway.

O'REILLY: All right.

SHANOR: You can--and you have to...

O'REILLY: Let's take a 10-year-old girl.

SHANOR: All right.

O'REILLY: A 10-year-old girl who's just becoming, you know, ingrained in the peer pressure and having the friends be very important.

SHANOR: Yes.

O'REILLY: How many...

SHANOR: You've got the right age.

O'REILLY: How many gifts should that--what--put a dollar figure on it. How much money should a parent spend on a 10-year-old girl?

SHANOR: Well, it--not as much as a parent thinks they should. Maybe a couple hundred dollars because money--things cost money these days.

O'REILLY: A couple hundred bucks for a 10-year-old girl?

SHANOR: For a 10-year-old girl. Maybe less than that. Maybe a hundred dollars. Give her things that she can create some things herself with. Give her art--maybe some artistic things or--piano lessons or something where she's going to be creating throughout the year.

One other thing about the 10-year-old that--I'm saying 3-year-old girls even. They're giving makeup, teaching them to put on makeup, and "This"...

O'REILLY: Oh, that's so...

SHANOR: ... "is what you should do," and the clothes--how many clothes...

O'REILLY: Right. That's...

SHANOR: ... should you have. Don't get caught in that.

O'REILLY: No, and I--I want to just leave you with one thing.

SHANOR: Don't get caught in that.

O'REILLY: One of our favorite people here, Puff Daddy Combs, gave his 2-year-old son a miniature Mercedes Benz, and that cost \$5,000. You know, I mean, that's the kind of stuff we're dealing with.

SHANOR: And--and what are we telling our children when we do that?

O'REILLY: Well, Puff Daddy is telling the kid, "I'm sorry I'm indicted and may have to go to jail. Here's your little Mercedes" and, you know, "Don't take it out on me."

Hey, Doctor, Merry Christmas to you. Thank you.

SHANOR: Merry Christmas to you, too.

O'REILLY: Appreciate it.

When we come back, National Public Radio. No question liberal listeners find comfort there, but should tax dollars be flowing there? That story up next.

(COMMERCIAL BREAK)

O'REILLY: Thanks for staying with us. I'm Bill O'Reilly.

In the "Personal Story" segment tonight, as a taxpayer, I want my dollars to be spent responsibly and fairly, and I

think most Americans would agree with that. Enter National Public Radio, NPR, which is supplemented by 68 million taxpayer dollars every year. Yet NPR has a reputation of leaning left, and some think it is exclusionary.

Joining us now, from Los Angeles, are David Horowitz, the author of the book "Public Broadcasting and Public Trust," and in D.C., Juan Williams, who, in addition to analyzing the news here on FOX, hosts a radio program on NPR.

So now, look, you guys, I don't want you to be yelling at each other. We're going to give everybody an equal amount of time. We've got a long segment here.

I want you, Mr. Horowitz, to define the situation as you see it.

DAVID HOROWITZ, CENTER FOR STUDY OF POPULAR CULTURE/AUTHOR, "PUBLIC BROADCASTING AND PUBLIC TRUST": Well, I wouldn't yell at Juan Williams anyway because I think he's one of the finest journalists in America.

The--the Public Broadcasting Act of 1967 says that the Public Broadcasting System has to be strictly balanced, and that's for an obvious reason, which is, since it's funded by the government, the party in power could use it to undermine the democratic process. That's why the Voice of America is banned from domestic broadcasting.

But National Public Radio has been a--basically a subsidiary of the Democratic Party for its entire existence. It's an entirely--it existed in entirely left-wing culture. I don't know of a single producer or editor in the Public Broadcasting System who's not on the left. I don't--I don't know any conservatives who have these kind of positions of power, and that is--I think it's a national tragedy, and it's also--makes NPR a--a weapon in the hands of the left every time there's an election season.

O'REILLY: All right. Now, Juan, do you agree with that, or--I mean, are we seeing things--I'm going to give you my opinion in a minute, but we'll let you respond.

JUAN WILLIAMS, NATIONAL PUBLIC RADIO: Oh, well, gee, first of all, Bill, I'm in Los Angeles, not Washington today.

O'REILLY: Oh, I didn't know that. OK, Juan.

WILLIAMS: I'm in Los Angeles. And I wanted to say--the second thing is I think that you were wrong in your introduction, Bill. In fact, National Public Radio gets no money from the government. The money goes through the Corporation for Public Broadcasting to local stations who make a decision as to what kind of programs they want to buy. NPR produces programs, much as FOX produces programs...

O'REILLY: Right.

WILLIAMS: ... and some of these stations buy...

O'REILLY: All right.

WILLIAMS: ... the programs.

O'REILLY: Well, I--we knew you were going to say that, all right, but...

WILLIAMS: That's the truth. You want me to...

O'REILLY: Oh, no, but, look, this is the little dance that--that you guys do. Let...

WILLIAMS: OK.

O'REILLY: Let me explain to the audience, and they can make up their own mind...

WILLIAMS: Please.

O'REILLY: ... that the money--the taxpayer money goes to the local affiliated stations who can choose to buy NPR if they want to. Sixty-eight million dollars of taxpayer money goes to NPR through those local affiliates. That's it, right?

WILLIAMS: Correct. And what you see is...

O'REILLY: OK.

WILLIAMS: What you see is that those stations make a choice, much as any...

O'REILLY: OK. I'm not--I'm not...

(CROSSTALK)

WILLIAMS: ... would make a choice. They...

O'REILLY: They can make the choice that they want to.

WILLIAMS: ... decide if that's what they want to buy.

O'REILLY: But NPR, I believe, has a responsibility...

WILLIAMS: But does...

O'REILLY: ... to be fair and balanced, do they not?

WILLIAMS: That's absolutely true, and that's--now that brings me to the second subject. I just wanted to correct you because we were--I mean, I...

O'REILLY: All right. Well, you...

WILLIAMS: ... think you--you distort the subject before we begin by making it seem like it's some kind of government project or something.

O'REILLY: Hey, Juan, did I ever tell the audience that you're a communist? Did I?

WILLIAMS: No, no. I'm glad you...

O'REILLY: OK. See, I wouldn't distort that.

WILLIAMS: ... mentioned it now. Thank you. Thank you very much. You...

O'REILLY: All right. Go ahead now. Go ahead.

WILLIAMS: I just wanted to respond to David. I think that, you know, if you look at the origins of National Public Radio, basically, these were like college radio stations from the '60s, and so a lot of these people did come out of the--exactly the culture--the counterculture, if you will, that David was describing, but it's not the case now that, you know, everyone there is some kind of left-leaning or commie, as my friend, Bill O'Reilly, would describe me.

O'REILLY: All right. Now I'm going to stop you, Juan. I...

WILLIAMS: Yes.

O'REILLY: You know--you know my book, right? Everybody knows my book. I never shut up about it.

OK. Now I tried to get on the Diane Rehm program...

WILLIAMS: Right.

O'REILLY: ... a big book-selling NPR person, and the Larry Mantle (ph) program out in Los Angeles. Shot down. Shot down. ``We're not putting you on." And you know why?

WILLIAMS: Why?

O'REILLY: Because they think that I'm conservative.

WILLIAMS: Oh, come on.

O'REILLY: That's exactly...

WILLIAMS: Let me...

O'REILLY: Juan, that's exactly why they wouldn't...

(CROSSTALK)

WILLIAMS: ... on my show?

O'REILLY: Yes, you did, and I was going to say that.

WILLIAMS: I had--and not only that I had you on my show, I had you in a way that I think the audience saw you for the first time in a different light. They said, ``Gee, you know, lots of times, we watch on FOX News Channel, you know. You're going on. You're ranting"...

O'REILLY: But that's you, Juan Williams.

WILLIAMS: ... ``and raving, but I think that"..

O'REILLY: You're an honorable guy.

WILLIAMS: Well, I just wanted to treat you fairly.

HOROWITZ: Bill...

O'REILLY: You did.

WILLIAMS: I just want to say--now yesterday--you know, you talk about this liberal, crazy, communist NPR. Yesterday, I had Grover Norquist, Jerry Falwell...

O'REILLY: All right, but that's you. That's you.

That's not the...

WILLIAMS: Well, I work there.

O'REILLY: ... dominate--that's not the dominate theme there.

Go ahead, David.

HOROWITZ: Juan--Juan Williams is--is probably the best that NPR has produced. The problem is that, you know, when Juan Williams goes, they're going to put another leftist in charge of ``Talk of the Nation." I--I have never been on that show in all the years that it's been going and that I've been going. ``Fresh Air" is another program that will not air--a book program.

NPR is a--is probably--it is without question the most important and influential media in terms of shaping the political culture.

This year, ``All Things Considered" ran a--a documentary on--called ``Witness to an Execution" that said--guess where? In Texas. You know, designed to make people, you know, wring their hands over the execution of these predators. That was obviously, you know, designed to influence the election, and there's--there's no balance from the other side.

NPR has promoted gangsters like the Black Panthers now for 20 or 30 years.

I spent a lot of time trying to get them to be, you know, reasonably balanced. I had a magazine devoted to--to the System and--and, basically, failed. I...

O'REILLY: Yeah, they--I--listen, I'm with you on this one, David, because, outside of Juan Williams, who's an honorable guy, we ran up against--and I--I said, ``Look, if there's a reason why you don't want to put me on there, fine. Just let me know what the reason is."

They couldn't, Juan. I'll give you the last word.

WILLIAMS: Well, I just--you know what? I mean, I think you have to read the book, and I actually liked the book. So I read the book, and I said, ``This guy deserves to come on here and make his case," in addition to which I have the benefit of knowing you, so I--I

know you're a smart guy and, in fact, you did a great job.

But to David's larger point, I think that, in fact, people don't do things in--you know, to try to influence an election. They do try to sometimes be an alternate to mainstream media, so they will do something like on the death penalty, stories that aren't getting out...

O'REILLY: Oh, the death penalty story's out all over the place, Juan.

WILLIAMS: Well, I suspect...

O'REILLY: If they're going to...

WILLIAMS: You know, if you listened to that series...

O'REILLY: Listen, if they're going to do an N--if they're going to do a thing in Texas on the death penalty during an election cycle, they ought to have somebody like David Horowitz at least give the other side, right?

WILLIAMS: Well, they do have people give the other side. They were talking to the people who were actually, you know, executing people and asking what they were going through. That...

O'REILLY: Oh, but you know what I mean. The ideology on NPR is left, and we're paying for it through the other stations.

WILLIAMS: I don't--not fair.

O'REILLY: All right. We'll let the audience decide as always, gentlemen. Thank you very much. Always a pleasure to see you both.

And what next--and next, what about a baseball player being made 250 million bucks? It's happening. We'll talk to Bob Costas about that when we come back.

(COMMERCIAL BREAK)

Back of the Book: Bob Costas

Sports

Bill O'Reilly

Bob Costas

Sports; Entertainment; Media

O'REILLY: In the "Back of the Book" segment tonight, one of the few sportscasters who employs a no-spin zone of his own is Bob Costas of NBC. His new project is a book and two CDs called "And the Fans Roared: The Sports Broadcasts That Kept Us on the Edge of Our Seats."

Mr. Costas joins us now from St. Louis.

And before we get to this, I have to ask you about Alex Rodriguez. He's making \$252 million for 10 years, and--is this going to change baseball? I know you have a great affection for the game. Is it going to change it?

BOB COSTAS, NBC BROADCASTER, "AND THE FANS ROARED"

AUTHOR: Well, it's just more evidence about how the game already has been changed, Bill.

And it's not a matter of resentment about how much Rodriguez makes or any other ballplayer makes. If the competitive structure of baseball could support every player making a hundred million dollars a year, it would be OK by me as long as they all realized how fortunate they were. The problem is not what a ballplayer makes in relation to a cop or a teacher. I think people understand the way the market works with regard to that.

The problem is that if you're going to have a

league, then each team has to have at least a reasonable chance to compete provided they have good management and a little luck. That used to be the case up until about a decade ago. Even though the New Yorks or L.A.s might have had some advantage, the smaller markets could compete, and the Kansas Citys and the Pittsburghs and the Cincinnati and Montreals--they all had their day.

Now teams and markets like that, if they're really, really lucky, might for one year catch lightning in a bottle, but they can't hold the teams together because of the prices of the ballplayers. Look at Oakland. They won their division last year, but already that ballclub is in the process of being broken up, and when their top stars, like Jason Giambi, become eligible for free agency, they won't be able to keep them.

O'REILLY: All right.

COSTAS: So baseball has got to come up with some...

O'REILLY: And they will. They'll have to do what the NFL did with...

COSTAS: For competitive balance. Yeah.

O'REILLY: Yeah, with the salary caps and all of that.

COSTAS: Yeah.

O'REILLY: Do you think there's a greed element in all sports--real fast--that--that changes the way the game is played on the field?

COSTAS: I--it may have some effect on the way it's played on the field. It certainly has an effect of--in the way people relate to sports. A lot of the charm and sense of connection is gone. If your team didn't contend in the past, at least you knew they were your Red Sox, and you could root for Yaz, or your Cubs and Ron Santo and Ernie Banks and Billy Williams would be there every year.

Now it's not just the lower teams. Even the contenders see constant shuffling in their rosters. So that sense of connection has been reduced, and I think a lot of ballplayers keep score with contracts. What's the difference if you make a hundred million dollars or a hundred fifty million dollars?

O'REILLY: Right.

COSTAS: You can't spend the difference, but some of these guys...

O'REILLY: It's ego.

COSTAS: ... because of their egos are keeping score with...

O'REILLY: Yeah.

COSTAS: ... those numbers.

O'REILLY: You bet. All right. Now, look, I want to run a clip from one of your CDs attached to the project. It's about the George Foreman-Joe Frazier fight. Let's do that.

(BEGIN VIDEO CLIP, JANUARY 22, 1973)

HOWARD COSELL, SPORTSCASTER: I think he hurt Joe Frazier. I think Joe is hurt. Angie Dundee, Ali's trainer, right next to me is saying it. You may hear him. Down goes Frazier! Down goes Frazier! Down goes Frazier! The heavyweight champion is taking the mandatory eight-count, and Foreman is as poised as can be in a neutral corner.

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O'REILLY: Oh, who is that? Marv Albert there?

(LAUGHTER)

O'REILLY: Listen, that's great stuff for the sports fan, you know, under the Christmas tree.

COSTAS: Yeah.

O'REILLY: How many of these deals do you have? How many of the calls do you have in the book-CD combo?

COSTAS: There's about 45 or 46. A...

O'REILLY: Wow.

COSTAS: A guy named Joe Garner wrote the text and put together the pictures and the coffee-table book, and I narrate the two CDs that come with it surrounding all the actualities and play-by-play broadcasts of the great moments.

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O'REILLY: The one that I'll never forget is the 1960 American hockey team in the Olympics.

COSTAS: Oh, yeah.

O'REILLY: I mean, that--that just--you know, I could just hear it tomorrow.

COSTAS: Twenty years before the miracle on ice in Lake Placid.

O'REILLY: Yep. Bob, thanks very much. The book and the CD--we hope it does very well, and we appreciate your time tonight.

COSTAS: Bill, thanks a lot.

O'REILLY: All right.

And, next, we'll wrap things up with the most ridiculous item of the day and some of your mail.

(COMMERCIAL BREAK)

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And that is it for us today. As always, we thank you for watching. I'm Bill O'Reilly. Hope to see you again next time.

END

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

CREATOR: Richard L. Siewert (CN=Richard L. Siewert/OU=WHO/O=EOP [WHO])

CREATION DATE/TIME:29-DEC-2000 13:46:16.00

SUBJECT: polls and gays in the military

TO: harrisj@washpost.com (harrisj@washpost.com @ inet [UNKNOWN])

READ:UNKNOWN

TEXT:

THE PRESIDENT: That's where they'll change. They'll change at the grass-roots level. But what's happening is -- look, the overwhelming thing which changes people's attitudes on these issues is personal contact, personal experience.

I'll tell you a little story. When we did the gays in the military thing, I got -- not my pollster, another guy that I knew sent me a poll he had done saying this is a political disaster for you, and here's why -- but that's not the reason, the point I'm telling you. The polls showed by 48 to 45 people agreed with my position, in 1993.

But when asked, do you strongly -- so I won it, 48-45. But among those who felt intensely, I lost it 36-18 or 15 -- 36-15.

Q Not a single-cause vote at all.

THE PRESIDENT: No, but for the antis, it was a single issue vote. For the pros, it was, you know, I'm broad-minded, I've got a lot of other things on my mind.

MR. SIEWERT: They're still mad at Cheney for what he said the other day.

THE PRESIDENT: Yes. What did Cheney say?

MR. SIEWERT: He wasn't hard over against -- he wasn't hard enough over against gay marriage, or civil unions.

THE PRESIDENT: Let me make the larger point. But in this poll, interestingly enough -- now, again, this was '93 -- there was not a huge gender gap, there was not even a huge regional gap, as you might expect with the south being way bigger than anyplace else. There were only two big gaps: people who identified themselves as evangelical Christians were 72-22 against my position. People who said yes to the question -- have you personally known a gay person -- were 66-33 for my position.

So this is a matter of personal experience, and the country will come to this. They will come to the right place on this. Most gay people kept their sexual preference secret for a long time. A lot of venerable institutions in society that worry about their respectability and impact -- and the Boy Scouts is such a venerable institution -- what they're

really dealing with is people coming out much more than affirmative prejudice.

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

CREATOR: Paul Oetken (CN=Paul Oetken/OU=WHO/O=EOP [WHO])

CREATION DATE/TIME: 2-JAN-2001 19:31:25.00

SUBJECT: Steve May

TO: Karen Tramontano (CN=Karen Tramontano/OU=WHO/O=EOP@EOP [WHO])

READ:UNKNOWN

CC: Elizabeth J. Potter (CN=Elizabeth J. Potter/OU=WHO/O=EOP@EOP [WHO])

READ:UNKNOWN

CC: Kay Casstevens (CN=Kay Casstevens/OU=WHO/O=EOP@EOP [WHO])

READ:UNKNOWN

TEXT:

Hey Karen -- Did you ever hear anything from DOD about Steve May's discharge under Don't Ask Don't Tell? Any thoughts about how to respond to Barney Frank's letter?

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

CREATOR: Christopher K. Scully (CN=Christopher K. Scully/OU=WHO/O=EOP [WHO])

CREATION DATE/TIME: 3-JAN-2001 14:50:27.00

SUBJECT: Re: Don't Ask Don't Tell

TO: Paul Oetken (CN=Paul Oetken/OU=WHO/O=EOP@EOP [WHO])

READ:UNKNOWN

TEXT:

We don't have very many recent letters on this. Most are from 1993 during the big debate over the issue. But, I've found one from Feb 2000 and one from 1995 that may be helpful. Here they are, in that order:

Letter 1.

Dennis Dougherty passed along your letter regarding anti-gay harassment in the military. I'm glad you took the time to write, and I understand your concerns.

When I first took office, I fought for the right of gays and lesbians to serve their country without being forced to hide their sexual orientation. However, Congress strongly supported the existing military code of justice, which flatly barred gays and lesbians from serving. The "Don't Ask, Don't Tell" policy was a compromise. I agreed to it because it was the only pro-proposal that could withstand the veto-proof majority in Congress. The intent of this policy is to protect the privacy of gays and lesbians and to allow them to serve their country with dignity. Harassment because of sexual orientation must be strictly prohibited. The policy has not been implemented as fairly and effectively, as it should have been, and the result has been unfair expulsions and harassment of gay and lesbian military personnel.

The current policy, which was enacted into law, cannot be overturned by executive order. The law can only be changed by Congress. Because of this, we devised guidelines that will require troops in the military to receive anti-harassment training at every level of service throughout their careers. These guidelines also require that inquiries into the sexual orientation of soldiers be handled at senior levels of the military justice system by well-trained investigators. In addition, we recently made four principal changes to the Manual for Courts-Martial. Under the new rules, evidence that a violent crime is a hate crime may be presented to the sentencing authority as an aggravating factor in the determination of the appropriate sentence. In particular, the rules provide that the sentencing authority may consider whether the offense was motivated by the victim's sexual orientation.

I am currently working with the Secretary of Defense and officials at the Pentagon to further reexamine how the "Don't Ask, Don't Tell" policy is implemented and what we can do to achieve its original objectives. Thank you for sharing your story. I hope I can count on your support.

Letter 2

Thank you for sharing your views regarding homosexuals who wish to serve in the Armed Forces.

Few issues in recent times have spurred the kind of debate that has occurred concerning our nation's policy toward homosexuals in the military. This is a sensitive and emotional issue for many people, but one that I believe has been distorted in the public debate.

We fought two world wars and the conflicts in Korea and Vietnam with a policy of "don't ask, don't tell." Everyone knew there were homosexuals in the service. Most served with honor. Those who violated rules on conduct were subject to dismissal.

In the 1980s, the policy was changed so that people were asked about their sexual orientation upon enlistment. This meant that homosexuals had to lie in order to serve. It also meant that men and women could be dismissed even if they had never engaged in improper conduct.

Before I took office, this policy had led to the dismissal of people with distinguished records, including those who had served in the Gulf War, and a lot of lawsuits. I recommended that we adopt a policy of "don't ask" without changing the rules of conduct, so that homosexuals would not be required to lie or be denied the right to serve, but could still be dismissed for prohibited conduct. My position was supported by Barry Goldwater and most of the Vietnam combat veterans in Congress.

The Joint Chiefs of Staff disagreed with us, as did larger majorities in Congress. I did not agree to a compromise until it became clear that there were enough votes in both houses of Congress to change my policy and then to override my veto of that change. The Senate actually voted against the policy by two to one. If you read the particulars of the new policy, I think you will agree that it is better than the old one, though not what I prefer.

I hope this clarifies my position and that you will keep in touch.

Sincerely,

Paul Oetken

01/03/2001 02:38:14 PM

Record Type: Record

To: Christopher K. Scully/WHO/EOP@EOP
cc:

Subject: Don't Ask Don't Tell

----- Forwarded by Paul Oetken/WHO/EOP on 01/03/2001
02:38 PM -----

Paul Oetken

01/03/2001 02:37:53 PM

Record Type: Record

To: Debra D. Alexander/WHO/EOP@EOP

cc:

Subject: Don't Ask Don't Tell

Hi Debi & Chris --

Have you and/or your brilliant Presidential Letters writers written any letters on the Don't Ask Don't Tell policy? There's a letter to POTUS from Barney Frank that got passed on to me from Leg Affairs. It's a fairly personal letter involving a particular case of a military reservist who is apparently soon to be discharged for being gay (Steve May). Congressman Frank has mentioned that the President "owes him a letter," so I suppose it requires a POTUS response. I was wondering if there is some ambivalent or conflicted language he's used recently regarding Don't Ask Don't Tell.

Thanks.

Paul
6-6297

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

CREATOR: Paul Oetken (CN=Paul Oetken/OU=WHO/O=EOP [WHO])

CREATION DATE/TIME: 3-JAN-2001 14:38:03.00

SUBJECT: Don't Ask Don't Tell

TO: Debra D. Alexander (CN=Debra D. Alexander/OU=WHO/O=EOP@EOP [WHO])

READ:UNKNOWN

TEXT:

Hi Debi & Chris --

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Thanks.

Paul
6-6297

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

CREATOR: Paul Oetken (CN=Paul Oetken/OU=WHO/O=EOP [WHO])

CREATION DATE/TIME: 3-JAN-2001 18:13:09.00

SUBJECT: Re: Don't Ask Don't Tell

TO: Christopher K. Scully (CN=Christopher K. Scully/OU=WHO/O=EOP@EOP [WHO])

READ:UNKNOWN

TEXT:

Thanks

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

CREATOR: Paul Oetken (CN=Paul Oetken/OU=WHO/O=EOP [WHO])

CREATION DATE/TIME: 3-JAN-2001 14:38:25.00

SUBJECT: Don't Ask Don't Tell

TO: Christopher K. Scully (CN=Christopher K. Scully/OU=WHO/O=EOP@EOP [WHO])
READ:UNKNOWN

TEXT:

----- Forwarded by Paul Oetken/WHO/EOP on 01/03/2001
02:38 PM -----

Paul Oetken

01/03/2001 02:37:53 PM

Record Type: Record

To: Debra D. Alexander/WHO/EOP@EOP

cc:

Subject: Don't Ask Don't Tell

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