

White House Klatsches: Who Went, What They Got

Here at CounterPunch we have been reviewing the 1,500 names of those people who attended the Clinton coffee klatsches between January 11, 1995 and August 23, 1996. By far the most heavily represented group were the Washington lobbyists, in a familiar torrent of names: Patton, Boggs, Skadden, Arp, Hill & Knowlton, and Manatt, Phelps, and Phillips.

Chasing close on the lobbyists' heels were the bankers, bond traders and mutual fund operators, including one famous session on May 13, 1996, between the top sixteen bankers in the country, the President of the United States, the Comptroller of the Currency and the Secretary of the Treasury.

Third in frequency was the telecommunications sector headlined by what must have been a tense session with Sumner Redstone, who owns the controlling interest in Viacom, and the company's CEO, Frank Biondi, whom Redstone fired soon thereafter. Also making an appearance were executives from Time/Warner, Disney, Knight-Ridder, Miramax and *The Wall Street Journal*. Remember that in this period the largest "reform" of telecommunications since 1932 was in progress, with billions at stake.

Next came the health care and insurance lobbies keen on killing any new initiative on a national single-payer health care system. The most frequent insurance company sipping coffee with the president was Travelers Group, whose executives attended no less than seven White House klatsches, one of them ennobled by Travelers' CEO Sanford Weill, at \$50 million a year the highest paid corporate executive in 1995. Weill made clear his position on product liability lawsuits: he wants them limited.

Close behind were the energy and oil companies, including four strategic visits by Stan McLelland, the executive vice-president of Valero Energy of San Antonio. Valero was a big supporter of NAFTA because the firm had embarked on a joint venture with the Mexican oil company PEMEX. Valero was also mustard-keen on the Mexican bailout,

certification of Mexico as a drug-fighting nation, and on US help to Mexico in suppressing any attacks by insurgent groups on PEMEX facilities. McLelland wrote personal cheques to the tune of \$130,00 to the Democratic National Committee across the time span of the klatsches. With energy deregulation going through Congress, every oil and gas company was beating a path to 1600 Pennsylvania Avenue.

The rest of the 1,500 names consists mostly of Democratic Party loyalists and functionaries from the public interest movement (organized labor, enviros, women and blacks) rallied by the White House to co-opt their clientele and guide them towards accommodation with the requirements of the corporate sector present at the klatsches.

Deciphering the why and wherefore of the list is not always an arduous task for even the tyro investigator.

Start with the most frequent single visitor to the klatsches, Alfonso Fanjul, no stranger to CounterPunch readers. He is the most prominent member of the sugar family which owns vast plantations of sugar cane around the southern shore of Lake Okeechobee in Florida. Hence Fanjul maintains a keen interest in aborting any environmental legislation that might inhibit his companies' capacity to discharge phosphorus into the Everglades.

Fanjul showed up at the klatsches five times, including an October 13, 1995 session with Al Gore who, at that very moment, was crafting another "win-win" compromise protecting the sugar lords while throwing a morsel to the establishment greens by going through the motions of protecting the nation's most famous wetland. The next time Fanjul visited the White House on December 18, 1995, he was in the company of Jeffrey Leonard, the manager of the Global Environment Fund, a group advocating the virtues of green capitalism.

For pleasing pairings at the klatsches it's hard to beat the May 7, 1995 session where Beth Dozoretz, a vice president of

the First Hospital Corp. exchanged pleasantries with Tina Flournoy, an executive with tobacco giant Philip Morris. In the same key was a February 22, 1996 session in the Map Room of the White House where Amy M. Rosen, an executive at Lockheed, and Samuel Heyman, CEO of the Nazi-linked chemical company GAF, which utilized concentration camp labor during World War II, sat with Dr. Denise Taft Davidoff, from the Unitarian Universalist Association, and James Armstrong of the First Congregationalist Church. One of the coffee confabs brought together Tipper Gore, who once strove to censor music, with Carol Shields of People for the American Way, which is so keen on protecting the sanctity of the First Amendment that it publishes an annual catalogue of each challenge brought against books and records in public and school libraries.

For those eager to see how quickly a coffee and contribution brought desired results, the October 25, 1995 session is an instructive example. Present were Al Gore and Robert Healy, a vice-president for governmental affairs at ARCO where Gore's great and good friend Katie McGinty, now head of the Council on Environmental Quality, once worked. They came, they met, and ARCO conquered. Over the next year ARCO saw its fondest dreams realized. The administration overturned the 30-year-old ban on the export of Alaskan crude oil, enabling it to be shipped to lucrative Asian markets; allowed the oil men to conceal their profits from public assets; and — the biggest prize of all — pledged to open the 23-million acre National Petroleum Reserve in Alaska to oil drilling. These favors will add billions to ARCO's profit margins.

From December of 1995 through February of 1996, the administration regarded the support the mainstream enviro groups as of crucial importance in the 1996 race. This concern is duly reflected in the klatsches. On December 15, 1995 two corporate executives who sit on the board of the Wilderness Society sipped coffee with Clinton. One of them was real estate baron Richard Blum — husband of Dianne Feinstein — who is also a long-time friend and sometime business partner of Charles Hurwitz, the corporate raider from Houston who wanted the government to purchase from him at an exorbitant price

the Headwaters redwood forest in northern California. The other exec was David Bonderman, a financier and chairman of Continental Airlines. Bonderman is based in Houston and is also a pal of Hurwitz. Six months after this session, Senator Dianne Feinstein brokered a Headwaters deal for the administration that was highly favorable to Hurwitz. The Wilderness Society was the only national environmental group to praise the bail out.

On February 13, 1996 Clinton hosted a coffee klatsch attended by Peter Meyers, the director of the supposedly apolitical W. Alton Jones Foundation, one of the largest funders of the environmental movement and itself deriving its money from the Citgo Oil Company. At that same meeting were Carl Pope, executive director of the Sierra Club and Andy Goodman, who runs the Environmental Media Association, a Hollywood outfit funded by music mogul David Geffen. Geffen is part of DreamWorks SKG, which hopes to wipe out the largest green space left in LA by building its studios on top of the Ballona wetlands. No slackers here: DreamWorks announced its plans on December 15, 1995. On February 1, 1996, Goodman came through with a

widely circulated puff piece extolling the DreamWorks plan as a model for environmentally sensitive development. On February 13, Goodman, Pope and Meyers met with Clinton and Gore. Three weeks later Gore was calling up Sierra

Cream and sugar were optional, but the coffee always came with cash, a handshake and a dirty deal.

Club activists in Los Angeles who had been battling for the wetlands and told them that if the greens were ever to be politically credible, support for the DreamWorks studio was mandatory. It will be recalled that the DreamWorks executives helped raised more than \$20 million for the DNC and the Sierra Club later endorsed the Clinton/Gore ticket over the objections of most of its activists, including its former director, David Brower.

A week later Clinton met with Mike Gustafson, the head of Westco, a coal-mining company based in Helena, Mon-

tana. This klatsch is where another piece of pre-election grandstanding was formulated, with Clinton supposedly saving Yellowstone National Park from the ravages of a gold mine owned by the Canadian giant Noranda. Noranda wanted \$65 million in cash to hand over mineral leases on federal lands it had purchased for less than \$10,000. But Clinton faced a problem: Montana's conservative Senator Conrad Burns had vowed to block any appropriation of funds to buy out Noranda. Gustafson offered the solution. The federal government could sell his company coal lands in the plains of eastern Montana for below market rates (which Westco would strip mine and export to Japan) and use the cash to pay off Noranda. This is the exact deal that has now been proposed.

The last coffee klatsch was by no means the least. On August 23, 1996, Bernard Rapoport, insurance tycoon and underwriter of the *Texas Observer*, was in attendance at the White House for a session with Clinton and Gary Jacobs, the CEO of Laredo National Bank of Texas. This institution is now undergoing a criminal probe by the Justice Department, suspected as being an entrepôt for Mexican drug money. ■

(Foulest Job, cont. from p. 1)

were released and eventually, after traumatic reunification with their families, began wondering what happened to their pay. Many of them emigrated to the United States.

In 1995 their case was taken up by Miami lawyer John Mattes, who sued the government on behalf of all the survivors he could trace, a number that eventually grew to 330. He asked only for the back pay contractually owed them, a modest \$2000 per year per man.

The CIA and the Pentagon reached for the Commercial Litigation Branch to do the dirty work. At issue was whether there was any proof that the men had been openly and contractually employed by the US. The branch lawyers straightfacedly denied in court that any such documented proof existed. In fact, as they well knew, there were some 500,000 documents relating to OP 34A in the classified files.

When Mattes discovered the existence of this cache they lied again, claiming that "those documents are classified and

they are not necessary to the stated complaint, and every indication is that those documents do not contain a single thing ... that will assist the plaintiffs to plead their case". But the wily Mattes succeeded in gaining access to the documents and found that they had everything to do with his case, since they included, along with other salient evidence, payroll records proving the men's employment by the military.

As the lies and obstruction continued, publicity about the commandos' plight encouraged Congress to pass a rider to the Defense Authorization Act at the end of 1996 telling the government to give the men their money — some \$20 million. Forcing the case to trial now appeared superfluous.

But even now, the government was unwilling to give up. The Civil Division Attornies slyly suggested to Mattes that he drop the case in view of the congressional action, while the Pentagon Comptroller argued that, whatever the US Congress

had thought it was doing, the law did not compel payment. Most recently, the government lawyers have motioned that the whole case be started afresh.

In the course of this deliberately drawn out process three of the men have died.

The Justice Department regularly seeks and obtains sanctions against criminal defense attorneys for mounting a "fraudulent defense" — i.e., presenting a case which they know to be untrue. The sanctions can include judicial rebuke, heavy fines and disbarment. Mattes now intends to seek application of such sanctions against the officials responsible for the squalid maneuvers outlined above.

The responsible official is Frank Hunger, whose name is to be found at the top of all government documents relating to the litigation. He is therefore potentially liable to disbarment unless, following the example of that conscience-stricken lawyer in the early 1960s, he does the honorable thing. ■

Tex Mix:

What Do Nukes, Sarah Weddington, Ann Richards and Bernie Sanders Have In Common?

A clutch of prominent liberals, including ex-governor Ann Richards; Sarah Weddington, the lead attorney on *Roe v. Wade* and current Rep. Bernie Sanders of Vermont are pressing for Texas to become a national dump site for the nuclear industry. Shoulder to shoulder with these progressives are of course the nuclear industry and Texas governor, George Bush, Jr.

For their dream to come true, Congress must first pass the Texas-Maine-Vermont Compact Bill, a measure that would enable nuclear power plants in those three states — and eventually others — to ship huge amounts of low-level radioactive waste to west Texas. (Sanders is one of twenty-two co-sponsors of the Compact Bill in the House of Representatives.)

This is a textbook case of environmental racism. The planned destination of the nuclear waste is Sierra Blanca, a small town in west Texas that is 60 per cent Hispanic and 40 per cent poor. Perfect, in other words, as a repository of waste from New England and other parts of Texas; ideal too for nuclear utilities, including the Maine Yankee Atomic Power company.

The Texas Natural Resources Conservation Commission has already declared the Sierra Blanca site environmentally sound. People from Texas and Mexico who live in the surrounding area disagree, noting that the town is spread over numerous fault lines. The 3,000 residents of Sierra Blanca and nearby Hudspeth County somewhat naturally oppose the Compact plan.

For a flavor of the bipartisan spirit of lobbying for the nuke industry, consider the role of Ann Richards who, as governor, pushed the Compact Bill through the Texas state legislature. Her rationale was that importing waste from Maine and Vermont was the best way to prevent other states from dumping their waste in Texas. But in fact, establishment of an interstate dump in Sierra Blanca, while earning Texas \$50 million in fees, will more likely turn the state into a magnet for nuclear refuse from across the country.

Richards seems untroubled by such prospects. Quitting the governor's mansion in 1994, she became a lobbyist for Texas Utilities, which owns the Comanche Peak nuclear plant near Dallas, and which hopes to be dumping in Sierra Blanca in the near future. "It's just outrageous that she talks one way and would then be into something like this for posterity," complains Sissy Farenthold, the former state lawmaker who opposes the Compact plan.

Richards is not alone. Sarah Weddington of *Roe v. Wade* fame now lobbies for Maine Yankee. Last year she earned between \$10,000-24,999 for her services. It was Weddington's support that convinced many Texas state legislators to approve the Compact Bill back in 1993. "She was a pivotal actor," says Don Gardner, a founder of the Sierra Club Legal Defense Fund. "She was all over the place ... lining up votes, even to the extent of going out to the county fairs and buying the champion steer and that kind of thing."

Sierra Blancans know from experience how swiftly Texas politicians like Bush and Richards can be persuaded to lay out the welcome mat for toxic polluters. In 1995, after a huge PR campaign, the Merco Joint Venture company of Long Island was awarded a \$168 million contract — approved in a record 23 days by the Texas legislature — to haul thousands of tons of toxic sewage sludge from New York City to Sierra Blanca. The sludge now travels from the sewers of Manhattan to the Chihuahuan desert, where it is sprayed over a 91,000-acre area.

The nuclear dump would make things much worse. Last year, more than 500 children from Ciudad Acuna, Mexico, traveled by bus to Austin and tried persuade Governor Bush to abandon his support for the proposed dump. Several Mexican state representatives as well as dozens of national and international antinuclear groups have pointed out that locating the dump in this community violates the 1983 La Paz Agreement, in which the US and Mexico agreed to "pre-

vent, reduce, and eliminate sources of pollution which affect the border area".

Which brings us to the story of Waste Control Specialists (WCS), a Pasadena-based company that is trying to establish a multi-million dollar radioactive dump at a landfill north of Sierra Blanca.

WCS already disposes hazardous waste at the Andrews County site, but several years ago it decided it wanted to carve out a niche in the lucrative field of nuclear waste disposal as well. The company faced one significant problem: Texas state law forbids private companies from disposing of radioactive material obtained from other private and state utilities.

Ken Bigham, chief executive officer and founder of WCS, soon discovered that by receiving federal waste from the Department of Energy — rather than from state and private utilities — WCS could qualify as a federal contractor, thereby skirting state environmental

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